

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): June 20, 2012

H&R BLOCK, INC.

(Exact name of registrant as specified in charter)

Missouri
(State of Incorporation)

1-6089
(Commission File Number)

44-0607856
(I.R.S. Employer
Identification Number)

One H&R Block Way, Kansas City, MO 64105
(Address of Principal Executive Offices) (Zip Code)

(816) 854-3000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Market Stock Units. On June 20, 2012, the Company's Board of Directors, based on the recommendation of its Compensation Committee, approved the terms and conditions applicable to the use of market stock units as a form of performance-based equity compensation to be granted to certain employees of the Company and its subsidiaries in fiscal year 2013 under the Company's 2003 Long-Term Executive Compensation Plan ("2003 LTEC Plan").

Market stock units are designed to increase the pay-for-performance relationship in the Company's overall long-term equity compensation program. Eligible recipients are executives of the Company, including the Company's named executive officers, who are selected for awards by the Board, Compensation Committee or, in some cases not involving any executive officers, the Chief Executive Officer. Under the terms and conditions applicable to market stock unit awards approved by the Compensation Committee and the Board to be granted in fiscal year 2013:

- If certain performance thresholds are met, a participating executive has the opportunity to earn a market stock unit payout between 50% and 200% of his or her target number of shares based on the difference between the average of the Company's stock price for the thirty days prior to the grant date ("Grant Date Price") and the average of the Company's stock price for the thirty days prior to the vesting date for the awards, which is the end of the three-year performance period applicable to the awards, or April 30, 2015 ("Vesting Date Price"). Following vesting, the market stock units will be settled in shares of the Company's common stock.
- Performance is measured over a three-year performance period beginning on May 1, 2013 and ending on April 30, 2015, with the performance metrics established within 90 days of the beginning of the performance period and the cumulative results for the three-year period determining the number of shares of common stock payable upon vesting of the market stock units following the end of the three-year period. The total number of shares of the Company's common stock that will be paid to participating executives following vesting of the market stock units, if any, is equal to the number of market stock units granted on the grant date multiplied by the ratio of the Vesting Date Price to the Grant Date Price.
- The vesting of market stock units is subject to two thresholds, both of which must be satisfied for any payout to occur. First, the Vesting Date Price must be greater than or equal to 50% of the Grant Date Price. Second, the Company's average return on equity (as defined in the grant agreement) during the applicable three-year performance period must be greater than or equal to 20%. Failure to attain either of these thresholds would result in forfeiture of the entire market stock unit award.

- Vesting of market stock units, if any, occurs at the end of the three-year performance period applicable to the awards, or April 30, 2015. However, an executive will forfeit his or her award upon his or her voluntary termination of employment or termination for cause prior to vesting. An executive is entitled to receive a pro-rata portion of his or her award in the event of the executive's death, disability, retirement or involuntary termination without cause prior to vesting.
- There are no dividends paid on outstanding market stock units during the vesting period. Upon vesting of the market stock units, in addition to receiving the applicable number of shares of common stock determined according to the payout calculation, the executive will receive additional shares of common stock equal to the total dividends that would have been paid on the vested market stock units if such shares had been outstanding on the grant date through the payment date, divided by the applicable Vesting Date Stock Price.
- Market stock units do not carry voting rights.

The form of grant agreement for market stock units includes, among other terms and conditions, termination, change-in-control, and clawback provisions. A copy of the form of grant agreement for market stock units is filed as Exhibit 10.1 herewith.

Performance Share Units. On June 20, 2012, the Company's Board of Directors, based on the recommendation of its Compensation Committee, approved the terms and conditions applicable to performance share units granted to certain executives, including named executive officers, in fiscal year 2013, which terms and conditions differ from the previously adopted performance share program that was described in the Company's current report on Form 8-K filed June 23, 2011. The performance share units are available to be issued to employees of the Company and its subsidiaries pursuant to the 2003 LTEC Plan.

Performance share units, like the market stock units described above, are designed to be consistent with the focus on pay-for-performance aspects of the Company's overall long-term equity compensation program. Eligible recipients are executives of the Company, including the Company's named executive officers, who are selected for awards by the Board, Compensation Committee, or, in some cases not involving any executive officers, the Chief Executive Officer. Under the terms and conditions applicable to the performance share units:

- A participating executive has the opportunity to earn a performance share unit payout between 0% and 250% of his or her target award based on the Company's performance against pre-established performance metrics and a total shareholder return modification described below. Following vesting, the performance share units are settled using shares of the Company's common stock.
- Performance is measured over a three-year performance period beginning on May 1, 2013 and ending on April 30, 2015, with the performance metrics established within 90 days of the beginning of the performance period and the cumulative results for the three-year period determining the number of shares of common stock payable following vesting of the performance share units at the end of the three-year period. This number

of shares is then subject to a potential modification of up to plus or minus 25% based on the Company's total shareholder return ("TSR") over the entire three-year performance period relative to the S&P 500. As a result of the TSR modification, the maximum award of 250% of a participating executive's target can only be achieved if the maximum performance goals are met and TSR over the entire three-year performance period equals or exceeds the 80th percentile relative to the S&P 500.

- The performance metric for the three-year performance period beginning in fiscal year 2013 is the Company's pre-tax earnings from continuing operations.
- Vesting of performance share units, if any, occurs at the end of the three-year performance period applicable to the awards, or April 30, 2015. However, an executive will forfeit his or her award upon his or her voluntary termination of employment or termination for cause prior to vesting. An executive is entitled to receive a pro-rata portion of his or her award in the event of the executive's death, disability, retirement or involuntary termination without cause prior to vesting.
- There are no dividends paid on outstanding performance share units during the vesting period. Upon vesting of the performance share units, in addition to receiving the applicable number of shares of common stock determined according to the payout calculation, the executive will receive additional shares of common stock equal in value to the total dividends that would have been paid on the number of shares of common stock that are paid to the executive upon vesting.
- Performance share units do not carry voting rights.

The form of grant agreement for performance share units includes, among other provisions, termination, change-in-control, and clawback provisions. A copy of the form of grant agreement for performance share unit grants is filed as Exhibit 10.2 herewith.

Forms Of Grant Agreement. On June 20, 2012, the Company's Board of Directors adopted new forms of grant agreement, based on the recommendation of its Compensation Committee, for long-term incentive grants of market stock units, performance share units, stock options, and restricted share units pursuant to the 2003 LTEC Plan. The grant agreements for market stock units and performance share units are discussed above. The grant agreements for stock options and restricted share units include, among other provisions, termination, change-in-control, and clawback provisions. Copies of the forms of grant agreement for stock options and restricted share units are filed as Exhibits 10.3 and 10.4, respectively, herewith.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Grant Agreement for Market Stock Units
10.2	Form of Grant Agreement for Performance Share Units
10.3	Form of Grant Agreement for Stock Options
10.4	Form of Grant Agreement for Restricted Share Units

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

H&R BLOCK, INC.

Date: June 26, 2012

By: /s/ Scott W. Andreasen
Scott W. Andreasen
Vice President and Secretary

EXHIBIT INDEX

<u>10.1</u>	<u>Form of Grant Agreement for Market Stock Units</u>
<u>10.2</u>	<u>Form of Grant Agreement for Performance Share Units</u>
<u>10.3</u>	<u>Form of Grant Agreement for Stock Options</u>
<u>10.4</u>	<u>Form of Grant Agreement for Restricted Share Units</u>

H&R BLOCK, INC.
2003 LONG-TERM EXECUTIVE COMPENSATION PLAN
MARKET STOCK UNITS
GRANT AGREEMENT

This Grant Agreement is entered into by and between H&R Block, Inc., a Missouri corporation (“H&R Block”), and [Participant Name] (“Participant”).

WHEREAS, H&R Block provides certain incentive awards (“Awards”) to key employees of subsidiaries of H&R Block under the H&R Block, Inc. 2003 Long-Term Executive Compensation Plan (the “Plan”);

WHEREAS, receipt of such Awards under the Plan are conditioned upon a Participant’s execution of a Grant Agreement within 180 days of [Grant Date], wherein Participant agrees to abide by certain terms and conditions authorized by the Compensation Committee of the Board of Directors;

WHEREAS, the Participant has been selected by the Board of Directors, the Compensation Committee, or the Chief Executive Officer of H&R Block as a key employee of one of the subsidiaries of H&R Block and is eligible to receive Awards under the Plan.

NOW THEREFORE, in consideration of the parties’ promises and agreements set forth in this Grant Agreement, the sufficiency of which the parties hereby acknowledge,

IT IS AGREED AS FOLLOWS:

1. Definitions. Whenever a term is used in this Grant Agreement, the following words and phrases shall have the meanings set forth below or as set forth in the Plan unless the context plainly requires a different meaning, and when a defined meaning is intended, the term is capitalized.

1.1 Amount of Gain Realized. The Amount of Gain Realized shall be equal to the number of shares of Common Stock in which the Participant becomes vested pursuant to this Grant Agreement multiplied by the Fair Market Value of one share of Common Stock on the date of vesting.

1.2 Average Return on Equity. Average Return on Equity shall be based on the Company’s net income from continuing operations and total stockholders’ equity, each as defined under Generally Accepted Accounting Principles (United States) (“GAAP”), except as adjusted in the manner described below. Average Return on Equity shall be calculated annually as net income from continuing operations divided by average equity, the result of which is averaged over the Performance Period. When calculating return on equity, the Board or Committee must make adjustments to disregard the occurrence during the Performance Period of any of the following events involving the Company: (i) any recapitalization, reorganization, merger, acquisition, divestiture, consolidation, spin-off, split-off, combination, liquidation, dissolution, sale of assets, or other similar corporate transaction or event having substantially the same effect as any of the

foregoing, (ii) any change in applicable tax laws or accounting principles, or (iii) any event that is treated under GAAP as an extraordinary item.

1.3 Change of Control. Change of Control means the occurrence of one or more of the following events:

(a) Any one person, or more than one person acting as a group, acquires ownership of stock of H&R Block that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of H&R Block. If any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of H&R Block, the acquisition of additional stock by the same person or persons shall not be considered to cause a Change of Control. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which H&R Block acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this Section 1.3(a).

(b) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of H&R Block possessing 35 percent or more of the total voting power of the stock of H&R Block. If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of Treasury Regulation § 1.409A-3(i)(5)(vi), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation.

(c) A majority of members of H&R Block's Board of Directors (the "Board") is replaced during any 12-month period by directors whose appointment or election is not endorsed by two-thirds (2/3) of the members of the Board before the date of such appointment or election.

(d) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from H&R Block that have a total gross fair market value equal to or more than 50 percent of the total gross fair market value of all of the assets of H&R Block immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of H&R Block, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Notwithstanding the foregoing, there is no Change of Control event under this Section 1.3(d) when there is a transfer to an entity that is controlled by the shareholders of H&R Block immediately after the transfer. A transfer of assets by H&R Block is not treated as a change in the ownership of such assets if the assets are transferred to: (i) a shareholder of H&R Block (immediately before the asset transfer) in exchange for or with respect to its stock; (ii) an entity, 50 percent or more of the total value or voting power of which is owned, directly or indirectly, by H&R Block; (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, 50 percent or more of the total value or voting power of all the outstanding stock of H&R Block; or (iv) an entity, at least 50 percent of the total value or voting power of which is owned, directly or indirectly, by a person described in (iii) above.

For purposes of the foregoing, persons will be considered acting as a group in accordance with Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended, and Section 409A of the Code.

1.4 Code. Code means the Internal Revenue Code of 1986, as amended.

1.5 Committee. Committee means the Compensation Committee of the Board of Directors for H&R Block, Inc.

1.6 Common Stock. Common Stock means the common stock of H&R Block, Inc.

1.7 Company. Company means H&R Block, Inc., a Missouri corporation, and includes its “subsidiary corporations” (as defined in Section 424(f) of the Internal Revenue Code) and their respective divisions, departments and subsidiaries and the respective divisions, departments and subsidiaries of such subsidiaries.

1.8 Closing Price. Closing Price shall mean the last reported market price for one share of Common Stock, regular way, on the New York Stock Exchange (or any successor exchange or stock market on which such last reported market price is reported) on the day in question. In the event the exchange is closed on the day on which the Closing Price is to be determined or if there were no sales reported on such date, the Closing Price shall be computed as of the last date preceding such date on which the exchange was open and a sale was reported.

1.9 Disability. Disability or disabled means, determined in accordance with the following determination periods:

(a) In the case of a Participant who has coverage under a group long-term disability program maintained by the Company, the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of at least three months under such program; or

(b) In the case of a Participant who does not have coverage under a group long-term disability program maintained by the Company, the Participant is unable to engage in any substantial gainful activity for a period of at least 9 months by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

For this purpose, a Participant shall be deemed to have incurred a Disability on the last day of the applicable determination period above.

1.10 Early Retirement. Early Retirement means the Participant’s voluntary Termination of Employment with the Company at or after the date the Participant has both reached age 55 but has not yet reached age 60, and completed at least five (5) years of service with the Company.

1.11 End of Performance Period Stock Price. End of Performance Period Stock Price means the average of the Fair Market Value of the Common Stock for the 30 days prior to the end of the Performance Period.

1.12 Fair Market Value. Fair Market Value means the Closing Price for one share of Common Stock.

1.13 Fiscal Year. Fiscal Year means the Company's fiscal year ended April 30.

1.14 Good Reason Termination. Good Reason Termination shall mean Participant's Termination of Employment which meets the definition of a "Good Reason Termination" under a written severance plan maintained by the Company that is applicable to the Participant. In the event that no written severance plan is applicable to the Participant, the definition of "Good Reason Termination" contained in any severance plan maintained by the Company that is applicable to employees at the same level as the Participant will govern.

1.15 Grant Date Stock Price. The Grant Date Stock Price means the average of the Fair Market Value of the Common Stock for the 30 days prior to the Grant Date.

1.16 Last Day of Employment. Last Day of Employment means the date of a Participant's Termination of Employment.

1.17 162(m) Deadline. 162(m) Deadline means the 90th day of the Fiscal Year for which the Targets are set.

1.18 Market Stock Units or MSUs. The Market Stock Units or MSUs awarded pursuant to this Grant Agreement are a form of Performance Share as defined in the Plan.

1.19 Performance Period. Performance Period means the period commencing May 1, 2012 and ending April 30, 2015.

1.20 Qualifying Termination. Qualifying Termination shall mean Participant's Termination of Employment which meets the definition of a "Qualifying Termination" under the written severance plan maintained by the Company that is applicable to the Participant. In the event that no written severance plan is applicable to the Participant, the definition of "Qualifying Termination" contained in any applicable severance plan maintained by the Company that is applicable to employees at the same level as the Participant will govern.

1.21 Restricted Share Unit. Restricted Share Unit means a Restricted Share Unit granted to a Participant under the Plan, subject to such terms and conditions as the Committee may determine at the time of issuance.

1.22 Retirement. Retirement or retire or similar terms means the Participant's voluntary Termination of Employment with the Company at or after the date the Participant has reached age 60.

1.23 Target. Target means the Average Return on Equity threshold set forth in Section 2.5(b).

1.24 Termination of Employment. Termination of Employment, termination of employment and similar references mean a separation from service within the meaning of Code § 409A. A Participant who is an employee will generally have a Termination of Employment if the Participant voluntarily or involuntarily terminates employment with the Company. A termination of employment occurs if the facts and circumstances indicate that the Participant and the Company reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services the Participant will perform after such date (whether as an employee, director or other independent contractor) for the Company will decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee, director or other independent contractor) over the immediately preceding 36-month period (or full period of services if the Participant has been providing services for less than 36 months). For purposes of this Section 1.24, "Company" includes any entity that would be aggregated with the Company under Treasury Regulation 1.409A-1(h)(3).

2. Market Stock Units.

2.1 Grant of Market Stock Units. As of [Grant Date] (the "Grant Date"), H&R Block hereby awards the Participant [Number of MSUs Granted] MSUs.

2.2 Performance Period. Subject to Section 2.6, MSUs shall become vested under Section 2.5, as certified by the Committee in accordance with Section 2.9, based on the Company's satisfaction of the Target during the Performance Period, and paid in accordance with Section 2.8 or 2.10, as applicable.

2.3 Performance Goals. The Compensation Committee of the Board shall specify by the 162(m) Deadline the Target to be met during the Performance Period or any sub-periods as a condition of payment pursuant to this Grant Agreement.

2.4 Dividends and Voting Rights. Participant shall not have voting or dividend rights with respect to MSUs and no shares to be issued pursuant to this Grant Agreement shall be treated as outstanding until paid in accordance with Section 2.8 or 2.10. However, upon the payment of vested MSUs or vested Restricted Share Units pursuant to Sections 2.8 or 2.10 of this Grant Agreement, the Participant will receive, at the same time the vested MSUs or vested Restricted Share Units are paid, additional shares of Common Stock equal to the total dividends that would have been paid on the vested MSUs or vested Restricted Share Units if such shares had been outstanding on the Grant Date through the payment date, divided by the applicable End of Period Stock Price pursuant to Section 1.11 or 2.8.

2.5 Payment Formula. The number of MSUs that will vest shall be determined after the end of the Performance Period in accordance with this Section, except as otherwise provided in Section 2.8.

- (a) No MSUs will vest if the End of Performance Period Stock Price is less than 50% of the Grant Date Stock Price.
- (b) No MSUs will vest if the Average Return on Equity during the Performance Period is less than 20%.
- (c) If both of the thresholds in (a) and (b) above are met, the number of MSUs that will vest shall be calculated as follows:

MSUs granted x (End of Performance Period Stock Price ÷
Grant Date Stock Price)

In no event shall the number of shares of Common Stock delivered to Participant upon vesting of MSUs be more than 200% of the MSUs granted.

2.6 Vesting. Except as otherwise provided in this Grant Agreement, Participant shall become vested in the MSUs only if Participant remains continuously employed by the Company throughout the Performance Period, and the Participant's Termination of Employment before the end of the Performance Period shall result in forfeiture of all rights in the MSUs and Participant shall not be entitled to a distribution of any shares of Common Stock related to such forfeited MSUs.

2.7 Acceleration of Vesting. Notwithstanding Section 2.6, and subject to Section 2.5, the Participant shall be entitled to pro-rata vesting of the MSUs on the occurrence of any of the following events; provided that receipt of the benefits set forth in this Section 2.7 may be conditioned on the Participant executing and not revoking a release and separation agreement (and the deadline for executing and not revoking such agreement shall not delay the payment date of the Common Stock to be issued pursuant to the vesting of the MSUs). The pro-rata vesting of the MSUs shall be based on the period between the first day of the Performance Period and the Participant's Last Day of Employment. Such award shall be calculated and paid in accordance with Section 2.10.

(a) Qualifying Termination. If a Participant experiences a Qualifying Termination, Participant shall be entitled to pro-rata vesting of any MSUs that were awarded more than one year prior to the Qualifying Termination calculated in accordance with Section 2.5 as of the last day of the Performance Period.

(b) Retirement. Upon Retirement or Early Retirement, Participant shall be entitled to pro-rata vesting of any MSUs that were awarded more than one year prior to Retirement or Early Retirement calculated in accordance with Section 2.5 as of the last day of the Performance Period.

(c) Disability. In the event Participant terminates employment due to Disability, Participant shall be entitled to pro-rata vesting of any MSUs that were awarded more than one year prior to the Disability calculated in accordance with Section 2.5 as of the last day of the Performance Period.

(d) *Death.* In the event Participant terminates employment due to Participant's death, Participant's estate shall be entitled to pro-rata vesting of any MSUs that were awarded more than one year prior to Participant's death calculated in accordance with Section 2.5 as of the last day of the Performance Period.

2 . 8 Change of Control. Notwithstanding Sections 2.5 and 2.6, upon the occurrence of a Change of Control before the Participant has experienced Termination of Employment with the Company, other than a termination described in Section 2.7, the MSUs shall be cancelled and a number of Restricted Share Units shall be issued that equal the portion of the number of cancelled MSUs that would become vested under Section 2.5 based on: (a) the End of Performance Period Stock Price equaling the Fair Market Value of the Common Stock as of the date of the Change of Control, (b) applying the threshold in Section 2.5(a) as if the End of Performance Period Stock Price were equal to the Fair Market Value of the Common Stock as of the date of the Change of Control; (c) assuming that the threshold in Section 2.5(b) is met in all cases, and (d) if the Participant terminated employment in a manner described in Section 2.7 prior to the Change of Control, the number of Restricted Share Units vested shall be further adjusted for the pro-rata adjustment required by Section 2.7. Such Restricted Share Units shall be subject to the terms set forth in this Section 2.8. Unless the Participant Terminated Employment before the Change of Control under a circumstance described in Section 2.7, such Restricted Share Units shall not vest until the last day of the Performance Period that applied to the cancelled MSUs. If a Participant Terminated Employment before a Change of Control under a circumstance described in Section 2.7, the Participant shall, upon the occurrence of the Change of Control, become 100% vested in all Restricted Share Units awarded under this Grant Agreement calculated as set forth above.

Except as otherwise set forth in this Section 2.8, in order to become vested in the Restricted Share Units, the Participant must remain in continuous employment of the Company until the last day of the Performance Period that applied to the cancelled MSUs. Absent an agreement to the contrary, if the Participant experiences a Termination of Employment with the Company for any reason, other than Qualifying Termination, Good Reason Termination, Retirement, Early Retirement, Death or Disability prior to the last day of the Performance Period that applied to the cancelled MSUs, all Restricted Share Units shall be forfeited by the Participant. If a Participant has a Termination of Employment following a Change of Control due to a Qualifying Termination, a Good Reason Termination, Retirement, Early Retirement, Death, or Disability, the Participant shall, upon the occurrence of such termination, become 100% vested in all outstanding Restricted Share Units awarded under this Grant Agreement calculated as set forth above.

Following vesting of the Restricted Share Units, an equal number of shares of Common Stock shall be transferred directly into a brokerage account established for the Participant at a financial institution the Committee shall select at its sole discretion (the "Financial Institution") or delivered in certificate form free of restrictions, such method to be selected by the Committee in its sole discretion upon: (i) if the Participant Terminated Employment before a Change of Control under a circumstance described in Section 2.7 other than death, the later of: (x) the date of the Change of Control, or (y) six months following the date of Termination of Employment due to a Qualifying Termination, Retirement, Early Retirement or Disability; (ii) if the Participant Terminated Employment before a Change of Control under a circumstance described in Section 2.7 due to death, the date of the Change of Control; (iii) if the Participant Terminated Employment after

the date of the Change of Control due to a Qualifying Termination, Good Reason Termination, Retirement, Early Retirement or Disability, the date that is six months following the date of Termination of Employment; (iv) if the Participant Terminated Employment after a Change of Control but prior to the vesting date due to death, the date of death; or (v) if the Participant did not Terminate Employment prior to the vesting date, the vesting date. The Participant agrees to complete any documentation with the Company or the Financial Institution that is necessary to effect the transfer of shares of Common Stock to the Financial Institution before the delivery will occur.

2.9 Certification of a Performance Award. Upon completion of the Performance Period or such earlier period set forth in Section 2.8, and prior to the payment of any MSUs to a Participant or conversion of MSUs to Restricted Share Units pursuant to Section 2.8, the Committee shall certify in writing the extent to which the Target has been satisfied.

2.10 Payment of MSUs. Except as provided in Section 2.8 or in this Section 2.10, vested MSUs shall be paid out, in shares of Common Stock within sixty (60) days following the end of the Performance Period. Payment of any vested MSUs pursuant to Section 2.7(a), (b) or (c) (including a payment to which clause (d) of Section 2.8 is applicable) shall be made in a single lump sum in shares of Common Stock equal to the number of vested MSUs upon the later of sixty (60) days following the end of the Performance Period, or the date which is six (6) months following the Participant's Last Day of Employment.

3. Covenants.

3.1 Consideration for Award under the Plan. Participant acknowledges that Participant's agreement to this Section 3 is a key consideration for the Award made under this Grant Agreement. Participant hereby agrees to abide by the covenants set forth in Sections 3.2, 3.3, and 3.4.

3.2 Covenant Against Competition. During the period of Participant's employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees he or she will not, directly or indirectly, establish or engage in any business or organization, or own or control any interest in, be employed by, or act as an officer, director, consultant, advisor, or lender to, any of the following located in those geographic markets where Participant has had direct and substantial involvement in the Company's operations in such geographic markets: (a) any entity that engages in any business competitive with the business activities of the Company including, without limitation, its assisted and digital (including software) tax services businesses ("Prohibited Companies"); (b) any financial institution or business where any of Participant's duties or activities would relate to or assist in providing services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers; or (c) any financial institution or business whose primary purpose is to provide services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers. Without limiting clause (c), any financial institution or business whose profits or revenues from the provision of services or products to the Prohibited Companies exceeds 25% of total profits or revenues, as the case may be, shall be deemed to be covered by clause (c). For

Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.2 shall be limited to one (1) year following the Participant's Last Day of Employment. The restrictions in this Section 3.2 shall not apply if Participant's primary place of employment as of the Last Day of Employment is in California or North Dakota.

3.3 Covenant Against Solicitation of Employees. Participant acknowledges and agrees that, during the period of Participant's employment and for one (1) year after his or her Last Day of Employment, Participant will not directly or indirectly: (a) recruit, solicit, or otherwise induce any employee of any subsidiary of the Company to leave the employment of any such subsidiary of the Company or to become an employee of or otherwise be associated with Participant or any company or business with which Participant is or may become associated; or (b) hire any employee of any subsidiary of the Company as an employee or otherwise in any company or business with which Participant is or may become associated. The restrictions in this Section 3.3 shall not apply if Participant's primary place of employment as of the Last Day of Employment is in Wisconsin.

3.4 Covenant Against Solicitation of Customers. During the period of Participant's employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees that he or she will not, directly or indirectly, solicit or enter into any arrangement with any person or entity which is, at the time of the solicitation, a significant customer of the Company or any subsidiary of the Company for purpose of engaging in any business transaction of the nature performed by the Company or any subsidiary of the Company, or contemplated to be performed by the Company or any subsidiary of the Company, provided that this Section 3.4 will only apply to customers for whom Participant personally provided services while employed by a subsidiary of the Company or customers about whom or which Participant acquired material information while employed by a subsidiary of the Company. For Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.4 shall be limited to one (1) year following the Participant's Last Day of Employment. The restrictions in this Section 3.4 shall not apply if Participant's primary place of employment as of the Last Day of Employment is in North Dakota.

3.5 Forfeiture of Rights. Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, Participant shall forfeit all rights to payments or benefits under the Plan. All MSUs or Restricted Share Units shall terminate.

3.6 Remedies. Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, whether prior to, on or after any settlement of an Award under the Plan, then Participant shall promptly pay to Company an amount equal to the aggregate Amount of Gain Realized by the Participant on all Common Stock received after a date commencing one year prior to Participant's Last Day of Employment. The Participant shall pay Company within three (3) business days after the date of any written demand by the Company to the Participant.

3.7 Remedies Payable in Cash. The Participant shall pay the amounts described in Section 3.6 in cash or as otherwise determined by the Company.

3 . 8 Remedies without Prejudice. The remedies provided in this Section 3 shall be without prejudice to the rights of the Company to recover any losses resulting from the applicable conduct of the Participant and shall be in addition to any other remedies the Company may have, at law or in equity, resulting from such conduct.

3 . 9 Survival. Participant's obligations in this Section 3 shall survive and continue beyond settlement of all Awards under the Plan and any termination or expiration of this Grant Agreement for any reason.

4. Non-Transferability of Awards. Any Award (including all rights, privileges and benefits conferred under such Award) shall not be transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate, or otherwise dispose of any Award, or of any right or privilege conferred hereby, contrary to the provisions hereof, or upon any attempted sale under any execution, attachment, or similar process upon the rights and privileges hereby granted, then and in any such event such Award and the rights and privileges hereby granted shall immediately become null and void.

5. Miscellaneous.

5 . 1 No Employment Contract. This Grant Agreement does not confer on the Participant any right to continued employment for any period of time, is not an employment contract, and shall not in any manner modify any terms of employment between the Participant and the Company.

5 . 2 Clawback. If a significant restatement of the Company's financial results were to occur, and if as a result of that there has been an overage with respect to issuance of an Award, vesting thereof, or the Amount of Gain Realized with respect thereto, the Participant may be required to reimburse the Company for an amount related to such Award. The Committee has sole discretion to make all determinations that may be made pursuant to this section, including the amount of reimbursement.

5 . 3 Adjustment of MSUs. If there shall be any change in the capital structure of H&R Block, including but not limited to a change in the number or kind of the outstanding shares of Common Stock resulting from a stock dividend or split-up, or combination or reclassification of such shares (or of any stock or other securities into which shares shall have been changed, or for which they shall have been exchanged), then the Board of Directors of H&R Block may make such equitable adjustments with respect to the MSUs, and any Restricted Share Units (and shares of Common Stock following lapse of the restrictions), or any other provisions of the Plan, as it deems necessary or appropriate to prevent dilution or enlargement of the rights hereunder, of the MSUs or of any Restricted Share Units subject to this Grant Agreement.

5 . 4 Merger, Consolidation, Reorganization, Liquidation, etc. If H&R Block shall become a party to any corporate merger, consolidation, major acquisition of property for stock, reorganization, or liquidation, the Board of Directors shall, acting in its absolute and sole discretion, make such arrangements, which shall be binding upon the Participant of outstanding Awards,

including but not limited to, the substitution of new Awards or for any Awards then outstanding, the assumption of any such Awards and the termination of or payment for such Awards.

5.5 Interpretation and Regulations. The Board of Directors of H&R Block shall have the power to provide regulations for administration of the Plan by the Committee and to make any changes in such guidelines as from time to time the Board of Directors may deem necessary. The Committee shall have the sole power to determine, solely for purposes of the Plan and this Grant Agreement, the date of and circumstances which shall constitute a cessation or Termination of Employment and whether such cessation or termination is the result of Retirement, death, Disability or termination without cause or any other reason, and further to determine, solely for purposes of the Plan and this Grant Agreement, what constitutes continuous employment with respect to the delivery of Common Stock under this Grant Agreement (except that leaves of absence approved by the Committee or transfers of employment among the subsidiaries of the Company shall not be considered an interruption of continuous employment for any purpose under the Plan).

5.6 Reservation of Rights. If at any time the Company determines that qualification or registration of the MSUs or shares of Common Stock to be delivered pursuant to this Grant Agreement under any state or federal securities law, or the consent or approval of any governmental regulatory authority, is necessary or desirable as a condition of the executing an Award or benefit under the Plan, then such action may not be taken, in whole or in part, unless and until such qualification, registration, consent or approval shall have been effected or obtained free of any conditions the Company deems unacceptable.

5.7 Reasonableness of Restrictions, Severability and Court Modification. Participant and the Company agree that, the restrictions contained in this Grant Agreement are reasonable, but, should any provision of this Grant Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable or unreasonable in scope, the validity, legality and enforceability of the other provisions of this Grant Agreement will not be affected thereby, and the provision found invalid, illegal, or otherwise unenforceable or unreasonable will be considered by the Company and Participant to be amended as to scope of protection, time or geographic area (or any one of them, as the case may be) in whatever manner is considered reasonable by that court, and, as so amended will be enforced.

5.8 Withholding of Taxes. To the extent that the Company is required to withhold taxes in compliance with any federal, state, local or foreign law in connection with any payment made or benefit realized by a Participant or other person under this Plan, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for the payment of all such taxes required to be withheld. At the discretion of the Committee, such arrangements may include relinquishment of a portion of such benefit. In the event the Participant has not made arrangements, the Company shall instruct the Participant's employer to withhold such amount from the Participant's next payment(s) of wages. The Participant authorizes the Company to so instruct the Participant's employer and authorizes the Participant's employer to make such withholdings from payment(s) of wages.

5 . 9 Waiver. The failure of the Company to enforce at any time any terms, covenants or conditions of this Grant Agreement shall not be construed to be a waiver of such terms, covenants or conditions or of any other provision. Any waiver or modification of the terms, covenants or conditions of this Grant Agreement shall only be effective if reduced to writing and signed by both Participant and an officer of the Company.

5 . 1 0 Plan Control. The terms of this Grant Agreement are governed by the terms of the Plan, as it exists on the Grant Date and as the Plan is amended from time to time. In the event of any conflict between the provisions of this Grant Agreement and the provisions of the Plan, the terms of the Plan shall control.

5.11 Notices. Any notice to be given to the Company or election to be made under the terms of this Grant Agreement shall be addressed to the Company (Attention: Long-Term Incentive Department) at One H&R Block Way, Kansas City Missouri 64105 or at such other address as the Company may hereafter designate in writing to the Participant. Any notice to be given to the Participant shall be addressed to the Participant at the last address of record with the Company or at such other address as the Participant may hereafter designate in writing to the Company. Any such notice shall be deemed to have been duly given when deposited in the United States mail via regular or certified mail, addressed as aforesaid, postage prepaid.

5 . 1 2 Choice of Law. This Grant Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Missouri without reference to principles of conflicts of laws.

5.13 Choice of Forum and Jurisdiction. Participant and Company agree that any proceedings to enforce the obligations and rights under this Grant Agreement must be brought in Missouri District Court located in Jackson County, Missouri, or in the United States District Court for the Western District of Missouri in Kansas City, Missouri. Participant agrees and submits to personal jurisdiction in either court. Participant and Company further agree that this Choice of Forum and Jurisdiction is binding on all matters related to Awards under the Plan and may not be altered or amended by any other arrangement or agreement (including an employment agreement) without the express written consent of Participant and H&R Block, Inc.

5 . 1 4 Attorneys Fees. Participant and Company agree that in the event of litigation to enforce the terms and obligations under this Grant Agreement, the party prevailing in any such cause of action will be entitled to reimbursement of reasonable attorney fees.

5.15 Relationship of the Parties. Participant acknowledges that this Grant Agreement is between H&R Block, Inc. and Participant. Participant further acknowledges that H&R Block, Inc. is a holding company and that Participant is not an employee of H&R Block, Inc.

5.16 Headings. The section headings herein are for convenience only and shall not be considered in construing this Grant Agreement.

5 . 1 7 Amendment. No amendment, supplement, or waiver to this Grant Agreement is valid or binding unless in writing and signed by both parties.

5.18 Execution of Agreement. This Grant Agreement shall not be enforceable by either party, and Participant shall have no rights with respect to the Awards made hereunder unless and until it has been (a) signed by Participant and on behalf of the Company by an officer of the Company, *provided that* the signature by such officer of the Company on behalf of the Company may be an electronic, facsimile or stamped signature, and (b) returned to the Company.

5.19 Section 409A Compliance. Notwithstanding any provision in this Grant Agreement or the Plan to the contrary, this Grant Agreement shall be interpreted and administered in accordance with Section 409A of the Internal Revenue Code and regulations and other guidance issued thereunder. For purposes of determining whether any payment made pursuant to this Grant Agreement results in a "deferral of compensation" within the meaning of Treasury Regulation §1.409A-1(b), H&R Block shall maximize the exemptions described in such section, as applicable. Any reference to a "termination of employment" or similar term or phrase shall be interpreted as a "separation from service" within the meaning of Section 409A and the regulations issued thereunder. If any deferred compensation payment is payable due to separation from service for any reason other than death, then payment of such amount shall be delayed for a period of six months and paid in a lump sum on the first payroll payment date following expiration of such six month period. To the extent any payments under this Grant Agreement are made in installments, each installment shall be deemed a separate payment for purposes of Section 409A and the regulations issued thereunder. A Participant or beneficiary, as applicable, shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on the Participant or beneficiary in connection with any payments to such Participant or beneficiary pursuant to this Grant Agreement, including but not limited to any taxes, interest and penalties under Section 409A, and neither H&R Block nor any of its affiliates shall have any obligation to indemnify or otherwise hold a Participant or beneficiary harmless from any and all of such taxes and penalties.

In consideration of said Award and the mutual covenants contained herein, the parties agree to the terms set forth above.

The parties hereto have executed this Grant Agreement.

Participant Name: [Participant Name]

Date Signed: [Acceptance Date]

H&R BLOCK, INC.

By:

William C. Cobb
President and Chief Executive Officer

H&R Block Inc., 2003 Long-Term Executive Compensation Plan
Grant Agreement – Market Stock Units (2012)

H&R BLOCK, INC.
2003 LONG-TERM EXECUTIVE COMPENSATION PLAN
PERFORMANCE SHARE UNITS
GRANT AGREEMENT

This Grant Agreement is entered into by and between H&R Block, Inc., a Missouri corporation ("H&R Block"), and [Participant Name] ("Participant").

WHEREAS, H&R Block provides certain incentive awards ("Awards") to key employees of subsidiaries of H&R Block under the H&R Block, Inc. 2003 Long-Term Executive Compensation Plan (the "Plan");

WHEREAS, receipt of such Awards under the Plan are conditioned upon a Participant's execution of a Grant Agreement within 180 days of [Grant Date], wherein Participant agrees to abide by certain terms and conditions authorized by the Compensation Committee of the Board of Directors;

WHEREAS, the Participant has been selected by the Board of Directors, Compensation Committee, or the Chief Executive Officer of the Company as a key employee of one of the subsidiaries of H&R Block and is eligible to receive Awards under the Plan;

WHEREAS, this Grant Agreement grants the right to receive shares of Common Stock, is intended to be a form of Performance Share under the Plan, and is designated as Performance Share Units (as defined in Section 1.19) to indicate shares of Common Stock are not delivered until vesting.

NOW THEREFORE, in consideration of the parties' promises and agreements set forth in this Grant Agreement, the sufficiency of which the parties hereby acknowledge,

IT IS AGREED AS FOLLOWS:

1. Definitions. Whenever a term is used in this Grant Agreement, the following words and phrases shall have the meanings set forth below or as set forth in the Plan unless the context plainly requires a different meaning, and when a defined meaning is intended, the term is capitalized.

1.1 Amount of Gain Realized. The Amount of Gain Realized shall be equal to the number of shares of Common Stock in which the Participant becomes vested pursuant this Grant Agreement multiplied by the Fair Market Value of one share of Common Stock on the date of vesting.

1.2 Change of Control. Change of Control means the occurrence of one or more of the following events:

(a) Any one person, or more than one person acting as a group, acquires ownership of stock of H&R Block that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of H&R Block. If any

one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of H&R Block, the acquisition of additional stock by the same person or persons shall not be considered to cause a Change of Control. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which H&R Block acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this Section 1.2(a).

(b) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of H&R Block possessing 35 percent or more of the total voting power of the stock of H&R Block. If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of Treasury Regulation §1.409A-3(i)(5)(vi), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation.

(c) A majority of members of H&R Block's Board of Directors (the "Board") is replaced during any 12-month period by directors whose appointment or election is not endorsed by two-thirds (2/3) of the members of the Board before the date of such appointment or election.

(d) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from H&R Block that have a total gross fair market value equal to or more than 50 percent of the total gross fair market value of all of the assets of H&R Block immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of H&R Block, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Notwithstanding the foregoing, there is no Change of Control event under this Section 1.2(d) when there is a transfer to an entity that is controlled by the shareholders of H&R Block immediately after the transfer. A transfer of assets by H&R Block is not treated as a change in the ownership of such assets if the assets are transferred to: (i) a shareholder of H&R Block (immediately before the asset transfer) in exchange for or with respect to its stock; (ii) an entity, 50 percent or more of the total value or voting power of which is owned, directly or indirectly, by H&R Block; (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, 50 percent or more of the total value or voting power of all the outstanding stock of H&R Block; or (iv) an entity, at least 50 percent of the total value or voting power of which is owned, directly or indirectly, by a person described in (iii) above.

For purposes of the foregoing, persons will be considered acting as a group in accordance with Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended, and Section 409A of the Code.

1.3 Code. Code means the Internal Revenue Code of 1986, as amended.

1.4 Committee. Committee means the Compensation Committee of the Board of Directors for H&R Block, Inc.

1.5 Common Stock. Common Stock means the common stock of H&R Block, Inc.

1.6 Company. Company means H&R Block, Inc., a Missouri corporation, and includes its “subsidiary corporations” (as defined in Section 424(f) of the Internal Revenue Code) and their respective divisions, departments and subsidiaries and the respective divisions, departments and subsidiaries of such subsidiaries.

1.7 Closing Price. Closing Price shall mean the last reported market price for one share of Common Stock, regular way, on the New York Stock Exchange (or any successor exchange or stock market on which such last reported market price is reported) on the day in question. In the event the exchange is closed on the day on which Closing Price is to be determined or if there were no sales reported on such date, Closing Price shall be computed as of the last date preceding such date on which the exchange was open and a sale was reported.

1.8 Cumulative Three Year Pre-Tax Earnings. Cumulative Three Year Pre-Tax Earnings means the cumulative earnings of the Company from continuing operations before allowance for taxes for the three fiscal years ended in 2013, 2014 and 2015, as adjusted in the manner described in this definition. When calculating pre-tax earnings from continuing operations, the Board or Committee must make adjustments to disregard the occurrence during the Performance Period of any of the following or events involving the Company: (i) any recapitalization, reorganization, merger, acquisition, divestiture, consolidation, spin-off, split-off, combination, liquidation, dissolution, sale of assets, or other similar corporate transaction or event having substantially the same effect as any of the foregoing; (ii) any change in applicable tax laws or accounting principles; or (iii) any event that is treated under GAAP as being an extraordinary item.

1.9 Disability. Disability or disabled means, determined in accordance with the following determination periods:

(a) In the case of a Participant who has coverage under a group long-term disability program maintained by the Company, the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of at least three months under such program; or

(b) In the case of a Participant who does not have coverage under a group long-term disability program maintained by the Company, the Participant is unable to engage in any substantial gainful activity for a period of at least 9 months by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

For this purpose, a Participant shall be deemed to have incurred a Disability on the last day of the applicable determination period above.

1.10 Early Retirement. Early Retirement means the Participant’s voluntary Termination of Employment with the Company at or after the date the Participant has both reached age 55 but has not yet reached age 60, and completed at least five (5) years of service with the Company.

- 1.11 Fair Market Value. Fair Market Value means the Closing Price for one share of Common Stock.
- 1.12 Fiscal Year. Fiscal Year means the Company's fiscal year ended April 30.
- 1.13 Good Reason Termination. Good Reason Termination shall mean Participant's Termination of Employment which meets the definition of a "Good Reason Termination" under a written severance plan maintained by the Company that is applicable to the Participant. In the event that no written severance plan is applicable to the Participant, the definition of "Good Reason Termination" contained in any severance plan maintained by the Company that is applicable to employees at the same level as the Participant will govern.
- 1.14 Last Day of Employment. Last Day of Employment means the date of a Participant's Termination of Employment.
- 1.15 Maximum Performance. Maximum Performance means the level of Pre-Tax Earnings for the Performance Period set by the Committee by the 162(m) Deadline that results in a 200% factor in the Payment Formula set forth in Section 2.5.
- 1.16 162(m) Deadline. 162(m) Deadline means the 90th day of the Fiscal Year for which the Targets are set.
- 1.17 Peer Companies. Peer Companies are the companies in the S&P 500 as of the first day of the relevant period other than H&R Block. If a Peer Company ceases to be a member of the S&P 500 during the relevant period, then such company will be excluded from the calculation.
- 1.18 Performance Period. Performance Period means the period commencing May 1, 2012 and ending April 30, 2015.
- 1.19 Performance Share Units. Performance Share Units means the number of Performance Share Units awarded pursuant to this Grant Agreement in accordance with Section 2.5 or 2.8.
- 1.20 Qualifying Termination. Qualifying Termination shall mean Participant's Termination of Employment which meets the definition of a "Qualifying Termination" under the written severance plan maintained by the Company that is applicable to the Participant. In the event that no written severance plan is applicable to the Participant, the definition of "Qualifying Termination" contained in any applicable severance plan maintained by the Company that is applicable to employees at the same level as the Participant will govern.
- 1.21 Relative TSR. Relative TSR means the percentile placement of the Company's Total Shareholder Return relative to the Total Shareholder Return of the Peer Companies. Relative Total Shareholder Return will be determined by ranking H&R Block and the Peer Companies from highest to lowest according to their respective Total Shareholder Returns. Based on this ranking,

the percentile performance of H&R Block relative to the Peer Companies will be determined as follows:

$$P = 1 - \frac{R-1}{N}$$

“P” represents H&R Block's percentile performance which will be rounded, if necessary, to the nearest whole percentile (with 5 being rounded up). “N” represents the number of Peer Companies. “R” represents H&R Block's ranking among the Peer Companies.

1.22 Restricted Share Unit. Restricted Share Unit means a Restricted Share Unit granted to a Participant under the Plan, subject to such terms and conditions as the Committee may determine at the time of issuance.

1.23 Retirement. Retirement or retire or similar terms means the Participant's voluntary Termination of Employment with the Company at or after the date the Participant has reached age 60.

1.24 S&P 500. S&P 500 means the 500 US companies listed by the Standard and Poor's.

1.25 Target Performance. Target Performance means the level of Pre-Tax Earnings for the Performance Period set by the Committee by the 162(m) Deadline that results in a 100% factor in the Payment Formula set forth in Section 2.5.

1.26 Targets. Targets means the Threshold Performance, Target Performance and Maximum Performance for Pre-Tax Earnings for the Performance Period.

1.27 Threshold Performance. Threshold Performance means the level of Pre-Tax Earnings for the Performance Period set by the Committee by the 162(m) Deadline that results in a 0% factor in the Payment Formula set forth in Section 2.5.

1.28 Termination of Employment. Termination of Employment, termination of employment and similar references mean a separation from service within the meaning of Code §409A. A Participant who is an employee will generally have a Termination of Employment if the Participant voluntarily or involuntarily terminates employment with the Company. A termination of employment occurs if the facts and circumstances indicate that the Participant and the Company reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services the Participant will perform after such date (whether as an employee, director or other independent contractor) for the Company will decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee, director or other independent contractor) over the immediately preceding 36-month period (or full period of services if the Participant has been providing services for less than 36 months). For purposes of this Section 1.28, "Company" includes any entity that would be aggregated with the Company under Treasury Regulation 1.409A-1(h)(3).

1.29 **Total Shareholder Return.** Total Shareholder Return for the Performance Period (or such shorter period provided in Section 2.8) for H&R Block and each Peer Company means the percentage for that entity for that period that is the quotient of: (i) the sum of the average fair market value per share of the entity's common stock for the last thirty (30) trading days of such period (the "Ending Value"), minus the average fair market value per share of the entity's common stock for the most recent thirty (30) trading days preceding the beginning of such period (the "Beginning Value"), plus dividends (other than stock dividends) with respect to which the record date occurs during such period; divided by (ii) the Beginning Value. In the event of a stock split, reverse stock split or stock dividend having a record date during such year (whether of H&R Block or a Peer Company), the Committee shall adjust the Beginning Value by multiplying it by the ratio of the number of shares outstanding at the beginning of the period to the number of shares outstanding at the end of the period.

2. Performance Share Units.

2.1 **Grant of Performance Share Units.** As of [Grant Date] (the "Award Date"), H&R Block hereby awards the Participant [Number of Shares Granted] Performance Share Units.

2.2 **Performance Period.** Subject to Section 2.6, Performance Share Units shall become vested under Section 2.5, as shall be certified by the Committee in accordance with Section 2.9, based on the Company's satisfaction of the Targets during the Performance Period, and paid in accordance with Section 2.8 or 2.10, as applicable.

2.3 **Performance Goals.** The Compensation Committee of the Board of Directors shall specify by the 162(m) Deadline the Targets to be met during the Performance Period or any sub-periods as a condition of payment pursuant to this Grant Agreement.

2.4 **Dividends and Voting Rights.** Prior to the vesting of the Performance Share Units, the Participant shall not receive dividend payments, rather dividends will accumulate as if each Performance Share Unit represented one share of Common Stock and the accumulated dividends (without any interest) will be paid to the Participant within sixty (60) days after the end of the Performance Period to the extent of dividends that are attributable to shares of Common Stock that are paid to the Participant. Participant shall not have voting rights with respect to Performance Share Units.

2.5 **Payment Formula.** The percentage of the Performance Shares that will vest (the "Earned Percentage") shall be determined after the end of the Performance Period in accordance with this Section, except as otherwise provided in Section 2.8. The Earned Percentage is the "Pre-Tax Earnings Percentage," multiplied by the "Relative TSR Factor." The Pre-Tax Earnings Percentage is based on achievement of Target with respect to Cumulative Three Year Pre-Tax Earnings as determined under the following table:

H&R Block Inc., 2003 Long-Term Executive Compensation Plan
Grant Agreement – Performance Share Units (2012)

	3 Year Cumulative		
	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
Pre-Tax Earnings Percentage	0.0%	100.0%	200.0%
Cumulative Three Year Pre-Tax Earnings	\$1,899.9	\$2,111.0	\$2,326.4

For Cumulative Three Year Pre-Tax Earnings below Threshold Performance, the Earned Percentage shall be zero percent (0%). For Cumulative Three Year Pre-Tax Earnings between Threshold and Target, the Earned Percentage shall be interpolated between zero percent (0%) and one hundred percent (100%). For levels of Cumulative Three Year Pre-Tax Earnings between Target and Maximum, the Earned Percentage shall be interpolated between one hundred percent (100%) and two hundred percent (200%). For Cumulative Three Year Pre-Tax Earnings in excess of Maximum, the Earned Percentage shall be two hundred percent (200%).

The Relative TSR Factor will be 75% if Relative TSR is at or below the 20th percentile. The Relative TSR Factor will be 125% if the Relative TSR is at or above the 80th percentile. Relative TSR between the 20th and 80th percentiles results in a Relative TSR Factor between 75% and 125%, based on straight line interpolation between the 20th and 80th percentiles.

2.6 Vesting. Except as otherwise provided in this Grant Agreement, Participant shall become vested in the Performance Share Units only if Participant remains continuously employed by the Company throughout the Performance Period, and the Participant's Termination of Employment before the end of the Performance Period shall result in forfeiture of all rights in the Performance Share Units and Participant shall not be entitled to a distribution of any shares of Common Stock related to such forfeited Performance Share Units.

2.7 Acceleration of Vesting. Notwithstanding Section 2.6, and subject to Section 2.5, the Participant shall be entitled to pro-rata vesting of the Performance Share Units on the occurrence of any of the following events; provided that receipt of the benefits set forth in this Section 2.7 may be conditioned on the Participant executing and not revoking a release and separation agreement (and the deadline for executing and not revoking such agreement shall not delay the payment date of the shares to be issued pursuant to the vesting of the Performance Share Units). The pro-rata vesting of the Performance Share Units shall be based on the period between the first day of the Performance Period and the Participant's Last Day of Employment. Such award shall be calculated and paid in accordance with Section 2.10.

(a) Qualifying Termination. If a Participant experiences a Qualifying Termination, Participant shall be entitled to pro-rata vesting of any Performance Share Units that were awarded more than one year prior to the Qualifying Termination based on the achievement of the Targets as of the last day of the Performance Period.

(b) Retirement. Upon Retirement or Early Retirement, Participant shall be entitled to pro-rata vesting of any Performance Share Units that were awarded more than one year prior to Retirement or Early Retirement based on the achievement of the Targets as of the last day of the Performance Period.

(c) *Disability.* In the event Participant terminates employment due to Disability, Participant shall be entitled to pro-rata vesting of any Performance Share Units that were awarded more than one year prior to the Disability based on the achievement of the Targets as of the last day of the Performance Period.

(d) *Death.* In the event Participant terminates employment due to Participant's death, Participant's estate shall be entitled to pro-rata vesting of any Performance Share Units that were awarded more than one year prior to Participant's death based on the achievement of the Targets as of the last day of the Performance Period.

2 . 8 *Change of Control.* Notwithstanding Sections 2.5 and 2.6, upon the occurrence of a Change of Control before the Participant has experienced Termination of Employment with the Company other than a termination described in Section 2.7, the Performance Share Units shall be cancelled and a number of Restricted Share Units shall be issued that equal the portion of the number of cancelled Performance Share Units that would become vested under Section 2.5 based on: (i) the assumption that performance would have been at Target Performance for Cumulative Three Year Pre-Tax Earnings; (ii) Relative TSR through the date of the Change of Control; and (iii) if the Participant terminated employment in a manner described in Section 2.7 prior to the Change of Control the number of Restricted Share Units shall be further adjusted for the pro-rata adjustment required by Section 2.7. Such Restricted Share Units shall be subject to the terms set forth in this Section 2.8. Unless the Participant terminated employment before the Change of Control under a circumstance described in Section 2.7, such Restricted Share Units shall not vest until the last day of the Performance Period that applied to the cancelled Performance Share Units. If a Participant Terminated Employment before a Change of Control under a circumstance described in Section 2.7, the Participant shall, upon the occurrence of the Change of Control, become 100% vested in all outstanding Restricted Share Units awarded under this Grant Agreement calculated as set forth above.

Except as otherwise set forth in this Section 2.8, in order to become vested in the Restricted Share Units, the Participant must remain in continuous employment of the Company until the last day of the Performance Period that applied to the cancelled Performance Share Units. Absent an agreement to the contrary, if the Participant experiences a Termination of Employment with the Company for any reason, other than Qualifying Termination, Good Reason Termination, Retirement, Early Retirement, Death or Disability prior to the last day of the Performance Period that applied to the cancelled Performance Share Units, all Restricted Share Units shall be forfeited by the Participant. If a Participant has a Termination of Employment following a Change of Control due to a Qualifying Termination, a Good Reason Termination, Retirement, Early Retirement, Death, or Disability, the Participant shall, upon the occurrence of such termination, become 100% vested in all outstanding Restricted Share Units awarded under this Grant Agreement calculated as set forth above.

Within sixty (60) days following vesting of the Restricted Share Units, an equal number of shares of Common Stock shall be transferred directly into a brokerage account established for the Participant at a financial institution the Committee shall select at its sole discretion (the "Financial Institution") or delivered in certificate form free of restrictions, such method to be selected by the Committee in its sole discretion upon: (i) if the Participant Terminated Employment before a

Change of Control under a circumstance described in Section 2.7 other than death, the later of: (x) the date of the Change of Control, or (y) six months following the date of Termination of Employment due to a Qualifying Termination, Retirement, Early Retirement or Disability; (ii) if the Participant Terminated Employment before a Change of Control under a circumstance described in Section 2.7 due to death, the date of the Change of Control; (iii) if the Participant Terminated Employment after the date of the Change of Control due to a Qualifying Termination, Good Reason Termination, Retirement, Early Retirement or Disability, the date that is six months following the date of Termination of Employment; (iv) if the Participant Terminated Employment after a Change of Control but prior to the vesting date due to death, the date of death; or (v) if the Participant did not Terminate Employment prior to the vesting date, the vesting date. The Participant agrees to complete any documentation with the Company or the Financial Institution that is necessary to effect the transfer of shares of Common Stock to the Financial Institution before the delivery will occur.

2.9 Certification of a Performance Award. Upon completion of the Performance Period or such earlier period set forth in Section 2.8, and prior to the payment of any vested Performance Share Units to a Participant or conversion of Performance Share Units to Restricted Share Units pursuant to Section 2.8, the Committee shall certify in writing the extent to which the Targets have been satisfied.

2.10 Payment of Performance Awards. Except as provided in Section 2.8 or in this Section 2.10, vested Performance Share Units shall be paid out, in shares of Common Stock or cash (as determined by the Committee in its sole discretion), within sixty (60) days following the end of the Performance Period. Payment of any vested Performance Share Units pursuant to Section 2.7(a), (b) or (c) (including a payment to which clause (d) of Section 2.8 is applicable) shall be made in a single lump sum in shares of Common Stock equal to the number of vested Performance Share Units, or in cash (as determined by the Committee in its sole discretion), upon the later of sixty (60) days following the end of the Performance Period, or the date which is six (6) months following the Participant's Last Day of Employment. The amount of any cash paid shall be based upon the Fair Market Value at the close of the Performance Period of shares of Common Stock covered by such vested Performance Share Units.

3. Covenants.

3.1 Consideration for Award under the Plan. Participant acknowledges that Participant's agreement to this Section 3 is a key consideration for the Award under this Grant Agreement. Participant hereby agrees to abide by the covenants set forth in Sections 3.2, 3.3, and 3.4.

3.2 Covenant Against Competition. During the period of Participant's employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees he or she will not, directly or indirectly, establish or engage in any business or organization, or own or control any interest in, be employed by, or act as an officer, director, consultant, advisor, or lender to, any of the following located in those geographic markets where Participant has had direct and substantial involvement in the Company's operations in such geographic markets: (a) any entity that engages in any business competitive with the business

activities of the Company including, without limitation, its assisted and digital (including software) tax services businesses (“Prohibited Companies”); (b) any financial institution or business where any of Participant’s duties or activities would relate to or assist in providing services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers; or (c) any financial institution or business whose primary purpose is to provide services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers. Without limiting clause (c), any financial institution or business whose profits or revenues from the provision of services or products to the Prohibited Companies exceeds 25% of total profits or revenues, as the case may be, shall be deemed to be covered by clause (c). For Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.2 shall be limited to one (1) year following the Participant’s Last Day of Employment. The restrictions in this Section 3.2 shall not apply if Participant’s primary place of employment as of the Last Day of Employment is in California or North Dakota.

3.3 Covenant Against Solicitation of Employees. Participant acknowledges and agrees that, during the period of Participant’s employment and for one (1) year after his or her Last Day of Employment, Participant will not directly or indirectly: (a) recruit, solicit, or otherwise induce any employee of any subsidiary of the Company to leave the employment of any such subsidiary of the Company or to become an employee of or otherwise be associated with Participant or any company or business with which Participant is or may become associated; or (b) hire any employee of any subsidiary of the Company as an employee or otherwise in any company or business with which Participant is or may become associated. The restrictions in this Section 3.3 shall not apply if Participant’s primary place of employment as of the Last Day of Employment is in Wisconsin.

3.4 Covenant Against Solicitation of Customers. During the period of Participant’s employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees that he or she will not, directly or indirectly, solicit or enter into any arrangement with any person or entity which is, at the time of the solicitation, a significant customer of the Company or any subsidiary of the Company for purpose of engaging in any business transaction of the nature performed by the Company or any subsidiary of the Company, or contemplated to be performed by the Company or any subsidiary of the Company, provided that this Section 3.4 will only apply to customers for whom Participant personally provided services while employed by a subsidiary of the Company or customers about whom or which Participant acquired material information while employed by a subsidiary of the Company. For Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.4 shall be limited to one (1) year following the Participant’s Last Day of Employment. The restrictions in this Section 3.4 shall not apply if Participant’s primary place of employment as of the Last Day of Employment is in North Dakota.

3.5 Forfeiture of Rights. Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, Participant shall forfeit all rights to payments or benefits under the Plan. All Performance Share Units or Restricted Share Units shall terminate.

3.6 **Remedies.** Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, whether prior to, on or after any settlement of an Award under the Plan, then Participant shall promptly pay to Company an amount equal to the aggregate Amount of Gain Realized by the Participant on all Common Stock received after a date commencing one year prior to Participant's Last Day of Employment. The Participant shall pay Company within three (3) business days after the date of any written demand by the Company to the Participant.

3.7 **Remedies Payable in Cash.** The Participant shall pay the amounts described in Section 3.6 in cash or as otherwise determined by the Company.

3.8 **Remedies without Prejudice.** The remedies provided in this Section 3 shall be without prejudice to the rights of the Company to recover any losses resulting from the applicable conduct of the Participant and shall be in addition to any other remedies the Company may have, at law or in equity, resulting from such conduct.

3.9 **Survival.** Participant's obligations in this Section 3 shall survive and continue beyond settlement of all Awards under the Plan and any termination or expiration of this Grant Agreement for any reason.

4. Non-Transferability of Awards.

Any Award (including all rights, privileges and benefits conferred under such Award) shall not be transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate, or otherwise dispose of any Award, or of any right or privilege conferred hereby, contrary to the provisions hereof, or upon any attempted sale under any execution, attachment, or similar process upon the rights and privileges hereby granted, then and in any such event such Award and the rights and privileges hereby granted shall immediately become null and void.

5. Miscellaneous.

5.1 **No Employment Contract.** This Grant Agreement does not confer on the Participant any right to continued employment for any period of time, is not an employment contract, and shall not in any manner modify any terms of employment between the Participant and the Company.

5.2 **Clawback.** If a significant restatement of the Company's financial results were to occur, and if as a result of that there has been an overage with respect to issuance of an Award, vesting thereof, or the Amount of Gain Realized with respect thereto, the Participant may be required to reimburse the Company for an amount related to such Award. The Committee has sole discretion to make all determinations that may be made pursuant to this section, including the amount of reimbursement.

5.3 Adjustment of Performance Share Units. If there shall be any change in the capital structure of H&R Block, including but not limited to a change in the number or kind of the outstanding shares of the Common Stock resulting from a stock dividend or split-up, or combination or reclassification of such shares (or of any stock or other securities into which shares shall have been changed, or for which they shall have been exchanged), then the Board of Directors of H&R Block may make such equitable adjustments with respect to the Performance Share Units and any Restricted Share Units (and shares of Common Stock following lapse of the restrictions), or any other provisions of the Plan, as it deems necessary or appropriate to prevent dilution or enlargement of the rights hereunder, of the Performance Share Units or any Restricted Share Units subject to this Grant Agreement.

5.4 Merger, Consolidation, Reorganization, Liquidation, etc. If H&R Block shall become a party to any corporate merger, consolidation, major acquisition of property for stock, reorganization, or liquidation, the Board of Directors shall, acting in its absolute and sole discretion, make such arrangements, which shall be binding upon the Participant of outstanding Awards, including but not limited to, the substitution of new Awards or for any Awards then outstanding, the assumption of any such Awards and the termination of or payment for such Awards.

5.5 Interpretation and Regulations. The Board of Directors of H&R Block shall have the power to provide regulations for administration of the Plan by the Committee and to make any changes in such guidelines as from time to time the Board of Directors may deem necessary. The Committee shall have the sole power to determine, solely for purposes of the Plan and this Grant Agreement, the date of and circumstances which shall constitute a cessation or termination of employment and whether such cessation or termination is the result of Retirement, death, Disability or termination without cause or any other reason, and further to determine, solely for purposes of the Plan and this Grant Agreement, what constitutes continuous employment with respect to the delivery of Common Stock under this Grant Agreement (except that leaves of absence approved by the Committee or transfers of employment among the subsidiaries of the Company shall not be considered an interruption of continuous employment for any purpose under the Plan).

5.6 Reservation of Rights. If at any time the Company determines that qualification or registration of the Performance Share Units or any shares of Common Stock to be delivered pursuant to this Grant Agreement under any state or federal securities law, or the consent or approval of any governmental regulatory authority, is necessary or desirable as a condition of the executing an Award or benefit under the Plan, then such action may not be taken, in whole or in part, unless and until such qualification, registration, consent or approval shall have been effected or obtained free of any conditions such counsel deems unacceptable.

5.7 Reasonableness of Restrictions, Severability and Court Modification. Participant and the Company agree that, the restrictions contained in this Grant Agreement are reasonable, but, should any provision of this Grant Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable or unreasonable in scope, the validity, legality and enforceability of the other provisions of this Grant Agreement will not be affected thereby, and the provision found invalid, illegal, or otherwise unenforceable or unreasonable will be considered by the Company and Participant to be amended as to scope of protection, time or geographic area (or

any one of them, as the case may be) in whatever manner is considered reasonable by that court, and, as so amended will be enforced.

5.8 Withholding of Taxes. To the extent that the Company is required to withhold taxes in compliance with any federal, state, local or foreign law in connection with any payment made or benefit realized by a Participant or other person under this Plan, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for the payment of all such taxes required to be withheld. At the discretion of the Committee, such arrangements may include relinquishment of a portion of such benefit. In the event the Participant has not made arrangements, the Company shall instruct the Participant's employer to withhold such amount from the Participant's next payment(s) of wages. The Participant authorizes the Company to so instruct the Participant's employer and authorizes the Participant's employer to make such withholdings from payment(s) of wages.

5.9 Waiver. The failure of the Company to enforce at any time any terms, covenants or conditions of this Grant Agreement shall not be construed to be a waiver of such terms, covenants or conditions or of any other provision. Any waiver or modification of the terms, covenants or conditions of this Grant Agreement shall only be effective if reduced to writing and signed by both Participant and an officer of the Company.

5.10 Plan Control. The terms of this Grant Agreement are governed by the terms of the Plan, as it exists on the Grant Date and as the Plan is amended from time to time. In the event of any conflict between the provisions of this Grant Agreement and the provisions of the Plan, the terms of the Plan shall control.

5.11 Notices. Any notice to be given to the Company or election to be made under the terms of this Grant Agreement shall be addressed to the Company (Attention: Long-Term Incentive Department) at One H&R Block Way, Kansas City Missouri 64105 or at such other address as the Company may hereafter designate in writing to the Participant. Any notice to be given to the Participant shall be addressed to the Participant at the last address of record with the Company or at such other address as the Participant may hereafter designate in writing to the Company. Any such notice shall be deemed to have been duly given when deposited in the United States mail via regular or certified mail, addressed as aforesaid, postage prepaid.

5.12 Choice of Law. This Grant Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Missouri without reference to principles of conflicts of laws.

5.13 Choice of Forum and Jurisdiction. Participant and Company agree that any proceedings to enforce the obligations and rights under this Grant Agreement must be brought in Missouri District Court located in Jackson County, Missouri, or in the United States District Court for the Western District of Missouri in Kansas City, Missouri. Participant agrees and submits to personal jurisdiction in either court. Participant and Company further agree that this Choice of Forum and Jurisdiction is binding on all matters related to Awards under the Plan and may not be altered or amended by any other arrangement or agreement (including an employment agreement) without the express written consent of Participant and H&R Block, Inc.

5.14 Attorneys Fees. Participant and Company agree that in the event of litigation to enforce the terms and obligations under this Grant Agreement, the party prevailing in any such cause of action will be entitled to reimbursement of reasonable attorney fees.

5.15 Relationship of the Parties. Participant acknowledges that this Grant Agreement is between H&R Block, Inc. and Participant. Participant further acknowledges that H&R Block, Inc. is a holding company and that Participant is not an employee of H&R Block, Inc.

5.16 Headings. The section headings herein are for convenience only and shall not be considered in construing this Grant Agreement.

5.17 Amendment. No amendment, supplement, or waiver to this Grant Agreement is valid or binding unless in writing and signed by both parties.

5.18 Execution of Agreement. This Grant Agreement shall not be enforceable by either party, and Participant shall have no rights with respect to the Awards made hereunder, unless and until it has been (1) signed by Participant and on behalf of the Company by an officer of the Company, *provided that* the signature by such officer of the Company on behalf of the Company may be an electronic, facsimile or stamped signature, and (2) returned to the Company.

5.19 Section 409A Compliance. Notwithstanding any provision in this Grant Agreement or the Plan to the contrary, this Grant Agreement shall be interpreted and administered in accordance with Section 409A of the Internal Revenue Code and regulations and other guidance issued thereunder. For purposes of determining whether any payment made pursuant to this Grant Agreement results in a "deferral of compensation" within the meaning of Treasury Regulation §1.409A-1(b), H&R Block shall maximize the exemptions described in such section, as applicable. Any reference to a "termination of employment" or similar term or phrase shall be interpreted as a "separation from service" within the meaning of Section 409A and the regulations issued thereunder. If any deferred compensation payment is payable due to separation from service for any reason other than death, then payment of such amount shall be delayed for a period of six months and paid in a lump sum on the first payroll payment date following expiration of such six month period. To the extent any payments under this Grant Agreement are made in installments, each installment shall be deemed a separate payment for purposes of Section 409A and the regulations issued thereunder. A Participant or beneficiary, as applicable, shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on the Participant or beneficiary in connection with any payments to such Participant or beneficiary pursuant to this Grant Agreement, including but not limited to any taxes, interest and penalties under Section 409A, and neither H&R Block nor any of its affiliates shall have any obligation to indemnify or otherwise hold a Participant or beneficiary harmless from any and all of such taxes and penalties.

In consideration of said Award and the mutual covenants contained herein, the parties agree to the terms set forth above.

The parties hereto have executed this Grant Agreement.

Participant Name: [Participant Name]

Date Signed: [Acceptance Date]

H&R BLOCK, INC.

By:

William C. Cobb
President and Chief Executive Officer

H&R Block Inc., 2003 Long-Term Executive Compensation Plan
Grant Agreement – Performance Share Units (2012)

H&R BLOCK, INC.
2003 LONG-TERM EXECUTIVE COMPENSATION PLAN
STOCK OPTIONS
GRANT AGREEMENT

This Grant Agreement is entered into by and between H&R Block, Inc., a Missouri corporation ("H&R Block"), and [Participant Name] ("Participant").

WHEREAS, H&R Block provides certain incentive awards ("Awards") to key employees of subsidiaries of H&R Block under the H&R Block, Inc. 2003 Long-Term Executive Compensation Plan (the "Plan");

WHEREAS, receipt of such Awards under the Plan are conditioned upon a Participant's execution of a Grant Agreement within 180 days of [Grant Date], wherein Participant agrees to abide by certain terms and conditions authorized by the Compensation Committee of the Board of Directors;

WHEREAS, the Participant has been selected by the Board of Directors, the Compensation Committee, or the Chief Executive Officer of H&R Block as a key employee of one of the subsidiaries of H&R Block and is eligible to receive Awards under the Plan.

NOW THEREFORE, in consideration of the parties promises' and agreements set forth in this Grant Agreement, the sufficiency of which the parties hereby acknowledge,

IT IS AGREED AS FOLLOWS:

1. Definitions. Whenever a term is used in this Grant Agreement, the following words and phrases shall have the meanings set forth below or as set forth in the Plan unless the context plainly requires a different meaning, and when a defined meaning is intended, the term is capitalized.

1.1 Amount of Gain Realized. The Amount of Gain Realized shall be equal to the number of shares of Common Stock purchased pursuant to an exercise of Stock Options hereunder multiplied by the difference between the Fair Market Value of Common Stock on the date of exercise and the Option Price.

1.2 Change of Control. Change of Control means the occurrence of one or more of the following events:

(a) Any one person, or more than one person acting as a group, acquires ownership of stock of H&R Block that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of H&R Block. If any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of H&R Block, the acquisition of additional stock by the same person or persons shall not be considered to cause a Change of Control. An increase in the percentage of stock owned by any one person, or persons

acting as a group, as a result of a transaction in which H&R Block acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this Section 1.2(a).

(b) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of H&R Block possessing 35 percent or more of the total voting power of the stock of H&R Block. If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of Treasury Regulation § 1.409A-3(i)(5)(vi), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation.

(c) A majority of members of H&R Block's Board of Directors (the "Board") is replaced during any 12-month period by directors whose appointment or election is not endorsed by two-thirds (2/3) of the members of the Board before the date of such appointment or election.

(d) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from H&R Block that have a total gross fair market value equal to or more than 50 percent of the total gross fair market value of all of the assets of H&R Block immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of H&R Block, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Notwithstanding the foregoing, there is no Change of Control event under this Section 1.2(d) when there is a transfer to an entity that is controlled by the shareholders of H&R Block immediately after the transfer. A transfer of assets by H&R Block is not treated as a change in the ownership of such assets if the assets are transferred to: (i) a shareholder of H&R Block (immediately before the asset transfer) in exchange for or with respect to its stock; (ii) an entity, 50 percent or more of the total value or voting power of which is owned, directly or indirectly, by H&R Block; (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, 50 percent or more of the total value or voting power of all the outstanding stock of H&R Block; or (iv) an entity, at least 50 percent of the total value or voting power of which is owned, directly or indirectly, by a person described in (iii) above.

For purposes of the foregoing, persons will be considered acting as a group in accordance with Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended, and Section 409A of the Code.

1.3 Code. Code means the Internal Revenue Code of 1986, as amended.

1.4 Committee. Committee means the Compensation Committee of the Board of Directors for H&R Block, Inc.

1.5 Common Stock. Common Stock means the common stock of H&R Block, Inc.

1.6 Company. Company means H&R Block, Inc., a Missouri corporation, and includes its “subsidiary corporations” (as defined in Section 424(f) of the Internal Revenue Code) and their respective divisions, departments and subsidiaries and the respective divisions, departments and subsidiaries of such subsidiaries.

1.7 Closing Price. Closing Price shall mean the last reported market price for one share of Common Stock, regular way, on the New York Stock Exchange (or any successor exchange or stock market on which such last reported market price is reported) on the day in question. In the event the exchange is closed on the day on which the Closing Price is to be determined or if there were no sales reported on such date, the Closing Price shall be computed as of the last date preceding such date on which the exchange was open and a sale was reported.

1.8 Disability. Disability or disabled means, determined in accordance with the following determination periods:

(a) In the case of a Participant who has coverage under a group long-term disability program maintained by the Company, the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of at least three months under such program; or

(b) In the case of a Participant who does not have coverage under a group long-term disability program maintained by the Company, the Participant is unable to engage in any substantial gainful activity for a period of at least 9 months by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

For this purpose, a Participant shall be deemed to have incurred a Disability on the last day of the applicable determination period above.

1.9 Early Retirement. Early Retirement means the Participant’s voluntary termination of employment with the Company at or after the date the Participant has both reached age 55 but has not yet reached age 60, and completed at least five (5) years of service with the Company.

1.10 Fair Market Value. Fair Market Value means the Closing Price for one share of Common Stock.

1.11 Last Day of Employment. Last Day of Employment means the date of a Participant’s Termination of Employment.

1.12 Qualifying Termination. Qualifying Termination shall mean Participant’s termination of employment which meets the definition of a “Qualifying Termination” under a written severance plan maintained by the Company that is applicable to Participant. In the event that no written severance plan is applicable to Participant, the definition of “Qualifying Termination” contained in any severance plan maintained by the Company that is applicable to employees at the same level as Participant will govern.

1.13 Retirement. Retirement or retire or similar terms means the Participant's voluntary termination of employment with the Company at or after the date the Participant has reached age 60.

1.14 Stock Option. Stock Option means the right to purchase, upon exercise of a stock option granted under the Plan, shares of Common Stock. A Stock Option may be an Incentive Stock Option which meets the requirements of Code Section 422(b) or a Nonqualified Stock Option. The right and option to purchase shares of Common Stock identified as subject to Nonqualified Stock Option shall not constitute and shall not be treated for any purpose as an "incentive stock option," as such term is defined in the Code.

1.15 Termination of Employment. Termination of Employment, termination of employment and similar references mean a separation from service within the meaning of Code §409A. A Participant who is an employee will generally have a Termination of Employment if the Participant voluntarily or involuntarily terminates employment with the Company. A termination of employment occurs if the facts and circumstances indicate that the Participant and the Company reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services the Participant will perform after such date (whether as an employee, director or other independent contractor) for the Company will decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee, director or other independent contractor) over the immediately preceding 36-month period (or full period of services if the Participant has been providing services for less than 36 months). For purposes of this Section 1.15, "Company" includes any entity that would be aggregated with the Company under Treasury Regulation 1.409A-1(h)(3).

2. Stock Option.

2.1 Grant of Stock Option. As of [Grant Date] (the "Grant Date"), H&R Block grants the Participant the right and option to purchase [Number of Shares Granted] shares of Common Stock (this "Stock Option") identified as [Grant Type].

2.2 Option Price. The price per share of Common Stock subject to this Stock Option is [Grant Price], which is the Closing Price on [Grant Date] (the "Option Price").

2.3 Vesting. This Stock Option shall vest on the dates noted below ("Vesting Dates") and become exercisable in installments, which shall be cumulative, with regard to the percentage of the number of shares of Common Stock subject to this Stock Option indicated next to each Vesting Date set forth in the table below provided that the Participant remains continuously employed by the Company through such Vesting Date:

Vesting Date	Percent of Stock Options Subject to Vesting on Such Vesting Date
First Anniversary of the Grant Date	33 1/3%
Second Anniversary of the Grant Date	33 1/3%
Third Anniversary of the Grant Date	33 1/3%

If the percentage of the aggregate number of shares of Common Stock subject to this Stock Option scheduled to vest on a Vesting Date is not a whole number of shares, then the amount vesting on such Vesting Date shall be rounded down to the nearest whole number of shares for

each Vesting Date, except that the amount vesting on the final Vesting Date shall be such that 100% of the aggregate number of shares of Common Stock subject to this Stock Option shall be cumulatively vested as of the final Vesting Date.

2.4 Acceleration of Vesting. Notwithstanding Section 2.3, Stock Options held by the Participant shall vest on the occurrence of any of the following events; provided that receipt of the benefits set forth in this Section 2.4 may be conditioned on the Participant executing and not revoking a release and separation agreement (and the deadline for executing and not revoking such agreement shall not delay the date the Stock Options become exercisable):

(a) *Change of Control*. In the event the Participant incurs a Qualifying Termination in the 24 months immediately following a Change of Control, as defined in Section 1.2, 100% of the Stock Options granted under this Grant Agreement shall immediately vest and become exercisable. The Participant may exercise such Stock Options until the earlier of: (i) ninety (90) days following the Participant's Last Day of Employment unless, if applicable, the Participant elects in writing to extend this time period through the severance period as defined by the applicable severance plan; or (ii) the last day the Stock Options would have been exercisable if the Participant had not incurred a termination of employment.

(b) *Qualifying Termination*. If a Participant experiences a Qualifying Termination not otherwise covered under Section 2.4(a), all or a portion of the then outstanding Stock Options granted under this Grant Agreement shall vest if and to the extent specified in any applicable severance plan and 100% of such vested Stock Options shall immediately vest and become exercisable. The Participant will be eligible for an extension of the exercise period for such Stock Options, if at all, only pursuant to an applicable severance plan (subject to the Participant executing and not revoking a release and separation agreement).

(c) *Retirement*. In the event of Participant's Retirement, 100% of the Stock Options granted under this Grant Agreement shall immediately vest and become exercisable, provided that the Participant retires more than one year after the Grant Date. Upon Retirement or Early Retirement, Participant may exercise any vested Stock Options for up to twelve months after Participant's Last Day of Employment.

If application of this Section 2.4 results in the acceleration of vesting of all or any portion of the Stock Options, shares of Common Stock then subject to Stock Options shall be allocated such that the number of shares subject to Incentive Stock Option shall be the maximum number of shares that may be subject to Incentive Stock Option under Section 422 of the Code for the calendar year in which the acceleration of vesting results.

2.5 Term of Option. No Stock Option granted under this Grant Agreement may be exercised after **[Expiration Date]**. Except as provided in this Section 2.5 and Sections 2.4 and 2.6, all Stock Options shall terminate when the Participant ceases, for any reason, to be an employee of the Company . If the Participant ceases to be an employee of the Company because of Disability, Participant may exercise any vested Stock Options for up to 3 months after Participant's Last Day of Employment.

2.6 Participant's Death. In the event the Participant ceases to be an employee of the Company because of death, the person or persons to whom the Participant's rights under this Grant Agreement shall pass by the Participant's will or laws of descent and distribution may exercise any vested Stock Options for a period up to 12 months after the Participant's date of death.

2.7 Exercise of Stock Option. The Stock Option granted under this Grant Agreement shall be exercisable by the Participant by giving notice of exercise to the Company, in the manner specified by the Company, specifying the number of whole shares to be purchased, and accompanied by full payment of the purchase price. The right to purchase shall be cumulative, so that the full number of shares of Common Stock that become purchasable at any time need not be purchased at such time, but may be purchased at any time or from time to time thereafter (but prior to the termination of the Stock Option).

2.8 Payment of the Option Price. Full payment of the Option Price for shares purchased shall be made at the time the Participant exercises the Stock Option. Payment of the aggregate Option Price may be made in (a) cash (which may include same day sales through a broker), (b) by delivery of Common Stock (with a value equal to the Closing Price of Common Stock on the last trading date preceding the date on which the Stock Option is exercised), or (c) a combination thereof. Payment shall be made only in cash unless at least 6 months have elapsed between the date of Participant's acquisition of each share of Common Stock delivered by Participant in full or partial payment of the aggregate Option Price and the date on which the Stock Option is exercised.

2.9 No Shareholder Privileges. Neither the Participant nor any person claiming under or through him or her shall be, or have any of the rights or privileges of, a shareholder of H&R Block with respect to any of the Common Stock issuable upon the exercise of this Stock Option, unless and until such shares of Common Stock shall have been duly issued and delivered to Participant as a result of such exercise.

3. Covenants

3.1 Consideration for Award under the Plan. Participant acknowledges that Participant's agreement to this Section 3 is a key consideration for the Award made under this Grant Agreement. Participant hereby agrees to abide by the Covenants set forth in Sections 3.2, 3.3, and 3.4.

3.2 Covenant Against Competition. During the period of Participant's employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees he or she will not, directly or indirectly, establish or engage in any business or organization, or own or control any interest in, be employed by, or act as an officer, director, consultant, advisor, or lender to, any of the following located in those geographic markets where Participant has had direct and substantial involvement in the Company's operations in such geographic markets: (a) any entity that engages in any business competitive with the business

activities of the Company including, without limitation, its assisted and digital (including software) tax services businesses (“Prohibited Companies”); (b) any financial institution or business where any of Participant’s duties or activities would relate to or assist in providing services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers; or (c) any financial institution or business whose primary purpose is to provide services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers. Without limiting clause (c), any financial institution or business whose profits or revenues from the provision of services or products to the Prohibited Companies exceeds 25% of total profits or revenues, as the case may be, shall be deemed to be covered by clause (c). For Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.2 shall be limited to one (1) year following the Participant’s Last Day of Employment. The restrictions in this Section 3.2 shall not apply if Participant’s primary place of employment as of the Last Day of Employment is in California or North Dakota.

3.3 Covenant Against Solicitation of Employees. Participant acknowledges and agrees that, during the period of Participant’s employment and for one (1) year after his or her Last Day of Employment, Participant will not directly or indirectly: (a) recruit, solicit, or otherwise induce any employee of any subsidiary of the Company to leave the employment of any such subsidiary of the Company or to become an employee of or otherwise be associated with Participant or any company or business with which Participant is or may become associated; or (b) hire any employee of any subsidiary of the Company as an employee or otherwise in any company or business with which Participant is or may become associated. The restrictions in this Section 3.3 shall not apply if Participant’s primary place of employment as of the Last Day of Employment is in Wisconsin.

3.4 Covenant Against Solicitation of Customers. During the period of Participant’s employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees that he or she will not, directly or indirectly, solicit or enter into any arrangement with any person or entity which is, at the time of the solicitation, a significant customer of the Company or any subsidiary of the Company for purpose of engaging in any business transaction of the nature performed by the Company or any subsidiary of the Company, or contemplated to be performed by the Company or any subsidiary of the Company, provided that this Section 3.4 will only apply to customers for whom Participant personally provided services while employed by a subsidiary of the Company or customers about whom or which Participant acquired material information while employed by a subsidiary of the Company. For Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.4 shall be limited to one (1) year following the Participant’s Last Day of Employment. The restrictions in this Section 3.4 shall not apply if Participant’s primary place of employment as of the Last Day of Employment is in North Dakota.

3.5 Forfeiture of Rights. Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, Participant shall forfeit all rights to payments or benefits under the Plan. All Stock Options outstanding on such date shall terminate.

3.6 Remedies. Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, whether prior to, on or after any settlement of an Award under the Plan, then Participant shall promptly pay to Company an amount equal to the aggregate Amount of Gain Realized by the Participant on all Stock Options exercised after a date commencing one year prior to Participant's Last Day of Employment. The Participant shall pay Company within three (3) business days after the date of any written demand by the Company to the Participant.

3.7 Remedies Payable. The Participant shall pay the amounts described in Section 3.6 in cash or as otherwise determined by the Company.

3.8 Remedies without Prejudice. The remedies provided in this Section 3 shall be without prejudice to the rights of the Company to recover any losses resulting from the applicable conduct of the Participant and shall be in addition to any other remedies the Company may have, at law or in equity, resulting from such conduct.

3.9 Survival. Participant's obligations in this Section 3 shall survive and continue beyond settlement of all Awards under the Plan and any termination or expiration of this Grant Agreement for any reason.

4. Non-Transferability of Awards. Any Award (including all rights, privileges and benefits conferred under such Award) shall not be transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate, or otherwise dispose of any Award, or of any right or privilege conferred hereby, contrary to the provisions hereof, or upon any attempted sale under any execution, attachment, or similar process upon the rights and privileges hereby granted, then and in any such event such Award and the rights and privileges hereby granted shall immediately become null and void.

5. Miscellaneous

5.1 No Employment Contract. This Grant Agreement does not confer on the Participant any right to continued employment for any period of time, is not an employment contract, and shall not in any manner modify any terms of employment between the Participant and the Company.

5.2 Clawback. If a significant restatement of the Company's financial results were to occur, and if as a result of that there has been an overage with respect to issuance of an Award, vesting thereof, or the Amount of Gain Realized with respect thereto, the Participant may be required to reimburse the Company for an amount related to such Award. The Committee has sole discretion to make all determinations that may be made pursuant to this section, including the amount of reimbursement.

5.3 Adjustment of Shares. If there shall be any change in the capital structure of H&R Block, including but not limited to a change in the number or kind of the outstanding shares of Common Stock resulting from a stock dividend or split-up, or combination or reclassification of such shares (or of any stock or other securities into which shares shall have been changed, or for which they shall have been exchanged), then the Board of Directors of H&R Block may make

such equitable adjustments with respect to the Stock Option, or any other provisions of the Plan, as it deems necessary or appropriate to prevent dilution or enlargement of the Stock Option rights hereunder or of the shares subject to this Stock Option.

5.4 Merger, Consolidation, Reorganization, Liquidation, etc. If H&R Block shall become a party to any corporate merger, consolidation, major acquisition of property for stock, reorganization, or liquidation, the Board of Directors shall, acting in its absolute and sole discretion, make such arrangements, which shall be binding upon the Participant of outstanding Awards, including but not limited to, the substitution of new Awards or for any Awards then outstanding, the assumption of any such Awards and the termination of or payment for such Awards.

5.5 Interpretation and Regulations. The Board of Directors of H&R Block shall have the power to provide regulations for administration of the Plan by the Committee and to make any changes in such guidelines as from time to time the Board of Directors may deem necessary. The Committee shall have the sole power to determine, solely for purposes of the Plan and this Grant Agreement, the date of and circumstances which shall constitute a cessation or termination of employment and whether such cessation or termination is the result of Retirement, death, Disability or termination without cause or any other reason, and further to determine, solely for purposes of the Plan and this Grant Agreement, what constitutes continuous employment with respect to the vesting and exercise of Stock Options or delivery of shares under the Plan (except that leaves of absence approved by the Committee or transfers of employment among the subsidiaries of H&R Block shall not be considered an interruption of continuous employment for any purpose under the Plan).

5.6 Reservation of Rights. If at any time the Company determines that qualification or registration of the Stock Options or any shares of Common Stock subject to the Stock Options under any state or federal securities law, or the consent or approval of any governmental regulatory authority, is necessary or desirable as a condition of the executing an Award or benefit under the Plan, then such action may not be taken, in whole or in part, unless and until such qualification, registration, consent or approval shall have been effected or obtained free of any conditions the Company deems unacceptable.

5.7 Reasonableness of Restrictions, Severability and Court Modification. Participant and the Company agree that the restrictions contained in this Grant Agreement are reasonable, but, should any provision of this Grant Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable or unreasonable in scope, the validity, legality and enforceability of the other provisions of this Grant Agreement will not be affected thereby, and the provision found invalid, illegal, or otherwise unenforceable or unreasonable will be considered by the Company and Participant to be amended as to scope of protection, time or geographic area (or any one of them, as the case may be) in whatever manner is considered reasonable by that court and, as so amended, will be enforced.

5.8 Withholding of Taxes. To the extent that the Company is required to withhold taxes in compliance with any federal, state, local or foreign law in connection with any payment made or benefit realized by a Participant or other person under this Grant Agreement, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or

such other person make arrangements satisfactory to the Company for the payment of all such taxes required to be withheld. At the discretion of the Committee, such arrangements may include relinquishment of a portion of such benefit. In the event the Participant has not made arrangements, the Company shall instruct the Participant's employer to withhold such amount from the Participant's next payment(s) of wages. The Participant authorizes the Company to so instruct the Participant's employer and authorizes the Participant's employer to make such withholdings from payment(s) of wages.

5.9 Waiver. The failure of the Company to enforce at any time any terms, covenants or conditions of this Grant Agreement shall not be construed to be a waiver of such terms, covenants or conditions or of any other provision. Any waiver or modification of the terms, covenants or conditions of this Grant Agreement shall only be effective if reduced to writing and signed by both Participant and an officer of the Company.

5.10 Plan Control. The terms of this Grant Agreement are governed by the terms of the Plan, as it exists on the Grant Date and as the Plan is amended from time to time. In the event of any conflict between the provisions of this Grant Agreement and the provisions of the Plan, the terms of the Plan shall control.

5.11 Notices. Any notice to be given to the Company or election to be made under the terms of this Grant Agreement shall be addressed to the Company (Attention: Long-Term Incentive Department) at One H&R Block Way, Kansas City Missouri 64105 or at such other address as the Company may hereafter designate in writing to the Participant. Any notice to be given to the Participant shall be addressed to the Participant at the last address of record with the Company or at such other address as the Participant may hereafter designate in writing to the Company. Any such notice shall be deemed to have been duly given when deposited in the United States mail via regular or certified mail, addressed as aforesaid, postage prepaid.

5.12 Choice of Law. This Grant Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Missouri without reference to principles of conflicts of laws.

5.13 Choice of Forum and Jurisdiction. Participant and Company agree that any proceedings to enforce the obligations and rights under this Grant Agreement must be brought in Missouri District Court located in Jackson County, Missouri, or in the United States District Court for the Western District of Missouri in Kansas City, Missouri. Participant agrees and submits to personal jurisdiction in either court. Participant and Company further agree that this Choice of Forum and Jurisdiction is binding on all matters related to Awards under the Plan and may not be altered or amended by any other arrangement or agreement (including an employment agreement) without the express written consent of Participant and H&R Block, Inc.

5.14 Attorneys Fees. Participant and Company agree that in the event of litigation to enforce the terms and obligations under this Grant Agreement, the party prevailing in any such cause of action will be entitled to reimbursement of reasonable attorney fees.

5.15 Relationship of the Parties. Participant acknowledges that this Grant Agreement is between H&R Block, Inc. and Participant. Participant further acknowledges that H&R Block, Inc. is a holding company and that Participant is not an employee of H&R Block, Inc.

5.16 Headings. The section headings herein are for convenience only and shall not be considered in construing this Grant Agreement.

5.17 Amendment. No amendment, supplement, or waiver to this Grant Agreement is valid or binding unless in writing and signed by both parties.

5.18 Execution of Agreement. This Grant Agreement shall not be enforceable by either party, and Participant shall have no rights with respect to the Awards made hereunder unless and until it has been (a) signed by Participant and on behalf of the Company by an officer of the Company, provided that the signature by such officer of the Company on behalf of the Company may be an electronic, facsimile or stamped signature, and (b) returned to the Company.

In consideration of said Award and the mutual covenants contained herein, the parties agree to the terms set forth above.

The parties hereto have executed this Grant Agreement.

Participant Name: [Participant Name]

Date Signed: [Acceptance Date]

H&R BLOCK, INC.
By:

William C. Cobb
President and Chief Executive Officer

H&R Block Inc. 2003 Long-Term Executive Compensation Plan
Grant Agreement – Stock Options (2012)

H&R BLOCK, INC.
2003 LONG-TERM EXECUTIVE COMPENSATION PLAN
RESTRICTED SHARE UNITS
GRANT AGREEMENT

This Grant Agreement is entered into by and between H&R Block, Inc., a Missouri corporation ("H&R Block"), and [Participant Name] ("Participant").

WHEREAS, H&R Block provides certain incentive awards ("Awards") to key employees of subsidiaries of H&R Block under the H&R Block, Inc. 2003 Long-Term Executive Compensation Plan (the "Plan");

WHEREAS, receipt of such Awards under the Plan are conditioned upon a Participant's execution of a Grant Agreement within 180 days of [Grant Date], wherein Participant agrees to abide by certain terms and conditions authorized by the Compensation Committee of the Board of Directors;

WHEREAS, the Participant has been selected by the Board of Directors, the Compensation Committee, or the Chief Executive Officer of H&R Block as a key employee of one of the subsidiaries of H&R Block and is eligible to receive Awards under the Plan.

NOW THEREFORE, in consideration of the parties' promises and agreements set forth in this Grant Agreement, the sufficiency of which the parties hereby acknowledge,

IT IS AGREED AS FOLLOWS:

1. Definitions. Whenever a term is used in this Grant Agreement, the following words and phrases shall have the meanings set forth below or as set forth in the Plan unless the context plainly requires a different meaning, and when a defined meaning is intended, the term is capitalized.

1.1 Amount of Gain Realized. The Amount of Gain Realized shall be equal to the number of shares of Common Stock in which the Participant becomes vested pursuant to this Grant Agreement multiplied by the Fair Market Value of one share of Common Stock on the Vesting Date (as defined in Section 2.3).

1.2 Change of Control. Change of Control means the occurrence of one or more of the following events:

(a) Any one person, or more than one person acting as a group, acquires ownership of stock of H&R Block that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of H&R Block. If any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of H&R Block, the acquisition of additional stock by the same person or persons shall not be considered to cause a Change of Control. An increase in the percentage of stock owned by any one person, or persons acting as a

group, as a result of a transaction in which H&R Block acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this Section 1.2(a).

(b) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of H&R Block possessing 35 percent or more of the total voting power of the stock of H&R Block. If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of Treasury Regulation §1.409A-3(i)(5)(vi), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation.

(c) A majority of members of H&R Block Board of Directors (the “Board”) is replaced during any 12-month period by directors whose appointment or election is not endorsed by two-thirds (2/3) of the members of the Board before the date of such appointment or election.

(d) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from H&R Block that have a total gross fair market value equal to or more than 50 percent of the total gross fair market value of all of the assets of H&R Block immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of H&R Block, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Notwithstanding the foregoing, there is no Change of Control event under this Section 1.2(d) when there is a transfer to an entity that is controlled by the shareholders of H&R Block immediately after the transfer. A transfer of assets by H&R Block is not treated as a change in the ownership of such assets if the assets are transferred to: (i) a shareholder of H&R Block (immediately before the asset transfer) in exchange for or with respect to its stock; (ii) an entity, 50 percent or more of the total value or voting power of which is owned, directly or indirectly, by H&R Block; (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, 50 percent or more of the total value or voting power of all the outstanding stock of H&R Block; or (iv) an entity, at least 50 percent of the total value or voting power of which is owned, directly or indirectly, by a person described in (iii) above.

For purposes of the foregoing, persons will be considered acting as a group in accordance with Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended, and Section 409A of the Code.

1.3 Code. Code means the Internal Revenue Code of 1986, as amended.

1.4 Committee. Committee means the Compensation Committee of the Board of Directors for H&R Block, Inc.

1.5 Common Stock. Common Stock means the common stock of H&R Block, Inc.

1.6 Company. Company means H&R Block, Inc., a Missouri corporation, and includes its “subsidiary corporations” (as defined in Section 424(f) of the Internal Revenue Code) and their

respective divisions, departments and subsidiaries and the respective divisions, departments and subsidiaries of such subsidiaries.

1.7 Closing Price. Closing Price shall mean the last reported market price for one share of Common Stock, regular way, on the New York Stock Exchange (or any successor exchange or stock market on which such last reported market price is reported) on the day in question. In the event the exchange is closed on the day on which the Closing Price is to be determined or if there were no sales reported on such date, the Closing Price shall be computed as of the last date preceding such date on which the exchange was open and a sale was reported.

1.8 Fair Market Value. Fair Market Value means the Closing Price for one share of Common Stock.

1.9 Last Day of Employment. Last Day of Employment means the date of a Participant's Termination of Employment.

1.10 Qualifying Termination. Qualifying Termination shall mean Participant's termination of employment which meets the definition of a "Qualifying Termination" under a written severance plan maintained by the Company that is applicable to Participant. In the event that no written severance plan is applicable to Participant, the definition of "Qualifying Termination" contained in any severance plan maintained by the Company that is applicable to employees at the same level as Participant will govern.

1.11 Restricted Share Units. Restricted Share Units ("Units") means Restricted Share Units granted to a Participant under the Plan subject to such terms and conditions as the Committee may determine at the time of issuance.

1.12 Retirement. Retirement or retire or similar terms means the Participant's voluntary termination of employment with the Company at or after the date the Participant has reached age 60.

1.13 Termination of Employment. Termination of Employment, termination of employment and similar references mean a separation from service within the meaning of Code §409A. A Participant who is an employee will generally have a Termination of Employment if the Participant voluntarily or involuntarily terminates employment with the Company. A termination of employment occurs if the facts and circumstances indicate that the Participant and the Company reasonably anticipate that no further services will be performed after a certain date or that the level of bona fide services the Participant will perform after such date (whether as an employee, director or other independent contractor) for the Company will decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee, director or other independent contractor) over the immediately preceding 36-month period (or full period of services if the Participant has been providing services for less than 36 months). For purposes of this Section 1.13, "Company" includes any entity that would be aggregated with the Company under Treasury Regulation 1.409A-1(h)(3).

2. Restricted Share Units.

2.1 Issuance of Units. As of [Grant Date] (the “Grant Date”), H&R Block hereby awards [Number of Units Granted] Restricted Share Units (the “Units”) as evidenced by this Grant Agreement.

2.2 Requirement of Employment. In order to become vested on each Vesting Date, Participant must remain continuously employed with the Company through the applicable Vesting Date (as set forth in Section 2.3). Absent an agreement to the contrary, if Participant’s employment with the Company should terminate prior to the Vesting Date for any reason other than those set forth in Section 2.4, all Units then held by the Participant, if any, shall be forfeited by the Participant and the Participant shall have no right to receive Common Stock in respect thereof.

2.3 Vesting and Delivery of Common Stock. Subject to Section 2.2, Units granted pursuant to this Grant Agreement shall vest on the dates noted below (“Vesting Dates”). Any Common Stock to be delivered to the Participant by H&R Block will be delivered in accordance with the following schedule:

<u>Vesting Date</u>	<u>Percent of Units Subject to Vesting on Such Vesting Date</u>
First Anniversary of the Grant Date	33 1/3%
Second Anniversary of the Grant Date	33 1/3%
Third Anniversary of the Grant Date	33 1/3%

Upon the Vesting Date, shares of Common Stock equal to the number of Units that become vested shall be transferred within 60 days directly into a brokerage account established for the Participant at a financial institution the Committee shall select at its sole discretion (the “Financial Institution”) or delivered to the Participant in certificate form free of restrictions, such method to be selected by the Committee in its sole discretion. The Participant agrees to complete any documentation with the Company or the Financial Institution that is necessary to affect the transfer of shares of Common Stock to the Financial Institution before the delivery of such shares will occur.

2.4 Acceleration of Vesting. Notwithstanding Section 2.3, Units held by the Participant vest on the occurrence of any of the following events; provided that receipt of the benefits set forth in this Section 2.4 may be conditioned on the Participant executing and not revoking a release and separation agreement (and the deadline for executing and not revoking such agreement shall not delay the payment date of the shares to be issued pursuant to vesting of the Awards):

(a) Change of Control. In the event the Participant incurs a Qualifying Termination in the 24 months immediately following a Change of Control, as defined in Section 1.2, 100% of all outstanding Units granted under this Grant Agreement shall immediately vest.

(b) *Qualifying Termination.* If a Participant experiences a Qualifying Termination not otherwise covered under Section 2.4(a), all or a portion of the then outstanding Units granted under this Grant Agreement shall vest if and to the extent specified in any applicable severance plan.

(c) *Retirement.* If a Participant retires from employment with the Company at least one year after the anniversary of the Grant Date, 100% of all outstanding Units granted under this Grant Agreement shall immediately vest.

Upon the accelerated vesting pursuant to this Section 2.4, shares of Common Stock equal to the number of Units that become vested shall be transferred within 60 days directly into a brokerage account established for the Participant at a financial institution the Committee shall select at its sole discretion (the "Financial Institution") or delivered to the Participant in certificate form free of restrictions, such method to be selected by the Committee in its sole discretion. The Participant agrees to complete any documentation with the Company or the Financial Institution that is necessary to affect the transfer of shares of Common Stock to the Financial Institution before the delivery of such shares will occur. Notwithstanding the foregoing, delivery of shares of Common Stock will be delayed to the extent provided under Section 5.14 (Compliance with Section 409A).

2.5 *No Shareholder Privileges.* Neither the Participant nor any person claiming under or through him or her shall be, or have any of the rights or privileges of, a shareholder of H&R Block with respect to any of the Common Stock issuable upon the vesting of the Units, unless and until such shares of Common Stock shall have been duly issued and delivered to Participant as a result of such vesting.

3. Covenants.

3 . 1 *Consideration for Award under the Plan.* Participant acknowledges that Participant's agreement to this Section 3 is a key consideration for the Award made under this Grant Agreement. Participant hereby agrees to abide by the covenants set forth in Sections 3.2, 3.3, and 3.4.

3 . 2 *Covenant Against Competition.* During the period of Participant's employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees he or she will not, directly or indirectly, establish or engage in any business or organization, or own or control any interest in, be employed by, or act as an officer, director, consultant, advisor, or lender to, any of the following located in those geographic markets where Participant has had direct and substantial involvement in the Company's operations in such geographic markets: (a) any entity that engages in any business competitive with the business activities of the Company including, without limitation, its assisted and digital (including software) tax services businesses ("Prohibited Companies"); (b) any financial institution or business where any of Participant's duties or activities would relate to or assist in providing services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers; or (c) any financial institution or business whose primary purpose is to provide services or products to one or more of the Prohibited Companies for use in connection with products, services or assistance being provided to customers. Without limiting clause (c), any financial institution or business whose profits or

revenues from the provision of services or products to the Prohibited Companies exceeds 25% of total profits or revenues, as the case may be, shall be deemed to be covered by clause (c). For Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.2 shall be limited to one (1) year following the Participant's Last Day of Employment. The restrictions in this Section 3.2 shall not apply if Participant's primary place of employment as of the Last Day of Employment is in California or North Dakota.

3.3 Covenant Against Solicitation of Employees. Participant acknowledges and agrees that, during the period of Participant's employment and for one (1) year after his or her Last Day of Employment, Participant will not directly or indirectly: (a) recruit, solicit, or otherwise induce any employee of any subsidiary of the Company to leave the employment of any such subsidiary of the Company or to become an employee of or otherwise be associated with Participant or any company or business with which Participant is or may become associated; or (b) hire any employee of any subsidiary of the Company as an employee or otherwise in any company or business with which Participant is or may become associated. The restrictions in this Section 3.3 shall not apply if Participant's primary place of employment as of the Last Day of Employment is in Wisconsin.

3.4 Covenant Against Solicitation of Customers. During the period of Participant's employment and for two (2) years after his or her Last Day of Employment, Participant acknowledges and agrees that he or she will not, directly or indirectly, solicit or enter into any arrangement with any person or entity which is, at the time of the solicitation, a significant customer of the Company or any subsidiary of the Company for purpose of engaging in any business transaction of the nature performed by the Company or any subsidiary of the Company, or contemplated to be performed by the Company or any subsidiary of the Company, provided that this Section 3.4 will only apply to customers for whom Participant personally provided services while employed by a subsidiary of the Company or customers about whom or which Participant acquired material information while employed by a subsidiary of the Company. For Participants whose primary place of employment as of the Last Day of Employment is in Puerto Rico or Arizona, the restrictions in this Section 3.4 shall be limited to one (1) year following the Participant's Last Day of Employment. The restrictions in this Section 3.4 shall not apply if Participant's primary place of employment as of the Last Day of Employment is in North Dakota.

3.5 Forfeiture of Rights. Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, Participant shall forfeit all rights to payments or benefits under the Plan. All unvested Units shall terminate and be incapable of vesting.

3.6 Remedies. Notwithstanding anything herein to the contrary, if Participant violates any provisions of this Section 3, whether prior to, on or after any settlement of an Award under the Plan, then Participant shall promptly pay to Company an amount equal to the aggregate Amount of Gain Realized by the Participant on all Common Stock received after a date commencing one year prior to Participant's Last Day of Employment. The Participant shall pay Company within three (3) business days after the date of any written demand by the Company to the Participant.

3.7 Remedies Payable. The Participant shall pay the amounts described in Section 3.6 in cash or as otherwise determined by the Company.

3.8 Remedies without Prejudice. The remedies provided in this Section 3 shall be without prejudice to the rights of the Company to recover any losses resulting from the applicable conduct of the Participant and shall be in addition to any other remedies the Company may have, at law or in equity, resulting from such conduct.

3.9 Survival. Participant's obligations in this Section 3 shall survive and continue beyond settlement of all Awards under the Plan and any termination or expiration of this Grant Agreement for any reason.

4. Non-Transferability of Awards. Any Award (including all rights, privileges and benefits conferred under such Award) shall not be transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate, or otherwise dispose of any Award, or of any right or privilege conferred hereby, contrary to the provisions hereof, or upon any attempted sale under any execution, attachment, or similar process upon the rights and privileges hereby granted, then and in any such event such Award and the rights and privileges hereby granted shall immediately become null and void.

5. Miscellaneous.

5.1 No Employment Contract. This Grant Agreement does not confer on the Participant any right to continued employment for any period of time, is not an employment contract, and shall not in any manner modify any terms of employment between the Participant and the Company.

5.2 Clawback. If a significant restatement of the Company's financial results were to occur, and if as a result of that there has been an overage with respect to issuance of an Award, vesting thereof, or the Amount of Gain Realized with respect thereto, the Participant may be required to reimburse the Company for an amount related to such Award. The Committee has sole discretion to make all determinations that may be made pursuant to this section, including the amount of reimbursement.

5.3 Adjustment of Units. If there shall be any change in the capital structure of H&R Block, including but not limited to a change in the number or kind of the outstanding shares of Common Stock resulting from a stock dividend or split-up, or combination or reclassification of such shares (or of any stock or other securities into which shares shall have been changed, or for which they shall have been exchanged), then the Board of Directors of H&R Block may make such equitable adjustments with respect to the Units, or any other provisions of the Plan, as it deems necessary or appropriate to prevent dilution or enlargement of the rights hereunder or of the shares subject to this Grant Agreement.

5.4 Merger, Consolidation, Reorganization, Liquidation, etc. If H&R Block shall become a party to any corporate merger, consolidation, major acquisition of property for stock, reorganization, or liquidation, the Board of Directors shall, acting in its absolute and sole discretion, make such arrangements, which shall be binding upon the Participant of outstanding Awards, including but not limited to, the substitution of new Awards or for any Awards then outstanding, the assumption of any such Awards and the termination of or payment for such Awards.

5.5 Interpretation and Regulations. The Board of Directors of H&R Block shall have the power to provide regulations for administration of the Plan by the Committee and to make any changes in such guidelines as from time to time the Board of Directors may deem necessary. The Committee shall have the sole power to determine, solely for purposes of the Plan and this Grant Agreement, the date of and circumstances which shall constitute a cessation or termination of employment and whether such cessation or termination is the result of Retirement, death, disability or termination without cause or any other reason, and further to determine, solely for purposes of the Plan and this Grant Agreement, what constitutes continuous employment with respect to vesting and the delivery of Common Stock under this Grant Agreement (except that leaves of absence approved by the Committee or transfers of employment among the subsidiaries of H&R Block shall not be considered an interruption of continuous employment for any purpose under the Plan).

5.6 Reservation of Rights. If at any time the Company determines that qualification or registration of the Units or any shares of Common Stock subject to the Units under any state or federal securities law, or the consent or approval of any governmental regulatory authority, is necessary or desirable as a condition of the executing an Award or benefit under the Plan, then such action may not be taken, in whole or in part, unless and until such qualification, registration, consent or approval shall have been effected or obtained free of any conditions the Company deems unacceptable.

5.7 Reasonableness of Restrictions, Severability and Court Modification. Participant and the Company agree that, the restrictions contained in this Grant Agreement are reasonable, but, should any provision of this Grant Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable or unreasonable in scope, the validity, legality and enforceability of the other provisions of this Grant Agreement will not be affected thereby, and the provision found invalid, illegal, or otherwise unenforceable or unreasonable will be considered by the Company and Participant to be amended as to scope of protection, time or geographic area (or any one of them, as the case may be) in whatever manner is considered reasonable by that court, and, as so amended will be enforced.

5.8 Withholding of Taxes. To the extent that the Company is required to withhold taxes in compliance with any federal, state, local or foreign law in connection with any payment made or benefit realized by a Participant or other person under this Plan, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for the payment of all such taxes required to be withheld. At the discretion of the Committee, such arrangements may include relinquishment of a portion of such benefit. In the event the Participant has not made arrangements, the Company shall instruct the Participant's employer to withhold such amount from the Participant's next payment(s) of wages. The Participant authorizes the Company to so instruct the Participant's employer and authorizes the Participant's employer to make such withholdings from payment(s) of wages.

5.9 Waiver. The failure of the Company to enforce at any time any terms, covenants or conditions of this Grant Agreement shall not be construed to be a waiver of such terms, covenants or conditions or of any other provision. Any waiver or modification of the terms, covenants or conditions of this Grant Agreement shall only be effective if reduced to writing and signed by both Participant and an officer of the Company.

5.10 Plan Control. The terms of this Grant Agreement are governed by the terms of the Plan, as it exists on the Grant Date and as the Plan is amended from time to time. In the event of any conflict between the provisions of this Grant Agreement and the provisions of the Plan, the terms of the Plan shall control.

5.11 Notices. Any notice to be given to the Company or election to be made under the terms of this Grant Agreement shall be addressed to the Company (Attention: Long-Term Incentive Department) at One H&R Block Way, Kansas City Missouri 64105 or at such other address as the Company may hereafter designate in writing to the Participant. Any notice to be given to the Participant shall be addressed to the Participant at the last address of record with the Company or at such other address as the Participant may hereafter designate in writing to the Company. Any such notice shall be deemed to have been duly given when deposited in the United States mail via regular or certified mail, addressed as aforesaid, postage prepaid.

5.12 Choice of Law. This Grant Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Missouri without reference to principles of conflicts of laws.

5.13 Choice of Forum and Jurisdiction. Participant and Company agree that any proceedings to enforce the obligations and rights under this Grant Agreement must be brought in Missouri District Court located in Jackson County, Missouri, or in the United States District Court for the Western District of Missouri in Kansas City, Missouri. Participant agrees and submits to personal jurisdiction in either court. Participant and Company further agree that this Choice of Forum and Jurisdiction is binding on all matters related to Awards under the Plan and may not be altered or amended by any other arrangement or agreement (including an employment agreement) without the express written consent of Participant and H&R Block, Inc.

5.14 Compliance with Section 409A. Notwithstanding any provision in this Grant Agreement or the Plan to the contrary, this Grant Agreement shall be interpreted and administered in accordance with Section 409A of the Internal Revenue Code and regulations and other guidance issued thereunder. For purposes of determining whether any payment made pursuant to this Grant Agreement results in a "deferral of compensation" within the meaning of Treasury Regulation §1.409A-1(b), H&R Block shall maximize the exemptions described in such section, as applicable. Any reference to a "termination of employment" or similar term or phrase shall be interpreted as a "separation from service" within the meaning of Section 409A and the regulations issued thereunder. If any deferred compensation payment is payable due to separation from service for any reason other than death, then payment of such amount shall be delayed for a period of six months and paid in a lump sum on the first payroll payment date following expiration of such six month period. To the extent any payments under this Grant Agreement are made in installments, each installment shall be deemed a separate payment for purposes of Section 409A and the regulations issued thereunder. A Participant or beneficiary, as applicable, shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on the Participant or beneficiary in connection with any payments to such Participant or beneficiary pursuant to this Grant Agreement, including but not limited to any taxes, interest and penalties under Section 409A, and neither H&R Block nor any of its affiliates shall have any obligation to indemnify or otherwise hold a Participant or beneficiary harmless from any and all of such taxes and penalties.

5.15 Attorneys Fees. Participant and Company agree that in the event of litigation to enforce the terms and obligations under this Grant Agreement, the party prevailing in any such cause of action will be entitled to reimbursement of reasonable attorney fees.

5.16 Relationship of the Parties. Participant acknowledges that this Grant Agreement is between H&R Block, Inc. and Participant. Participant further acknowledges that H&R Block, Inc. is a holding company and that Participant is not an employee of H&R Block, Inc.

5.17 Headings. The section headings herein are for convenience only and shall not be considered in construing this Grant Agreement.

5.18 Amendment. No amendment, supplement, or waiver to this Grant Agreement is valid or binding unless in writing and signed by both parties.

5.19 Execution of Agreement. This Grant Agreement shall not be enforceable by either party, and Participant shall have no rights with respect to the Awards made hereunder unless and until it has been (a) signed by Participant and on behalf of the Company by an officer of the Company, *provided that* the signature by such officer of the Company on behalf of the Company may be an electronic, facsimile or stamped signature, and (b) returned to the Company.

In consideration of said Award and the mutual covenants contained herein, the parties agree to the terms set forth above.

The parties hereto have executed this Grant Agreement.

Participant Name: [Participant Name]

Date Signed: [Acceptance Date]

H&R BLOCK, INC.
By:

William C. Cobb
President and Chief Executive Officer

H&R Block Inc. 2003 Long-Term Executive Compensation Plan
Grant Agreement – Restricted Share Units (2012)

