



**H&R BLOCK®**

## **BOARD OF DIRECTORS INDEPENDENCE STANDARDS**

Pursuant to New York Stock Exchange listing standards, no director qualifies as being an independent director unless the Board of Directors affirmatively determines that the director has no material relationship with H&R Block, Inc. or any of its subsidiaries (collectively, the “Company”), either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Company.

The Board of Directors has established the categorical standards to assist in determining the independence of directors. Pursuant to these standards, a director will not be considered independent if:

- At any time during the three years immediately preceding the date of determination, the director was an employee of the Company or any of the director’s immediate family was an executive officer of the Company; *provided* that for purposes of these standards, service as an interim chief executive officer shall not be deemed to be service as an employee or executive officer of the Company.
- At any time during the three years immediately preceding the date of determination, the director (or any of the director’s immediate family) received more than \$100,000 per year in direct compensation from the Company other than (i) director or committee fees (including fees for service on the board of directors of subsidiary or affiliated companies) and (ii) pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- The director or an immediate family member is a current partner of a firm that is the Company’s internal or external auditor; the director is a current employee of such firm; the director has an immediate family member who is a current employee of such a firm and who participates in the firm’s audit, assurance or tax compliance (but not tax planning) practice; or the director or an immediate family member was at any time during the three years immediately preceding the date of determination (but is no longer) a partner or employee of such firm and personally worked on the Company’s audit within that time.
- At any time during the three years immediately preceding the date of determination, either the director, or any of the director’s immediate family members, has been employed as an executive officer of another company for which an executive officer of the Company serves on the compensation (or equivalent) committee.
- At any time during the three years immediately preceding the date of determination, the Company made payments to, or received payments from, a company, firm or professional entity of which or in which (i) the director is

currently is an executive officer, partner or employee, or owns in excess of a 10% equity interest or (ii) the director's immediate family members currently is an executive officer or partner or owns in excess of a 10% equity interest; *provided* that such payments are in an amount exceeding the greater of \$1 million or 2% of such other company's consolidated gross revenues for such other company's most recent full fiscal year.

- The director (or any of the director's immediate family) serves as an officer, director or trustee of a charitable organization to which the Company gives directly or indirectly through its foundation, more than \$200,000 or 5% of the organization's total annual charitable receipts during its last full fiscal year (whichever is greater).

An individual will be considered to be affiliated with a corporation or other entity if that individual controls, is controlled by or is under common control with the corporation or other entity. An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers in law, sons and daughters in laws, brothers and sisters in law and any one (other than domestic employees) who shares such person's home.

The Board of Directors will determine the independence of any director with a relationship to the Company that is not covered by the above standards.