

# **H&R BLOCK, INC.**

## **COMPENSATION COMMITTEE CHARTER**

(as amended and restated February 26, 2008)

### **ROLE OF THE COMPENSATION COMMITTEE**

The Compensation Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”), established to discharge the Board’s responsibilities relating to (i) evaluating and recommending to the Board for its action or approval, the compensation of the Company’s Chief Executive Officer (“CEO”) and other executive officers as set forth in the Company’s Enterprise Fiscal Authority Policy (“Designated Officers”) and (ii) evaluating and approving the compensation of other executive officers as set forth in the Company’s Enterprise Fiscal Authority Policy.

### **COMMITTEE COMPOSITION**

The Committee shall consist of at least three directors appointed by the Board, each of whom is: (i) an “outside director” within the meaning of the Treasury Regulations promulgated under Section 162(m) of the Internal Revenue Code, (ii) “independent” under the applicable standards of the New York Stock Exchange, and (iii) a “non-employee director” within the meaning of Rule 16b-3 under the federal securities laws. Committee members shall serve as members until their successors are elected and qualified or until their earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by the Board at any time.

### **MEETINGS**

The Committee shall hold at least two regular meetings annually and shall meet more frequently as deemed necessary to fulfill its responsibilities. Special meetings may be called by the Board or the chairperson of the Committee, as deemed necessary. The Committee may request members of management, professional advisors or others to attend the Committee meetings and provide pertinent information, as necessary. A majority of the members of the Committee shall constitute a quorum sufficient for the taking of any action by the Committee.

### **COMMITTEE AUTHORITY**

The Committee shall have the sole authority to retain and terminate any consulting firm, legal counsel or expert to assist in the evaluation of CEO or Designated Officer compensation, including the sole authority to approve fees and meet privately with these advisors who shall be ultimately responsible to the Committee. The Committee shall also have the authority to delegate authority to such subcommittees as it deems appropriate and in the best interest of the Company and its shareholders.

### **KEY COMMITTEE DUTIES AND RESPONSIBILITIES**

The following responsibilities are set forth as a guide for the Committee. The Committee is authorized to carry out these and such other responsibilities assigned by

the Board from time to time, and take any actions reasonably related to the mandate of this Charter. The Committee's key duties and responsibilities are to:

1. Review and approve the Company's overall executive compensation philosophy and oversee and make recommendations to the Board regarding the Company's overall executive compensation structure, policies and programs with a view to recruiting and retaining superior talent. Review and present for Board and shareholder approval all equity-based compensation plans.
2. Review an annual executive talent analysis and upon recommendation of the CEO recommend to the Board the election, retention or removal of officers of H&R Block, Inc. or the chief executive officer of each business unit.
3. Review the CEO's performance against Board-approved corporate goals and objectives, formally evaluate the CEO's performance in light of such goals and objectives, and make recommendations to the Board regarding the CEO's compensation (including base salary and all incentives, benefits and perquisites) based on this evaluation. The Chairman of the Board shall be responsible for discussing and providing counsel with the CEO regarding the Board's and the Committee's performance evaluation of the CEO. The Chairman of the Board shall provide feedback to the Board regarding such discussions.
4. Review, evaluate and make recommendations to the Board regarding the key terms of any employment agreement (including any other agreements containing compensation or benefit provisions related to severance or change in control) for all newly hired and elected Designated Officers. Review, evaluate and approve the key terms of any employment agreement (including any other agreements containing compensation or benefit provisions related to severance) for all other newly hired and elected executive officers as set forth in the Company's Enterprise Fiscal Authority Policy.
5. Review and recommend to the Board the compensation for Designated Officers (including base salary, incentives, benefits, perquisites and other remuneration) taking into account the recommendations of the CEO.
6. Review compliance by applicable officers with any stock ownership guidelines or holding requirements approved by the Board.
7. Review and approve the Compensation Discussion and Analysis included in the Company's Proxy Statement for the Company's Annual Meeting of Shareholders.
8. Make reports to the Board on a regular basis on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board requests.
9. Conduct an annual self-evaluation of its own performance.

10. Review and reassess the adequacy of the Committee Charter on an annual basis, or more frequently as needs dictate, and recommend to the Governance and Nominating Committee and/or Board any revisions considered appropriate.