Code of Conduct of
JTH Holding, Inc. – Liberty Tax Service

Comments from John Hewitt:

At Liberty Tax Service, being a principles-led company is more than a list of ideals – it is a part of our mission. Our mission is to set the standard, improve each day and have some fun! Since 1997, this mission statement, which seeks to balance responsibility, best business practices, strong growth, social responsibility and a fulfilling life for our franchisees and employees, has guided us and made us the success we are today. As Sir Francis Bacon proclaimed, "it is not what we profess but what we practice that gives us integrity". We need your help, each day, to make our mission statement a living testament to the integrity of Liberty Tax Service. With this Code of Conduct, Liberty Tax Service has documented the minimum standards of practice that are required of all employees, officers and directors. Please read and apply this Code of Conduct carefully. These fundamental principles will guide our daily practices as we seek to embody our mission statement. Of course, this Code of Conduct does not address every situation that you will encounter as you work at Liberty Tax Service. When you are faced with a situation in which you are not sure how to respond or if you believe that you have witnessed a violation of the Code of Conduct, please consult the "What if I Have a Question" section of this Code of Conduct. Please join me in personally committing to our Code of Conduct. Together we truly can Set the Standard, Improve Each Day and Have Some Fun.

Does this Code of Conduct Apply to Me?

This code applies to all employees, officers and directors of JTH Holding, Inc. and all of its subsidiaries and affiliates (collectively, the "Company," "Liberty Tax Service," "Liberty Tax" or "Liberty"). Liberty Tax Service expects all employees, officers and directors to be familiar with and to follow this Code of Conduct and any future revisions. If you do not adhere to the Code of Conduct, your employment or board membership may be suspended or terminated. When appropriate, failure to adhere to the Code of Conduct may result in retraining, reprimands or referral to legal authorities. In addition to following the standards of conduct stated herein, all employees, officers and directors are expected to abide by all Company policies and its employee handbook, as well as all laws and regulations that apply to Liberty Tax Service. The Company will comply with all governmental laws, rules and regulations that are applicable to the Company's activities, and expects that all directors, officers and employees acting on behalf of the Company will do the same. Managers of Liberty Tax Service are also expected to communicate the expectations of this Code of Conduct with the employees that report to them and to monitor the employees' compliance with this Code of Conduct.

What if I Have a Question?

No guide can address every situation that an employee or board member might face. When you are unsure what action to take, consider the following questions:

- Is the action legal?

- Is the action or inaction consistent with Liberty Tax Service's policies and principles?
- Do you believe that you are setting the standard of integrity and not just following the law by taking such action?
- Would you be comfortable reading the headlines of the local or national paper if the paper reported your taking such an action?
- Is the action in the long term interests of Liberty Tax Service?
- Would the action adversely affect the Company, its employees, its franchisees or its customers?

If you are not sure what to do, ask before acting. All doors are open for communication at the Company- including the doors of supervisors, the Human Resources Director, the General Counsel, the Chief Operating Officer and the Chief Executive Officer. You can discuss issues and raise concerns at any level. You should feel free to ask a question or raise a concern without concern for your employment status because Liberty Tax Service and this Code of Conduct strictly forbid retaliation against any one who raises a concern or makes a report in good faith.

What if I Think I see a Violation of the Code of Conduct?

Please report possible violations of the Code of Conduct to your supervisor or to the Human Resources Director. You may also report possible code violations by calling the Code of Conduct Hotline at **800-216-1288.** The Hotline has been established to help Liberty monitor its Code of Conduct compliance and to report possible violations of the Code of Conduct, including but not limited to possible auditing or financial violations. The Hotline is available 365 days a year, 24 hours a day. The Hotline is not intended to be a substitute for communicating with your supervisor, other Liberty employees or the Human Resources Director, about general management or operational matters. Please recognize the importance of communicating your concerns openly! But, feel free to use the Hotline if you suspect a Code of Conduct violation and you are not comfortable reporting this violation to your manager or the Human Resources Director. Although Liberty would appreciate you providing your name when you call the Hotline, you can use the Hotline anonymously. For all reports, whether via the Hotline or otherwise, we will maintain confidentiality to the extent possible given the Company's need to investigate the allegations or suspicions reported. All reports of possible Code of Conduct violations will be investigated. Depending upon the nature of the alleged violation, the investigation and corrective action may be handled by a manager of the affected department or by a member of another department such as Legal, Human Resources, or Internal Audit.

Liberty Tax Service strictly forbids retaliation against anyone who reports a possible Code of Conduct violation. However, please note that it is a violation of this Code of Conduct to knowingly make a false allegation of Code of Conduct violations. The Company may take action against anyone who knowingly makes false allegations.

If you are a supervisor who receives a report of possible violation, alert the Human Resources Director, the Chief Executive Officer, the Chief Operating Officer or the General Counsel.

Key Principles to Follow

I. Show Respect

Equal Employment Opportunity

Liberty Tax Service does not discriminate against employees or applicants for employment based upon race, color, religion, sex, pregnancy, sexual orientation, national origin, age, veteran status, marital status or disability.

Positive Environment

Liberty Tax Service prohibits harassment of any kind – verbal, physical or visual. If you have been harassed at Liberty Tax Service, you should immediately report the incident to your supervisor, the Human Resources Director or both. Similarly, supervisors are required to report any such incident to the Human Resources Director immediately. Human Resources will promptly and thoroughly investigate any complaints and take appropriate action.

Workplace Safety

Our goal is to provide a safe work environment for all employees. To further this goal, we will not condone or tolerate aggressive, violent or physically intimidating behavior, including threats to engage in such behavior.

Drug and Alcohol Policy

The specific purpose of this policy is to maintain a work environment free from the effects of alcohol/drug abuse and/or other substances that adversely affect the mind or body. It is the policy of the Company that employees shall not be involved with the unlawful use, possession, sale, or transfer of drugs or narcotics in any manner that may impair their ability to perform assigned duties or otherwise adversely affect the Company's business. Further, employees shall not use drugs, narcotics or alcoholic beverages in the workplace or consume alcoholic beverages in the workplace or during work time except as legally prescribed by a doctor or permitted at company sponsored events. Company sponsored events will at all times adhere to all applicable state and federal laws. Employees must be physically and mentally fit to perform their duties safely and efficiently.

Fair Dealing

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors, franchisees and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

II. Avoid Conflicts of Interest

Think Liberty Tax Service, Franchisee, Area Developer and Customer First

As an employee of Liberty Tax Service, you have a duty of loyalty to Liberty Tax Service, its franchisees, area developers and customers. A conflict of interest can arise when any relationship or activity that you engage in might interfere with your duty of loyalty to Liberty. In other words, a conflict of interest occurs when your personal interests interfere, or appear to interfere, with any interests of Liberty Tax Service. Conflicts of interest can also arise when you, or your immediate family members (spouses, living partners, parents, siblings, children, in-laws), have interests or take actions that may be in conflict with your responsibilities to Liberty Tax Service. Ok, so when should you be concerned? It is impossible to define all the possible conflict of interest scenarios, but the below situations can serve as a guideline. And, as outlined in the beginning of the Code of Conduct, when in doubt, ASK.

Personal Investments and Loans. You or your immediate family members should not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policy and procedure. You may become, or have an interest in, a Liberty Tax Service franchisee or area developer, but you must have this relationship approved by the Chief Executive Officer or Chief Financial Officer. In addition, officers and directors of the Company may not receive any loans from, or guarantees of any personal obligations by, Liberty Tax Service.

Outside Employment. It is certainly alright for you to have a second job, but your outside employment cannot be in conflict with, or appear to harm, Liberty Tax Service. Prior to engaging in outside employment, you must talk with your supervisor regarding the nature of the employment. If there is a conflict of interest with the business of Liberty Tax or the other employment detrimentally affects your job performance, you may be asked to discontinue outside activities. For example, you and your immediate family members can't be paid by any supplier that provides products or services to Liberty or Liberty franchisees. It would also be a conflict of interest to accept employment by or payment from (or in any way assist) a competitor of Liberty. It is not a conflict of interest to work as an employee of a Liberty franchisee or area developer, but you must alert your supervisor of this relationship.

Financial Interest. You and your immediate family members cannot have a material financial interest in any supplier that provides products or services to Liberty or Liberty franchisees. Furthermore, you and your immediate family members cannot have a material financial interest in a competitor of the Company. You may become, or have an interest in, a Liberty Tax Service franchisee or area developer, but you must have this relationship approved by the Chief Executive Officer or Chief Financial Officer.

Material financial interest means a partnership or LLC interest, ownership of stock, options to buy stock, or other ownership interest or debt securities in a company, but generally does not include investments of less than 1% of a publicly held company's stock unless it is one of your material assets. Investments in mutual funds and other investment portfolios where investment decisions are made by a fund manager typically will not be deemed a material financial interest.

An interest is material if it is material to the business in which the investment is made or if it is one of your material assets.

Corporate Opportunities. In the course of your employment, you may encounter business or financial opportunities that could benefit Liberty Tax Service. It is your duty to communicate such opportunities to Liberty management so that Liberty can evaluate the opportunities. You cannot take advantage of such opportunities to the exclusion of Liberty Tax Service. After communicating the opportunity to Liberty management and after receiving written approval from the Chief Financial Officer, Chief Executive Officer or Board of Directors, you may take advantage of the opportunity personally.

Gifts and Entertainment. You and your immediate family members cannot solicit for your personal benefit any gifts, cash or free services from Liberty Tax Service vendors. Generally, you can accept nominal gifts or entertainment, if offered by the vendor, and engage in typical social relationships with vendor representatives. Examples of usually acceptable gifts and entertainment include items with the vendor's logo, business related meetings or conventions, and reasonably priced cultural, sporting or social events. But, you should not accept any gifts that could be reasonably considered to improperly influence Liberty's business relationship with the vendor.

III. Protect Company Property

Preserve Confidentiality. The protection of confidential business information and trade secrets is vital to the interests and success of Liberty Tax. It is vital that each employee understand that he/she must protect both (1) the private information of Liberty's customers and customers of Liberty's franchisees, such as names, addresses, social security numbers, and tax return information; and (2) other confidential business information and trade secrets of Liberty Tax and its franchisees. Business information and trade secrets include, but are not limited to, customer lists and customer information, business plans, marketing plans, operational plans, personnel records, financial information, source and object code and technical information. Make sure that confidential information stays confidential. Do not reveal customer information, business information or trade secrets to anyone outside the Company without your manager's written approval. Even with supervisory approval, such information shall only be revealed to individuals who have a need to know to advance Liberty Tax Service interests and who have signed a confidentiality agreement.

Any information publicly released by the management of the Company is not considered confidential. When in doubt about any type of information, consider it confidential unless your manager tells you otherwise.

Customer Information. Liberty Tax is subject to the "Safeguards Rule" issued by the Federal Trade Commission. This Rule requires that each employee handle customer information such as names, social security numbers, and tax return data, with the utmost of confidence and care. Access to such data is limited to employees with a need to know. And such data must be stored in a locked file cabinet or area when in paper form and under electronic security as established by our Networks and Communications Department when stored electronically. **You must dispose of any document containing customer information ONLY by depositing it into a**

Shred-It box.

Intellectual Property. Liberty's intellectual property, including our service marks, copyrights, trade secrets, proprietary software and technical information, are among our most valuable assets. Unauthorized use can lead to their loss or the loss of value. Any use of Liberty service marks must be authorized by the Marketing Department. Similarly, it is Liberty's policy to not infringe upon any other company's intellectual property rights. Employees must abide by copyright law and may not unlawfully reproduce, distribute or alter copyrighted materials in violation of such copyright laws.

Company Equipment. We count on you to use Liberty property responsibly. Company equipment, funds and other assets are not to be requisitioned for personal use. Cars and other similar Liberty property may only be used and removed from Company property with prior written approval from your manager. Furthermore, please remember that the telephone and computer systems, including the email systems, are the sole property of Liberty Tax and should be used primarily for Company purposes. You can have no expectation of privacy with respect to any Company equipment or systems. All computer usage including documents, messages or other communications are subject to Company monitoring without notice to employees. Please note that it is against Company policy to use any obscene, racial, sexual, discriminatory or harassing material or "humor," and any derogatory comments about coworkers, customers or competitors. To avoid indiscretions, please remember to be professional at all times while using company equipment.

Public Relations. Please refer all inquiries from the media, from stockholders and from stock analysts to the designated Investor Relations contact. Do not answer any questions from the media or from analysts.

IV. Ensure Financial Integrity and Responsibility

Audits. Liberty Tax Service personnel shall not attempt to improperly influence any auditor during a review of the Company's financial statements. No one associated with Liberty shall take any action to fraudulently influence, coerce, manipulate or mislead any auditor for the purpose of rendering any financial statements materially misleading.

False or Misleading Statements. Liberty Tax Service personnel are expected to maintain the highest of ethics, including refraining from using false or misleading statements both orally and in writing. You must not make false or misleading statements anywhere and any time, including, but not limited to, in financial records. Furthermore, employees must not intentionally conceal Company information from authorized auditors or governmental agencies.

Expense Reports. Please spend Liberty's money wisely**.** Expense reports must be signed by the employee and the employee's manager. Receipts are required in most circumstances. Managers are required to review expenditures, and in cases where there is reason to believe the expenditures may be inappropriate or extravagant, withhold reimbursement. In all cases, you must follow the Company expense report policy.

Signing Contracts. The purchasing policy governs who has the authority to spend money and sign contracts on behalf of Liberty Tax Service. No employee has the authority to sign such

contracts if not expressly authorized under this policy. All agreements should be reviewed by the legal department prior to signing**.**

Insider Trading. You will be responsible for complying with any insider trading policy that the Company has in effect at any time when the Company's securities are listed or quoted on a securities exchange or other listing authority. Do not engage in any transactions involving the Company's securities without confirming that you are in compliance with that policy.

Financial Reporting and Records. As a Liberty Tax Service supervisor, you are responsible for maintaining an adequate system of internal controls and for maintaining and documenting key controls as determined by the Company's management over all areas of your responsibility. These controls should provide reasonable assurance that (1) (A) all transactions have been properly recorded in the appropriate period, (B) each such transaction has been made with management authorization and in accordance with applicable laws and regulations, and (C) Company assets are adequately safeguarded; and (2) as a consequence, the financial records and other reports are accurately and fairly stated. Each employee within their area of responsibility is expected to adhere to these established controls and the following prohibitions:

- No employee may willfully make false or misleading entries in the Company's books and records for any reason;
- No employee may willfully conceal Company information from authorized auditors or governmental regulatory agencies. Employees are required to disclose, on a timely basis, information required to evaluate the fairness of the Company's financial presentation, the soundness of its financial condition and the propriety of its operation;
- No employee may make or request a payment or transfer of Company funds or assets that is not authorized, properly recorded and clearly accounted for on the Company's books. No employee may make, request or approve a payment or transfer Company funds or assets with the intention or understanding that any part of such payment or transfer is to be used except as specified in the supporting transactional documents; and
- No employee shall deliberately attempt to circumvent any Company processes or controls.

Accurate Periodic Reports and Other Public Communications. Full, fair, accurate, timely and understandable disclosure in the Company's periodic reports distributed internally and filed in the Company's public communications is essential to our continued success. Employees involved in the preparation of periodic reports and public communications should exercise the highest standard of care in preparing such materials. The Company has established the following guidelines in order to ensure the quality of the Company's periodic reports:

- All Company accounting records, as well as reports produced from those records, must be kept and presented in accordance with the laws of each applicable jurisdiction.
- All records must fairly and accurately reflect the transactions or occurrences to which they relate.

- All records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses.
- The Company's accounting records must not contain any false or intentionally misleading entries.
- No transaction may be intentionally misclassified as to accounts, departments or accounting periods or in any other manner.
- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.
- No information may be concealed from the internal auditors or the independent auditors.
- Compliance with Generally Accepted Accounting Principles and the Company's system of internal accounting controls is required at all times.

Retaining records. Liberty Tax Service's records retention policy applies to all corporate materials, including materials maintained on computer media and materials maintained offsite. It is essential that Liberty employees do not alter or tamper with finalized documents. In certain situations the Liberty Tax Service Legal Department might ask you to retain records relevant to a litigation, audit or investigation. If so asked, continue to retain the documents until the Legal Department lets you know that such retention is no longer necessary.

Waivers. The provisions of this Code of Conduct may be waived for directors or executive officers only by a resolution of the Company's Board of Directors. The provisions of this Code of Conduct may be waived for employees who are not directors or executive officers by the Company's Chief Executive Officer or Chief Operating Officer. If the Company's securities are publicly traded, then any waiver of this Code of Conduct granted to a director or executive officer may be publicly disclosed along with the reasons for the waiver, to the extent required by the Securities and Exchange Commission, the New York Stock Exchange, and/or any other exchange or listing authority on which the Company's securities are listed or quoted.

V. Engage in Fair Business Practices

Liberty Tax is subject to antitrust laws and fair competition laws in the United States and Canada. These laws are intended to encourage competition and to protect consumers from anti-competitive activity. We are dedicated to complying with all laws relating to competition and to dealing fairly with competitors and suppliers.

Antitrust. Federal laws prohibit agreements and communications between competitors that eliminate or discourage competition and prohibit other practices that unfairly eliminate competition. All business must be conducted in compliance with these laws. Each employee should abide by the following standards:

- Do not propose or enter into any agreement or understanding with any competitor regarding prices, restrictions, refusals to sell, allocation of business, bidding, market share or boycotts of customers or supplies.

- Avoid contacts with competitors that could create the appearance of improper agreements or understandings, including all conversations with competitors regarding prices, products, services and customers.

- Do not make false statements about competitors.

Government Transactions. The United States and Canada prohibit bribery of public officials. It is Liberty Tax Service's policy not only to abide by these laws, but to avoid even an appearance of noncompliance. Failure to comply with this policy may expose both you and Liberty Tax Service to substantial civil and criminal penalties. Among other requirements, you should not:

- Give or offer anything of value to any government official, employee or agency to influence the decision or obtain an improper advantage.

- Give or offer anything of value to any government official, employee or agency under circumstances that could reasonably create the appearance of impropriety.

- Give a gratuity or other payment to any government official, employee or agency to expedite routine administrative actions.