

## I. SCOPE

This policy establishes the framework for Paychex policies and is applicable to all employee functions and locations, including all Paychex subsidiaries.

## II. PURPOSE

The purpose of Paychex policies is to:

- Support the Company's mission and values
- Achieve accountability by identifying responsibility
- Provide employees with clear, concise guidelines
- Document how the Company conducts business
- Ensure consistency of application and reduce risk to Paychex
- Ensure compliance with laws and regulations

## III. DEFINITION

*Policy:* A policy is a statement of management philosophy and direction, established to provide guidance to employees and external partners on the conduct of business. A Paychex policy:

- Is a governing principle that mandates or constrains actions
- Has Company-wide application
- Changes infrequently and sets a course for the foreseeable future
- Helps ensure compliance with applicable laws and regulations
- Reduces risk
- Is reviewed and approved by the appropriate level of Management of the Company.

## IV. CREATION AND REVISION

Policies are created and/or revised in response to:

- Changes to the operating environment
- A review of the strategic direction of the company
- Changes to laws and/or regulations

## V. RECOMMENDED POLICY COMPONENTS

- Policy Owner
- Revision Date
- Purpose – Describes why the policy exists
- Scope – Identifies which roles or departments the policy covers
- Definitions – Describes key terms
- Related Documents – References other policies, procedures, regulatory documents, and relevant forms
- Key Corporate policies are to be documented on the Policy Template (see Exhibit 1) and reviewed at a minimum annually.

### VI. GUIDELINES FOR POLICY CREATION/REVISION

The following guidelines are recommended for the creation of new and revision of existing company policies:

- Conduct research to understand the applicable laws and regulations that may impact the area.
- Consult with subject matter experts (within business units and externally where feasible) during the planning and drafting process to obtain an understanding of the area, and processes involved and impacted by the policy.
- Language, Tone and Style Recommendations:
  - Use short sentences with familiar words and limit to one thought or concept per sentence.
  - Use plain words that are commonly understood, rather than jargon. If specialized terms are used, explain them in the Definitions section of the policy.
  - Use “must” or “will” if something is mandatory and avoid ambiguous words such as “may” or “shall”.
  - Write the full name for all acronyms when they are first used in the policy document.
  - Use gender-neutral terms such as “their”, not “he” or “she”.
  - Use active voice rather than passive voice. For example, “You must approve the procedure (active), rather than “The procedure must be approved” (passive).

### Exhibit 1: Policy Template

Policy Title:	Link to Policy:
Policy Owner:	Minimum Review Schedule:
Last Review Date:	Last Revision Date:

Purpose:

Scope:

Policy:

Definition of Terms (if applicable):

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Related Policies (if applicable):

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Related Procedures (if applicable):

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