



PAYCHEX

CODE OF BUSINESS ETHICS AND CONDUCT

Teamwork.

Fellow Employees:

Our clients choose to work with us because they know that we serve them every day with integrity, honesty, and the highest ethical standards in the industry. You are the face of Paychex, the ones who define our great company. Together, we have built a brand where we provide outstanding service, embrace innovation, work in partnership with each other, remain personally accountable for our commitments, and treat each other with respect.

For nearly 50 years, Paychex has been a leading provider of integrated human capital management solutions for payroll, HR, retirement, and insurance services, helping clients simplify processes and run more efficiently. We now have nearly 14,000 employees serving more than 650,000 small- to medium-sized businesses around the globe, and it's thanks to the intelligence, integrity, and commitment of our employees that we continue to grow today.

This Paychex Code of Business Ethics and Conduct is designed to make us all more successful in what we do and how we serve our clients. It applies equally to each of us, no matter what our role or responsibility. It drives the way we think and the way we act, ensuring that regardless of the situation, each one of us is clear on how we are to conduct ourselves as employees—and more importantly, as ambassadors—of Paychex.

Please join me in pledging to abide by our Paychex Code of Business Ethics and Conduct. In return, you have my assurance that any feedback you provide or questions you ask will be handled with careful consideration and that as a company, Paychex embraces a firm non-retaliation environment. We all play an important role in upholding the policies outlined here. I'm honored to work alongside you and appreciate everything you do to exceed the expectations of each other, our clients, and our shareholders.

Sincerely,



Martin Mucci
President and CEO
Paychex, Inc.

Values.

The Paychex Code of Business Ethics and Conduct presents and describes the application of a set of strategic company standards for business conduct that reflects our values:

- > We act with uncompromising integrity.
- > We provide outstanding service and build trusted relationships.
- > We drive innovation in our products and services and continually improve our processes.
- > We work in partnership and support each other.
- > We are personally accountable and deliver on our commitments.
- > We treat each other with respect and dignity.

We achieve these values when we conduct ourselves within the guidance of this handbook. Our leaders are committed to earning and keeping the trust and confidence of the public, our clients, and our stockholders, and each of us plays an important role in that mission. All Paychex employees, at every level of the company, are personally responsible for ensuring that our business decisions and actions align with the principles outlined here. At Paychex, our managers have a higher degree of responsibility to lead by example and ensure that employees are aware of company guidelines as well as the options for alerting the company to potential issues. We know that the shadow of a leader sets the stage for how those around him or her will work and act.

Success comes only when we commit to these principles and keep one another accountable. We all have a duty to make the company aware of behavior on the part of others that might violate this Code of Business Ethics and Conduct. Any ethical concerns, questions, or complaints should be raised with your immediate supervisor or Human Resources, or submitted directly to the Audit Committee as described on page 13. All concerns, questions, and complaints will be taken seriously and handled promptly and confidentially. No retaliation will ever be taken or tolerated for raising any concern, question, or complaint in good faith.

Any questions about the Paychex Code of Business Ethics and Conduct can be addressed to your supervisor, manager, or Human Resources for further assistance and clarification.





Respect.

Harassment and Discrimination

Maintaining an atmosphere that is supportive of all employees and free from harassment and discrimination is a top priority for Paychex. Every member of our team is valued for his or her skills and background, and only by nurturing a diverse workforce that feels empowered to contribute in a safe environment are we able to provide world-class service to our clients. Under no circumstances should any Paychex employee at any level harass or discriminate against any other employee in any form. In addition, we are committed to a workplace where all employees can raise issues or concerns without any fear of retaliation.

General Standards:

- > Comments or conduct that fail to respect the dignity and feelings of any individual are unacceptable.
- > We need to treat all coworkers with the utmost respect and dignity.
- > Verbal, physical, or sexual harassment are illegal and will be dealt with swiftly and thoroughly.
- > We will not discriminate against employees or applicants for employment on any legally recognized basis including, but not limited to, age, race, creed, color, national origin, citizenship, pregnancy, religion, sex, marital status, disability, genetic information, sexual orientation, gender identity, or veteran status.

Paychex employees can find additional guidance on how to recognize and address harassment or discrimination in the employee handbook on the Paychex intranet site.

Q&A:

Q: I just heard one of my colleagues criticizing the new employee because it takes her longer to get to the conference room with her disability. What should I do?

A: You should make your immediate supervisor aware of your concerns so that the issue can be properly addressed and resolved. Making comments about anyone's individual traits or abilities is hurtful and unacceptable, and goes against the Paychex policy for non-discrimination.

Integrity.

Conflict of Interest

When the private interests of any Paychex employee conflict with the overall interests of Paychex, that is a conflict of interest. In today's demanding environment, it is not uncommon for employees to be involved in legitimate financial, business, and other activities outside their jobs. However, those activities must be lawful and cannot conflict with our responsibilities as Paychex employees. Even relationships that give the appearance of a conflict of interest should be avoided.

General Standards:

- > **Sales:** Any sale made in the exclusive or nearly exclusive interest of the employee, or any sale made by an employee to herself, a co-worker, or a close relative, is a conflict of interest and a violation of this policy unless the sale is reviewed and approved in writing in advance by a vice president. If a sale violates this policy, no credits for commissions, bonus, units, revenue, awards, rewards, or similar benefits are earned.
- > **Employment/Outside Employment:** As an employee of Paychex, you are expected to focus exclusively on Paychex's business interests during business hours. Employees may not work for or receive compensation for services from any competitor, client, or supplier that provides services similar to those Paychex provides at any time.
- > **Outside Directorships:** Employees may not serve on the board of directors of another company in competition with Paychex or which might present a conflict of interest. Employees should notify their manager of any outside board service.
- > **Business Interests:** Employees may not have significant financial interests in any competitor, client, partner, or supplier.
- > **Use of Company Time and Assets:** While working on company time (including any paid leave), employees may not perform or solicit non-company work and are not permitted to use the company's assets for any non-business-related reason.
- > **Loans to Employees:** Employees may not accept or request a personal loan from Paychex.
- > **Acceptance of Gifts and Entertainment:** Employees and their relatives may not give or receive gifts from Paychex clients, partners, or vendors of anything other than nominal value. More specifics can be found on page 10.
- > **Family Members:** If an employee has a relative working for Paychex, they cannot be in a position of supervising, reviewing, or having any influence on the job evaluation or salary of those relatives. If an employee has a relative working for a Paychex competitor, partner or vendor, the relationship must be disclosed in writing to management and appropriate steps must be taken to avoid any conflict between personal and Paychex interests.
- > **Public Service:** Employees may not make any political contribution or participate in lobbying activities as a representative of Paychex, except as specifically authorized to do so. Employees should refer to Paychex's Government Relations policy for further information on this topic.
- > **Other Conflicts:** Employees cannot be affiliated with companies that compete with or sell products or services to Paychex.

The employee handbook, available on the Paychex intranet site, offers more details on these topics.

Q&A:

Q: Can I run a home-based business while I am employed by Paychex?

A: Yes. As long as your home-based business does not offer products and services that Paychex offers and you do not use any Paychex resources for that business or conduct that business while you are on company time.

Trust.

Insider Trading

As employees, we often have access to confidential information about the company's current and future financial performance. Federal law dictates that employees may not purchase or sell, or engage in any other transactions with respect to the company's securities, except in strict accordance with the company's insider trading policy.

Paychex employees may access additional insider trading policy information in the employee handbook on the Paychex intranet site.

Financial Reporting

One of the important ways we earn the trust of our customers and shareholders is through our transparent accounting processes. Accurate and reliable financial records and information are necessary to meet reporting and legal obligations, while reaffirming our reputation for honesty and fairness. Every Paychex employee plays a role in ensuring the absolute integrity of our finances.

General Standards:

- > Always keep complete, accurate, and timely financial records and information as required by applicable laws and regulations. False or misleading entries are strictly prohibited.
- > All reports and documents submitted to the SEC must include full, fair, accurate, timely, and understandable disclosure.
- > Follow all established policies and procedures to ensure strong control and consistency.
- > Provide all required information and cooperate fully with our internal and independent auditors.



Q&A:

Q: If I attend an event on behalf of the company and the organizer provides a complimentary meal, may I claim the value of the meal as a business expense?

A: No. Because there was no charge for the meal, it cannot be considered an approved expense and would be a violation of both the Paychex policy and the law. If you are ever unsure about how to handle a business expense, check with accounting.

Discretion.



Confidential Information

Information is the lifeblood of our business. Whether that information is about Paychex, our fellow employees, or our clients, their businesses and their employees, we must do everything possible to protect the confidentiality of personal and proprietary information. Some examples of information that is considered proprietary include anything not available to the public, such as information about our clients or about Paychex products, services, business processes, business plans, or financial condition.

General Standards:

- > Never disclose confidential or proprietary information.
- > Do not speak to financial analysts or members of the media about confidential company issues.
- > Avoid disclosing sensitive information to any individual or company other than a fellow employee except if such individuals or companies have a legal obligation to protect the confidentiality of the information.
- > Remember that our duty to preserve the company's personal and proprietary information is not limited to our time as employees, but continues even after we leave the company.
- > Take precautions to protect the confidential and proprietary data of Paychex. (See the "Security of Information and Assets" section of the employee handbook for more information.)

Paychex employees can find additional guidance on how to handle confidential information in the employee handbook on the Paychex intranet site.

Applicable Laws and Regulations

In addition to the Paychex guidelines and policies, we are all governed by state and federal laws and regulations. It is our responsibility to understand and comply with these applicable laws and regulations. Criminal and civil penalties exist for noncompliance with certain laws and may be severe in terms of both imprisonment and fines. If you have questions about Paychex's responsibilities under any laws or regulations, contact the Paychex legal department.

Q&A:

Q: If a local reporter calls to tell me he is working on a business story and asks me how Paychex is doing, can I share my thoughts?

A: No. All employees should decline comment and refer questions from members of the media to someone in corporate communications. Do not speak to the media on behalf of the company—let those who are specifically trained for that function handle the inquiry.

Responsibility.

Property of Paychex

As employees of Paychex, we all share in a responsibility to protect the important company resources that help us do our jobs. This means that whether in the office or on the road, we must make every effort to protect these assets against unauthorized use or theft by exercising caution wherever we are, particularly in public places. Some of the items that fall into this category include computers, tablets, mobile devices, software, computer data, records or reports, intellectual property or other sensitive information, voicemail or email communications, and company funds in any form.

Paychex employees may access additional information regarding the company's policies on company assets in the employee handbook, which is available on the Paychex intranet site.

General Standards:

- > Treat all Paychex equipment with the same level of care you would show your own.
- > Remember that all resources provided to employees by Paychex remain the property of Paychex.
- > Ensure that all business software is appropriately licensed and installed by Paychex IT.
- > Do not make or use unauthorized copies of any software.
- > Follow the Paychex "Securing Information and Assets" policy when using any digital communication devices or services.
- > Understand that, as your employer, Paychex has the right to monitor, access, and review its resources or content for any reason at any time.
- > Do not assume that you have any privacy while using resources provided by Paychex.
- > Be aware that all equipment provided by Paychex must be returned immediately when you separate from employment for any reason.
- > Honor all Paychex rules and guidelines for social media activities.



Q&A:

Q: What if I'm flying to a customer site and I packed my laptop in my carry-on bag, but I'm told I have to check that bag at the gate?

A: Maintaining the security of all resources is the first priority, so employees must keep them in their possession at all times. You should always be prepared to carry any Paychex device in a smaller bag as a personal item, or seek prior approval to ship equipment ahead of travel if problems are anticipated.

Loyalty.

Client and Supplier Relationships

We treat our clients and our suppliers the way we want to be treated. We have worked hard over the years to build strong relationships, so we are committed to preserving and strengthening those important relationships by interacting with our clients and suppliers in ways that make them want to keep doing business with us. Everyone has invested time in developing goodwill, and this goodwill is one of our most important assets.

General Standards:

- > Act honestly and be clear when responding to business inquiries.
- > Never mislead or suggest to clients, prospective clients, outside suppliers, or fellow Paychex employees that they can make decisions or take actions that are beyond the limits of their normal responsibilities and Paychex authority.
- > Do not speak officially on behalf of Paychex unless you are specifically appointed to be a spokesperson for Paychex.
- > If you are asked for official company information, remember to decline comment and pass the request on to your supervisor.
- > Always consider the sustainability policies of companies with which we do business, and try to ensure alignment with our priority on sustainable practices.



Q&A:

Q: Is it OK to promise a feature or service that we don't currently offer to help close a sale with a valued prospect?

A: No. Promising future functionality to a prospect just to get them to sign a contract would be dishonest and does not reflect the way we strive to treat everyone with whom we work. Our goal is to build long-term relationships by being honest and transparent in our communications.

Good Judgment.

Payments and Gifts from Others

We are driven by our commitment to provide world-class service to our clients, and we can never let our decisions be influenced by gifts or favors, regardless of whether they were solicited or not. We stand by our mantra of “a dollar’s worth of work for every dollar paid” — in other words, to pay, and to be paid, only for services performed. To ensure this approach, as Paychex employees we should not accept incentives or personal rewards intended to influence the way Paychex conducts its business.

In other words, do not offer or receive any money, gift, or anything of value from clients, prospects, or vendors that is perceived as intended to influence any business decision. If in doubt, check with your supervisor.

General Standards:

- > Traditional business courtesies (including inexpensive and infrequent lunches, dinners, or a token gift) are acceptable, but do not offer or accept gifts, favors, or benefits of anything other than nominal value.
- > No employee at any level in our organization should ever accept gifts or gratuities (except inexpensive and infrequent lunches, dinners, or a token gift) from any organization or individual who has or seeks to have a business relationship with Paychex.
- > Gifts in the form of cash or gifts immediately convertible to cash are never allowed. Gifts of nominal value and gift cards/gift certificates of nominal value for goods or services may be accepted by employees.
- > No employees should accept directly or indirectly, from our suppliers or potential suppliers, any commission, bonus, compensation, loan, advances, or anything of value except traditional business courtesies (inexpensive and infrequent lunches, dinners, etc.).
- > Unusual or extended hospitality in any form, including entertainment at a resort or similar accommodation, or payment of personal or business expenses, may not be accepted by Paychex employees.
- > All employees must comply with the provisions of the Foreign Corrupt Practices Act: do not make payment to, or promise to pay to, or give anything of value to, any foreign official or political party, for the purpose of influencing any act or failure to act; do not induce any foreign official or party to use influence to affect a decision of a foreign government or agency, in order to obtain or retain business; and do not contract with any business in which a government official or employee holds a significant interest, without the prior approval of the Paychex legal department.



Q&A:

Q: I have a client who has become a good friend, and she just had a baby. Is it okay for me to send flowers or a small gift of congratulations?

A: Yes. You may send a gift as long as it is intended to extend personal congratulations, and there is no specific expectation of additional business from that client because of the gift. We value our clients and the relationships we develop, which means that a small recognition of significant events in their lives is acceptable and appropriate.



Fairness.

Free and Fair Competition

Competition is a healthy and daily part of our professional lives. At Paychex, our competitors keep us on our toes and help drive innovation across the industry. As a company, we are committed to dealing fairly and honestly with our competitors, and as employees, we all represent the company when we interact with or discuss our competitors. As a general rule, contact with competitors should be limited and should always avoid subjects such as prices, customers, and suppliers. We need to remember that collusion among competitors is illegal, and the consequences of a violation are severe.

General Standards:

- > Don't make any false or misleading statements—even if you think they may or could be true—regarding our competitors or the products of our competitors, clients, or suppliers.
- > No employee is empowered to enter into an agreement or understanding, express or implied, with any competitor concerning prices, discounts, other terms, or conditions of sale, profits, or costs.
- > Focus on our strengths: We are all responsible to stress the benefits of Paychex products and services to provide our customers with the full opportunity for equal consideration.
- > Regardless of any relationships you may have, never solicit confidential data from a competitor's employees or customers.
- > Antitrust laws apply to each and every one of us, so employees may not participate in any discussion or agreement with any competitor or potential competitor which involves prices, territories, or customers.

Paychex employees can find additional guidance on how to handle international business relationships in the employee handbook on the Paychex intranet site.

Q&A:

- Q:** My cousin works for one of our competitors and just told me about some problems he heard they might be having with their latest product. Can I mention it to my prospect who is in the process of comparing Paychex with that company right now?
- A:** Even if your intentions are good and you don't want that prospect to get stuck, you cannot share information about Paychex competitors that might be false or speculative.

Equality.

Selecting Suppliers

Business need and benefit should drive every decision relative to the purchase of services or supplies for our company. It is imperative to consider factors such as need, quality, service, price, terms, and conditions when selecting a supplier. Whenever possible, we select significant suppliers or enter into significant supplier agreements through a fair and open competitive bid process to ensure the best relationship for Paychex.

General Standards:

- > There is no circumstance in which an employee should attempt to influence or coerce suppliers in any way.
- > Just as we are obligated to protect Paychex's proprietary information, we should treat the confidential information of a supplier with the same responsibility.
- > We embrace competition for ourselves and our suppliers, so all businesses will have an equal opportunity to participate as suppliers of Paychex.



Q&A:

Q: A supplier who has been calling me for months to get our business just invited me to the big game this weekend. She said it's just social, and we won't talk business. Is it okay to go?

A: Unfortunately, no. Even though she promises it won't be about business, the favor could come up later when talking about the supply issue again. It is not appropriate to accept that kind of gift when potential business is on the line.

Accountability.

Reporting Corporate Misconduct, Complaints, and Concerns

Maintaining the high ethical standards of Paychex is a job we all share, which is why we provide a safe, confidential process for registering concerns of any kind. No matter what your concern, whether it is about the conduct of a Paychex executive, or about the company's accounting, internal accounting controls, or auditing matters, you may communicate that concern directly to the Audit Committee chair of the Paychex Board of Directors by using the toll-free number (1-855-753-0485) or the form on the website, both of which are established and coordinated by a confidential and independent third-party service. Prior to engaging the Audit Committee chair, you also should consider using the Paychex Problem Solving Policy to communicate a complaint or concern. See page 15 for more detailed information.

General Standards:

- > The Audit Committee chair will receive all complaints or concerns relating to corporate misconduct and internal controls or auditing matters, and may designate a person within Paychex to assist in the process.
- > The status of all complaints will be reported on a quarterly basis to the full Audit Committee and, if the committee so directs, to the full board.
- > While a complaint may be submitted anonymously, it will be more difficult to investigate the complaint if the Audit Committee or the designee is unable to discuss the matter with the employees involved.
- > Keeping confidentiality as the first priority, the Audit Committee will designate a person to track all complaints or concerns, as well as the outcome of the investigation. Rest assured that only members of the Audit Committee and their designees have access to these files. No Paychex employee at any level may directly or indirectly terminate, demote, suspend, threaten, harass, or otherwise discriminate against an employee for providing information or otherwise assisting in any investigation regarding corporate misconduct. All retaliation complaints relating to financial misconduct and internal control or accounting matters should be directed to the Audit Committee chair, who may then notify the internal audit director or Human Resources to handle the complaint. To maintain fairness, the complaint must be true or believed to be true and must provide a sufficient amount of detail to support the claim of retaliation. Based on the facts, appropriate disciplinary action will be taken, which could include termination.

Q&A:

Q: One of my coworkers was just telling me how his supplier flew him up to the mountains for a weekend of skiing and nice dinners as a thank you for the new contract. It seems like this is a violation of our ethics policy—should I say something?

A: Yes. All employees have a responsibility to protect Paychex from any improper or illegal activity that could jeopardize our reputation and leave us open to penalty. You should use the channels set up specifically for reporting these concerns confidentially and let the appropriate Paychex personnel pursue the matter.

Ownership.

Conclusion

Every situation is different, and we trust our employees to use good judgment in deciding what is proper and what might put the company or an individual at risk. We understand that we could easily face situations not addressed specifically in this Code of Business Ethics and Conduct. If we find ourselves in such a situation, consider the guiding principle that shapes our Paychex Code of Business Ethics and Conduct: The highest standards of conduct are the standards to apply to all business relationships and behavior for all of us, no matter what our positions.

Proper and successful business behavior begins with basic honesty and integrity in everything we do. Good judgment, plus an awareness of the Paychex ethics guidelines, give us the tools we need to make sound business decisions that will help enhance our reputation and our ability to compete successfully in our markets.

Disciplinary Actions and Waivers

As Paychex employees, each one of us is expected to follow this code at all times, and employees will never face retaliation for alerting the company to possible violations of this code. There will be no waiver of any part of the code, except by the vote of the board of directors, which will determine if a waiver is appropriate.

As soon as a known or suspected violation of this code is brought to the attention of the company, we will promptly begin an investigation as necessary. If there is a violation of this code, Paychex, through its management and board of directors, will address the violation swiftly in an appropriate manner, which could include immediate termination of employment. Paychex may also report the conduct to the appropriate authorities.

Q&A:

Q: What do I do if I see something that just doesn't seem right to me, and I'm afraid it could cause problems for Paychex?

A: You should either speak to your direct supervisor for more guidance, report it to HR, or use the toll-free number or online form to share your concerns confidentially. We rely on your good judgment and would rather look into the concern than risk a loss of credibility or, even worse, legal action that could damage the company.

Solving Problems.

These options enable you, as a Paychex employee, to bring your questions or concerns to any level of management as you see fit.



Solving Problems at Paychex

The problem-solving policy is in place for a reason and is an important part of the Paychex culture of integrity, honesty, and the highest ethical standards. We encourage every employee, regardless of position, to bring problems, concerns, or suggestions to management's attention. The only way we can address any potential issues is to know them. Please contact any of the sources above if you have a problem, concern, or suggestion, and rest assured that your job will not be adversely affected in any way as a result of using this process. We all have an active role in the ongoing success of Paychex, its employees, and its customers.





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Call 1.800.322.7292 or visit
us at paychex.com