

Code of Business Ethics and Conduct

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We lead with integrity

Paychex employees,

Our ability to fulfill our company's purpose of giving our clients the freedom to succeed depends on every one of us going about the business of Paychex with integrity, honesty, and the highest ethical standards in the industry.

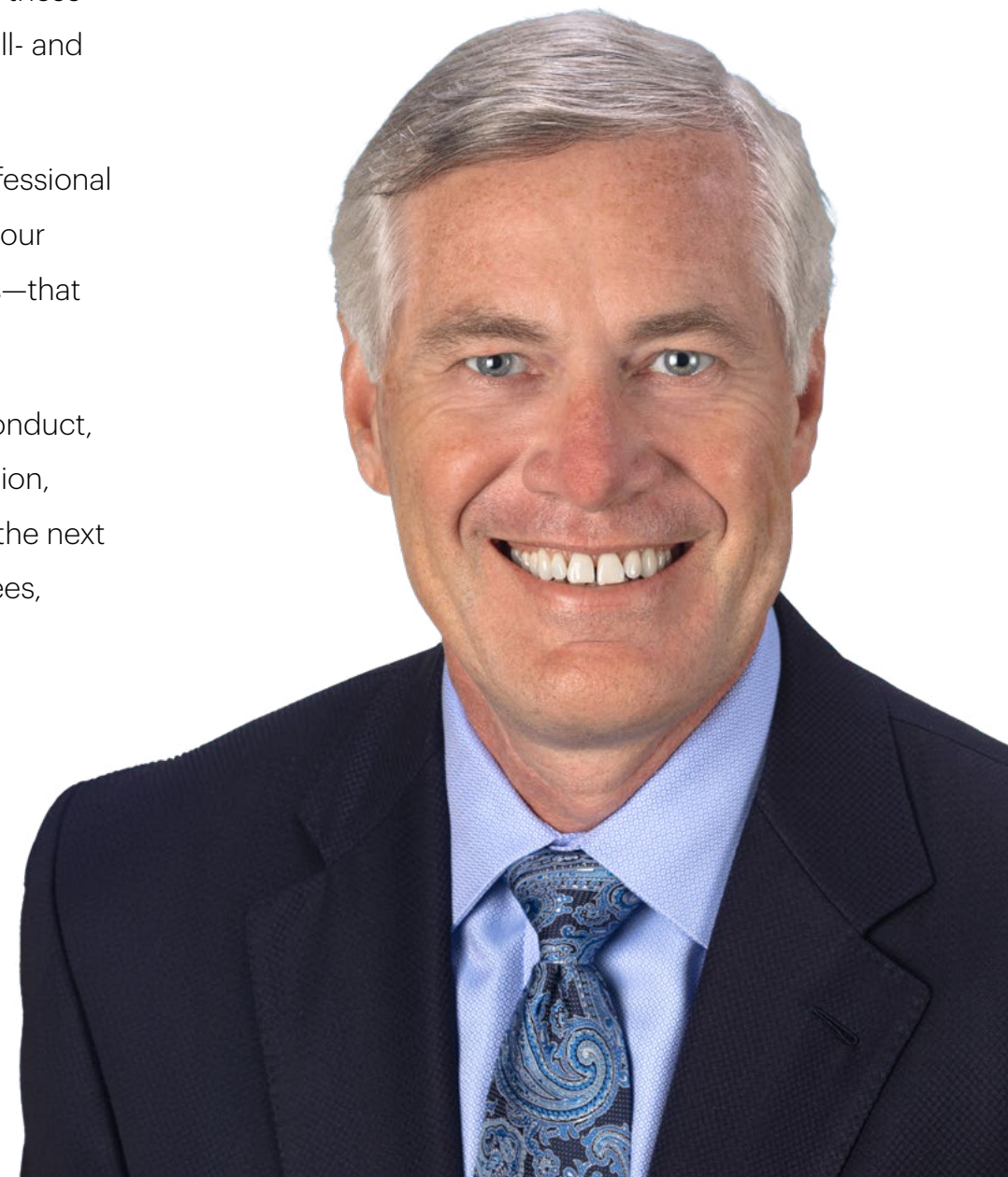
Here at Paychex, we place great importance on our values-based culture. We live these values in our daily work, and they're reflected in the service we deliver to our small- and medium-sized business clients around the globe.

The Paychex Code of Business Ethics and Conduct outlines the standards of professional conduct we abide by. While it's designed for all of us as employees, it also shows our stakeholders—including clients, investors, prospects, suppliers, and communities—that we are committed to operating with integrity in everything we do.

I'm [#PaychexProud](#) to act in accordance with our Code of Business Ethics and Conduct, and I'm grateful for your continued commitment to our company's purpose, mission, and values. By aligning under these important concepts, we will take Paychex to the next dimension of success and make a meaningful impact on the lives of our employees, clients, client employees, and communities we serve.

John B. Gibson

President and Chief Executive Officer



We live by our values

The Paychex Code of Business Ethics and Conduct presents and describes 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.

Our leaders are committed to earning and keeping the trust and confidence of our employees, the public, our clients, our stockholders, and our communities, 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 leadership team has 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 concerns. We know that the shadow of a leader sets the stage for how others will work and act.

Success comes only when we commit to these principles in conducting Paychex business and hold both ourselves and others accountable. We all have a duty to report behavior that might violate our Code of Business Ethics and Conduct. Any ethical concerns, complaints, or questions about the Paychex Code of Business Ethics and Conduct should be raised with your immediate leader or Human Resources.

Refer to the problem-solving policy (also on page 16) for further resources and assistance. All concerns, complaints, and questions will be taken seriously and handled promptly and confidentially. Paychex policy prohibits retaliation against individuals who raise a concern, complaint, or question in good faith.

Questions about the Paychex Code of Business Ethics and Conduct can be addressed to your leader or Human Resources. You may also refer to the Paychex problem-solving policy.



We act with uncompromising integrity

Conflict of Interest

When the private interests of any Paychex employee contradict 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. A perceived conflict of interest exists when it could appear that an employee's personal relationships or business interests are improperly influencing the performance of their job duties and responsibilities at Paychex.

General standards:

- **Sales:** Any sale made in the exclusive or nearly exclusive interest of the employee, or any sale made by an employee to themselves, a co-worker, a close relative, or other individual with whom the employee has a personal relationship, 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, and the employee may be subject to disciplinary action, up to and including termination.
- **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 Paychex competitor, client, supplier, or business that provides services similar to those Paychex provides at any time.
 - Secondary employment or a financial interest in an outside organization must be disclosed to leadership to ensure that it does not interfere with your role at Paychex.



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.

Paychex employees can find additional information on these topics in the employee handbook on the Paychex intranet site.

- If you have secondary employment with a Paychex client, or have a close family member who is employed by a Paychex client, that conflict of interest must be disclosed to a vice president for approval. Paychex employees are prohibited from accessing client records or servicing any client account when there is a conflict of interest with that client or one of its employees.
- **Financial Interests:** An employee has a financial interest if the employee has, directly or indirectly, through business, investment, or personal relationship, an opportunity for actual or potential personal financial gain or loss. Employees may not have significant financial interests in any competitor, client, partner, or supplier. Employees with a financial interest in a Paychex competitor, client, partner, or supplier must disclose that interest to a vice president to confirm that all dealings with that competitor, client, partner, or supplier are appropriate.
- **Use of Company Time:** While working on company time, regardless of work location, employees may not perform personal activities or perform or solicit other non-company work. Employees working remotely are expected to have a professional, distraction-free, ergonomic workplace that is free of any safety hazards, and they must be available and responsive during scheduled work hours. Appropriate arrangements must be in place for child and/or dependent care purposes, as working remotely is not done in lieu of dedicated care for dependents.
- **Use of Company Assets:** Employees are not permitted to use the company's assets for any non-business-related reason (including during personal time, or any paid leave).
- **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 11.
- **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 or close personal relation working for a Paychex competitor, client, partner, or vendor, the relationship must be disclosed in writing to the employee's leader and appropriate steps must be taken to avoid any conflict between personal and Paychex interests. Paychex employees are prohibited from accessing or servicing any account of a client business owned by their relative or close personal relation or where their relative or close personal relation is employed.
- **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.

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Q:

I am a financial analyst responsible for preparing projected revenues and earnings, including those related to yet-to-be-launched products and services. Revenue projections related to a new service launch will be in our earnings release to the public next week. Is it okay for me to purchase shares of company stock since the trading window is still open?

A:

No. It is illegal to (i) buy or sell any Paychex security while in possession of material, non-public information; or (ii) to pass such information to others who then may buy or sell a Paychex security. An increase in projected revenue and earnings from the launch of new solutions is material information and is considered non-public until announced.

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.

Financial reporting

One of the important ways we earn the trust of our customers, employees, vendors, shareholders, and communities 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, accurately reflecting our business. Every Paychex employee plays a role in maintaining and ensuring the absolute integrity of our finances.

General standards:

- Always insist on and keep complete, accurate, and timely financial records and information as required by applicable laws and regulations. This includes revenues, expenses, invoices, purchase orders, payroll, benefit claims, and tax records. False or misleading entries and underlying data are strictly prohibited.
- Include full, fair, accurate, timely, and understandable disclosure in all reports and documents submitted to the SEC.
- 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.

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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 to comment and refer questions from the media to our Corporate Communications team.

Contact information is available publicly on [Paychex.com](https://www.paychex.com).

Paychex employees can find additional guidance on how to handle confidential information in the “Security of Information and Assets” section of the employee handbook on the Paychex intranet site.

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 matters.

General standards:

- Never disclose confidential or proprietary information involving Paychex’s business or any Paychex client. Our clients trust us with protecting their personal data and the personal data of their employees. That data must not be viewed unless there is a valid business justification to do so. Client data must never be disclosed to an individual outside of Paychex, or to any Paychex employee who does not have a legitimate business need for it.
- 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 (i.e., accountant, attorney) and you have the authority to speak to such individuals or companies about the subject matter.
- 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.



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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 must 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.

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 working remotely, 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.

General standards:

- Treat all Paychex equipment with the utmost care.
- 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.
- Comply with the Paychex security of 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.
- Comply with all Paychex rules and guidelines for social media activities.

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.

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Q:

What should I do if I hear an employee making negative comments about another employee's disability, sexual orientation, or other personal matters?

A:

You should make your immediate supervisor aware of your observations so that the issue can be properly addressed. Making comments about anyone's individual traits or characteristics is hurtful and unacceptable, goes against the Paychex value of Respect, and may violate the company's non-harassment and equal employment opportunity policies.

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

We treat each other with respect and dignity

Non-harassment and Non-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 their skills and background, and only by nurturing a diverse workforce that is 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, worker, or leader harass or discriminate against any other employee, worker, leader, or third party (i.e., vendor or client) in any manner. In addition, Paychex is committed to a workplace where all employees can raise issues or concerns without any fear of retaliation.

General standards:

- Discriminatory or harassing comments or business conduct that fails to respect the dignity of any individual are unacceptable.
- We require all employees to treat co-workers, leaders, and third parties (i.e., vendors or clients) with professionalism, respect, and dignity in carrying out the business of Paychex.
- Paychex will not discriminate against its employees, workers, or applicants for employment on any legally recognized basis including, but not limited to, age, race, creed, color, national origin, citizenship, pregnancy, religion, sex, gender, marital status, disability, genetic information, sexual orientation, gender identity and gender expression, ancestry, military/veteran status or any other category protected by federal or state law.
- Verbal or physical harassment based on an employee's protected characteristics as listed above is against Paychex policy and will be addressed appropriately.

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Q:

When qualifying a new client lead in Salesforce®, they were well within my segmentation. In a subsequent conversation with the business owner, I learned that they now have more employees and will fall out of my market segmentation. Can I leave the original number of employees in Salesforce® and keep the sale? After all, their employee count could go down in the future, right?

A:

No. If a sales representative uncovers an out-of-segment lead, they must refer that opportunity to the correct segment.

We provide outstanding service and build trusted relationships

Client Relationships

We treat our clients 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 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 or prospective clients that you have the authority to make decisions on behalf of the company that are beyond the actual limits of your job responsibilities, such as providing service discounts.

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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 with my own money?

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.

Payments and Gifts to and 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 must 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 to or from clients, prospects, or vendors that is perceived as intended to influence any business decision. If in doubt, check with your leader.

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 Traditional Business Courtesies as referenced above) 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.
- No employee should directly or indirectly accept from our suppliers or potential suppliers any commission, bonus, compensation, loan, advances, or anything of value except Traditional Business Courtesies as defined above.
- 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:

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:

No. 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.

There are additional issues Paychex employees must consider when dealing with businesses outside of the United States. Paychex employees can find additional guidance on our Foreign Corrupt Practices Act policy on the Paychex intranet site.

Free and Fair Competition

Competition is a healthy and daily part of our professional lives. Our company and its competitors all 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:

- Employees may not make any disparaging or misleading statements—even if 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 territories, customers, prices, discounts, other terms, or conditions of sale, profits, or costs. Antitrust laws apply to each and every one of us.
- Regardless of any relationships Paychex employees may have, they may never solicit confidential data from a competitor's employees or customers.
- Employees should focus on the company's strengths and remember that all employees are responsible for emphasizing the benefits of Paychex products and services to customers.



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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.

Selecting Suppliers

Business needs and benefits should drive every decision relative to the purchase of goods or services 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 suppliers or enter into supplier agreements through a fair and open competitive bid process to ensure the best relationship for Paychex.

General standards:

- No employee should attempt to influence or coerce suppliers in any way, under any circumstances.
- 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, and all businesses will have an equal opportunity to participate as suppliers of Paychex, in alignment with the company's commitment to Diversity, Equity, and Inclusion.
- Employees should consider the sustainability policies of companies with which we do business and try to ensure alignment with our priority on sustainable practices.

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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. You should use the channels set up specifically for reporting these concerns confidentially and let the appropriate Paychex personnel pursue the matter.

We are personally accountable and deliver on our commitments

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. If an employee has a complaint or concern, they should refer to the Paychex problem-solving policy (also on page 16) to reach out to the appropriate resources within Paychex.

In the event employees have any concerns 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.

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. 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 an Audit Committee investigation 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, if it is determined that retaliation has occurred, appropriate disciplinary action will be taken, which could include termination.

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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 leader for more guidance, report it to Corporate Human Resources, or, if the situation warrants reporting to the Audit Committee, use the toll-free number (1-855-753-0485) 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.

We live by the highest standards of conduct

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 our employees could easily face situations not addressed specifically in this Code of Business Ethics and Conduct. If employees find themselves 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 workplace 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 to ensure our company's success. 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 in carrying out our work for the company, and Paychex will not tolerate retaliation toward employees for alerting the company to possible violations of this code in good faith. 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 the Code of Business Ethics and Conduct is brought to the attention of the company, we will promptly begin an investigation as necessary. If the company determines there was a violation of the 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.

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Solving problems

The problem-solving policy has been established as the way for you to tell us what's on your mind.

You should take the following steps if you have a problem, concern, or suggestion:

1. Talk with your supervisor if you feel you have a problem. Generally, you and your supervisor will be able to resolve your problems and concerns.
2. If you are not satisfied with your supervisor's response, or if for some reason you do not wish to bring the problem to your supervisor, you can take the problem to the next level of supervision.
3. If you are not satisfied with the solution, you may discuss the issue with your senior manager.
4. If, after following the above steps or during the above-stated procedure you are not satisfied, you may call Corporate Human Resources.
5. If, after a thorough discussion, you feel the problem has not been resolved, you may refer the matter to your vice president.

Additionally, a direct-access hotline, 1-855-753-0485, is available for reports of corporate misconduct.

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 the company's attention. The only way we can address any potential issues is to know about them. Please follow the steps above if you have a problem, concern, or suggestion. Paychex is committed to ensuring that your job will not be adversely affected in any way as a result of using this process.

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Call 1.800.322.7292 or visit us at paychex.com

