

Pledging Policy

Paychex Directors, Officers, and employees are prohibited from pledging Company securities as collateral for a loan or line of credit without obtaining prior Company approval. Approval may be granted where the person seeking to pledge Company securities as collateral clearly demonstrates the intention and financial capacity to satisfy the obligation without resort to the pledged securities and where the total pledge represents no more than 25% of the pledgor's beneficial ownership interest in Company securities. Any person who wishes to pledge Company securities must submit a request for approval to the Chief Legal Officer or Chief Financial Officer at least two weeks prior to the proposed execution of documents evidencing the proposed pledge. This policy does not apply to pledges of securities in effect prior to the adoption of this Policy Statement.