

## **PAYLOCITY HOLDING CORPORATION DISCLOSURE POLICY**

### **Scope of Disclosure Policy**

Paylocity Holding Corporation (the “*Company*”), as a publicly traded company, has certain legal and regulatory obligations regarding the public disclosure of material information. Accordingly, the Company has developed the disclosure policy set out below, which has been approved by the Company’s Disclosure Committee and Board of Directors.

### **Objectives of Disclosure Policy**

- To ensure that communications to the investing public about the Company are timely, factual and accurate, broadly disseminated in accordance with all applicable legal and regulatory requirements, including Regulation FD adopted by the Securities and Exchange Commission (“*SEC*”); and
- To ensure that confidential or proprietary information of the Company is disclosed to third parties only under protection of a confidentiality agreement or similar instrument, or to persons already under an obligation of confidentiality in relation to the Company and its confidential or proprietary information.

The provisions in this policy relating to public disclosure cover, among other things:

- documents filed with securities regulators;
- written statements made in the Company’s annual and quarterly reports, news releases, letters to shareholders and any other public disclosure documents;
- presentations and speeches by senior management of the Company;
- information contained on the Company’s website and other electronic communications;
- oral statements made in meetings and telephone conversations and other communications with analysts and investors; and
- interviews with the financial media, speeches, press conferences and conference calls where the topics are primarily of interest to the investment community.

## DISCLOSURE RULES

**Disclosure Committee** The Company has formed a Disclosure Committee to implement this Disclosure Policy and to address disclosure issues that may arise from time to time. The Disclosure Committee shall initially consist of the Company's:

- Chief Executive Officer,
- Chief Financial Officer,
- Senior Vice President of Sales and Marketing,
- and such other person(s) as the Nominating and Corporate Governance Committee of the Company's Board of Directors may from time to time designate.

**Principles of Public Disclosure of Material Information** The Company will not selectively disclose any material information. Material information will be publicly disclosed in accordance with this policy.

**Material Information** In general, information is "*material*" if a reasonable investor would consider it important in making an investment decision regarding the Company's publicly traded securities. Information about the Company is not likely to be material, however, if the public dissemination of that information would not reasonably be expected to have a significant impact on the price or value of the Company's publicly traded securities.

For the purposes of disclosure, the following topics or information will always be considered material:

- Financial performance, including quarterly earnings and results of operations, and significant changes in financial performance or liquidity
- Significant mergers, acquisitions or divestitures
- Changes in senior management, operating or financial personnel or directors
- Events regarding the Company's securities, such as a company buy back of its own securities or a new public offering or private placement of securities
- Entry into or termination of material agreements, including financing transactions
- Events triggering material acceleration or increases of financial obligations
- Restructurings
- Material impairments of assets

- Notice of delisting
- Active or threatened major litigation, or the resolution of such litigation
- Notice of non-reliance on prior financial statements
- Changes in control

The Company's legal counsel should be consulted where the materiality of information is unclear.

**Designated Spokespersons**

The following are the spokespersons designated by the Company to communicate on behalf of the Company with the investment community, investors, regulators and the media: the Company's Chief Executive Officer, Chief Financial Officer, Senior Vice President of Sales and Marketing and Director of Investor Relations, if any.

No other person or persons are authorized to communicate on behalf of the Company. Directors, officers or employees who are not designated spokespersons must not respond under any circumstances to inquiries from the investment community, investors, the media or others. All such inquiries should be referred to one or more of the designated spokespersons.

**No Selective Disclosure; Corrective Actions**

There must be no selective disclosure of material information. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor).

In order to ensure that material non-public information is not inadvertently disclosed, directors, officers and employees are prohibited from participating in blog discussions or other Internet forums, including for the avoidance of doubt, any forms of social media (e.g. Facebook or Twitter) on matters pertaining to the Company.

In the event of unintentional or inadvertent selective disclosure of undisclosed material information, the person or persons involved should immediately contact the Company's Senior Vice President of Sales and Marketing. The Company will determine as soon as practicable whether there is a need (based on who received the unintentional selective disclosure and the probability of dissemination) to disclose the material information to the public or to require that the party to whom the information was disclosed enter into a written confidentiality agreement. If the Company determines that disclosure of the information is required, the Company shall broadly disseminate the information, by news release, SEC filing or other appropriate means, as soon as practicable, but in any case by the earlier of 24 hours after the initial event of selective disclosure or the commencement of the next day's trading after the initial event of selective disclosure.

**Maintaining Confidentiality**

All directors, officers and employees of the Company who have knowledge of material information relating to the Company that has not been communicated to the public are prohibited from communicating that information internally or

externally to anyone else (including lenders, legal counsel, auditors and financial advisors), except on a “*need-to-know*” basis. A need-to-know basis is the communication of only that information which is necessary for the recipient to be able to perform his or her responsibilities at or for the Company.

Outside parties who are privy to undisclosed material information relating to the Company must be advised that they may not divulge the information to anyone else, except on a need-to-know basis and again subject to an obligation to keep the information confidential, and that they may not trade in securities of the Company until the information is publicly disclosed. An outside party may be required to enter into a written confidentiality agreement. Any questions in this regard should be directed to the Company’s Senior Vice President of Sales and Marketing.

**Public Disclosure**

The principal methods of publicly disclosing material information by the Company will be by news release and SEC filings. No material news release may be issued by the Company unless it has been approved in advance by the Company’s Chief Executive Officer, Chief Financial Officer or Senior Vice President of Sales and Marketing.

**News Release**

News releases will be disseminated through an approved news wire service that provides simultaneous national and international distribution. News releases will be transmitted to all stock exchanges, relevant regulatory bodies, major business wires and national financial media. News releases will be posted on the Company’s website as soon as possible after release over the news wire. The news release section of the Company’s website shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent publicly disclosed information.

**Conference Calls**

Conference calls with the investment community may be held to report on quarterly earnings, guidance concerning future operating performance and major corporate developments so that the information will be accessible simultaneously to any and all interested parties.

- Conference calls will normally be preceded by a meeting of the Company participants to review responses to anticipated questions and to identify information that may require public disclosure prior to the conference call.
- Absent unusual circumstances, each conference call will begin with prepared remarks by a spokesperson, including a reference to the safe harbor statements discussed below and to filed risk factor disclosure, followed by a question and answer period.
- The Company may use the conference call to adjust forward-looking guidance given in a prior conference call.
- Analysts and members of the investment community will be encouraged to ask all questions that may involve responses requiring disclosure of

additional material information during these public sessions and not to participate in one-on-one sessions seeking such information.

- The Company will give adequate notice of the conference call through a press release, e-mail notification for subscribers of this service and by posting it on the Company website together with information on how to access the call.
- Conference calls will also be accessible by webcast or audiocast on the Company website for two weeks and archived for public access on the website for at least one year.

**Industry  
Conferences**

This Policy applies to any form of communication, such as a speech, roundtable discussion, or presentation by any director, officer or employee of the Company made at any industry conference or similar event. Material non-public information shall not be disclosed in presentations, breakout discussions or in materials. “Breakout Sessions” at industry conferences are permitted, but these sessions must not result in the disclosure of material non-public information. Remarks to be made at an industry conference should be carefully scripted to avoid disclosure of material non-public information.

**Analysts and  
Institutional  
Investors**

The Company recognizes that meetings with analysts and institutional investors are an important element of the Company’s investor relations program. The Company will meet with analysts and investors on an individual or small group basis, as needed, and will initiate contact with, or respond to, analysts and investors in a timely, consistent and accurate fashion in accordance with this Policy. The Company will provide only non-material information at individual and group meetings, in addition to previously publicly disclosed information.

**Quiet Period**

The period beginning on the first day of the month in which the quarter ends and ending at the time of the earnings release for that quarter should be observed as a quiet period with no general business discussions with analysts or investors. Exceptions may occur at the Company’s discretion based on the need to discuss breaking news.

**Analysts’ Research  
Reports**

The Company will only review analysts’ research reports for the purpose of pointing out factual errors based on publicly disclosed information.

The Company will not confirm, or attempt to influence, an analyst’s opinions or conclusions and will not express comfort with the analyst’s model or earnings estimates, except in public disclosure formats as contemplated herein (such as publicly announced conference calls). The Company will not post analysts’ research reports on its website.

**Forward-Looking  
Information or  
Guidance**

“*Forward-looking information*” is information about prospective results of operations, financial position, cash flow, trends, risks or business activities. Forward-looking information is based on assumptions about future conditions or courses of action. The following are guidelines for the Company in publicly disclosing forward-looking information:

- The forward-looking information, if determined to be material, will be disseminated, if at all, broadly by news release, SEC filing or other appropriate means, in accordance with this Policy.
- The information will be clearly identified as forward-looking.
- The Company must have a reasonable basis for the forward-looking information.
- The forward-looking information will be accompanied by a statement that:
  - identifies risks and uncertainties that may cause the actual results to differ materially from the forward-looking information as disclosed; and
  - disclaims any intention or obligation of the Company to update or revise the forward-looking information, whether as a result of new information, future events or otherwise.

Notwithstanding this disclaimer, should subsequent events demonstrate that facts have materially changed, the Company will evaluate with legal counsel whether to issue a news release or file a report with the SEC containing the new information.

- The foregoing “safe harbor” statements or disclaimers will be given both during conference calls, and during any webcast, public presentation, industry conference or public speech. Safe harbor disclaimers must also be provided if forward-looking statements are made during participation in industry or analyst conferences.

**Non-GAAP Information**

“*Non-GAAP*” information is information about the financial results which is not prepared in accordance with GAAP. In the event non-GAAP information is presented in a news release, industry or analyst conference, or other public presentation, the most directly comparable GAAP measure shall be made available together with a reconciliation (by a clearly understandable method) of the differences between the GAAP and non-GAAP information, either in the presentation or by reference to a posting on the Company’s website; in a news release, GAAP information shall be presented with equal or greater prominence than the non-GAAP information.

**The Company's Website**

No posting may be made to the Company’s website unless it has been approved in advance by the Company’s Senior Vice President of Sales and Marketing. Investor relations material will be contained within a separate section of the Company’s website and will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the Company’s website, including text and audiovisual material, shall show the date that the material was posted.

**Rumors and**

The Company will not normally comment, affirmatively or negatively, on

**Speculation**

rumors. This policy also applies to rumors on the Internet. Specifically, the Company will not comment on market speculation concerning potential mergers, acquisitions or divestitures, or other future business activities or events.

**Disclosure Controls**

The Company shall maintain a system of disclosure controls to ensure that material information in the possession of persons other than the designated spokespersons is timely and accurately communicated to the designated spokespersons.