

## **WAGeworks, INC.**

### **POLICY REGARDING REPORTING OF ACCOUNTING, AUDITING AND OTHER MATTERS**

WageWorks, Inc. (the “**Company**”) is committed to maintaining high standards of financial integrity, and the Company’s Audit Committee takes very seriously all complaints and concerns regarding accounting, internal accounting controls, auditing and other legal matters. The Company’s financial information guides the decisions of the Board of Directors and management and is relied upon by the Company’s stockholders, employees and business partners. The Company’s policies and practices have been developed to maintain the highest business, legal and ethical standards.

For these reasons, the Company must maintain a workplace environment where all employees of the Company and each of its subsidiaries (“**Employees**”) can raise concerns free of any harassment, discrimination or retaliation if they reasonably believe that they are aware of: (1) questionable accounting, internal accounting controls or auditing matters, (2) the reporting of fraudulent financial information of or by the Company, (3) violations of securities laws or other laws, rules and regulations or (4) any activities or transactions by the Company which appear to violate the Code of Business Conduct and Ethics. Employees should report those concerns as soon as possible after discovery. The Company encourages open communication so that such concerns may be raised without fear of retaliation in any manner.

Accordingly, the Audit Committee has established the following procedures for:

- The receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters; and
- The submission by Employees (confidentially and anonymously, if they wish) and the appropriate treatment, of concerns regarding accounting or auditing matters they believe to be questionable or violations of the Company’s Code of Business Conduct and Ethics, the U.S. federal securities laws or other state and federal laws.

The Audit Committee is committed to continuously reviewing and updating its policies and procedures. The Company may modify this policy at any time without notice. Modification may be necessary to, among other reasons, maintain compliance with applicable laws, rules and regulations and to accommodate organizational changes.

#### **A. Matters that Must be Reported**

Employees must immediately report and submit complaints of accounting and auditing and other legal matters for which there is actual or suspected:

- Intentional error, fraud or gross negligence in the preparation, review or audit of any of the financial statements of the Company;
- Intentional error, fraud or gross negligence in the recording of transactions of the

Company;

- Intentional noncompliance with the internal and reporting controls of the Company;
- Significant deficiencies in the internal and reporting controls of the Company;
- Violations of U.S. Securities and Exchange Commission (“SEC”) rules and regulations that related to accounting, internal accounting controls and auditing matters;
- Fraud against investors, securities fraud, mail or wire fraud, bank fraud or fraudulent statements to management, outside auditors, the SEC or members of the investing public; or
- Violation of the Company’s Insider Trading Policy, U.S. federal securities laws or other similar laws.

Employees must also immediately report and submit complaints regarding potential violations of the Company’s Code of Business Conduct and Ethics.

Timeliness is critical because, as with all investigations, evidential matter may deteriorate, disappear or otherwise become harder to discover or less useful as time passes. Please provide as much detail as you can regarding dates, times, places, names of people involved in any way, actions or inactions, statements made and any other information you believe is relevant or helpful in understanding your report.

#### B. Receipt of Complaints

1. Non-Employees may submit complaints regarding accounting, internal accounting controls, auditing or other legal matters by mail to:

WageWorks, Inc.  
1100 Park Place, 4<sup>th</sup> Floor  
San Mateo, California 94403  
Attn: General Counsel

2. Employees may submit concerns regarding accounting, internal accounting controls, auditing or other legal matters they believe to be questionable (confidentially and anonymously, if they wish) in one of the following ways:

- Directly to the Audit Committee at [auditcommittee@wageworks.com](mailto:auditcommittee@wageworks.com);
- Directly to the Company’s General Counsel at [Kim.Wilford@wageworks.com](mailto:Kim.Wilford@wageworks.com) or 650-577-5209;

- Via a third party hosted telephone hotline at 1-800-773-6121 or at [Info@ethic-hotline.com](mailto:Info@ethic-hotline.com);
- Directly to Internal Audit at [vpinternalaudit@wageworks.com](mailto:vpinternalaudit@wageworks.com) ; or
- Via regular mail as set forth above.

3. The methods of submitting complaints shall be regularly updated and published on the Company's external and internal websites in such manner as the General Counsel, in consultation with the Audit Committee, deems appropriate. It shall be emphasized to employees that each of the methods of submitting complaints listed above may be used anonymously and that such complaints shall be treated confidentially.

4. Except for complaints sent directly to the Audit Committee, all complaints will be forwarded to the General Counsel and the VP of Internal Audit for coordination of their treatment as set forth below.

### C. Treatment of Complaints

1. All accounting and auditing complaints received shall be entered on an accounting and auditing matters log, which shall include, among other things, information regarding the date the complaint was received, a description of the complaint, the submitter (if provided), and the status and disposition of an investigation of the complaint. Receipt of the complaint will be acknowledged to the sender, within a reasonable period following receipt, if appropriate information for response is supplied.

2. Non-accounting or non-auditing complaints shall be logged separately and will be forwarded to the appropriate person or department for investigation (e.g., Human Resources), unless the General Counsel or VP of Internal Audit deems other treatment is necessary (e.g., such complaint involves a finance employee or an executive officer).

3. With respect to complaints not initially directed to the Audit Committee, the General Counsel will report immediately to the Audit Committee (i) matters associated with the Company's accounting or auditing policies and the Company's internal accounting controls, (ii) matters related to the Company's executive officers, and (iii) such other matters as the General Counsel deems significant. . The Audit Committee shall direct and oversee an investigation of such complaints, as well as any complaints initially directed to the Audit Committee, as it determines to be appropriate. The Audit Committee may also delegate the oversight and investigation of such complaints to the appropriate members of the Company's management.

4. All other complaints regarding accounting or auditing matters shall be reviewed under the direction and oversight of the General Counsel, who will involve such other parties (e.g., members of the Finance Department, Internal Audit or outside advisors) as deemed appropriate. The General Counsel shall provide the Audit Committee with a quarterly report of all accounting or auditing complaints received and an update of pending investigations. The Audit Committee may request special treatment for any complaint and may assume the direction and oversight of an investigation of any such complaint.

5. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. Access to reports and records of complaints may be granted to regulatory agencies and other parties at the discretion of the General Counsel.

6. In all cases, prompt and appropriate corrective action shall be taken as determined by the Audit Committee. An employee may be subject to disciplinary action, which may include the termination of his or her employment, if the employee fails to cooperate in an investigation or deliberately provides false or misleading information during an investigation. The specific action that will be taken in response to a report will depend on the nature and gravity of the conduct or circumstances reported and the quality of the information provided. Where questionable accounting, internal accounting controls or auditing matters or the reporting of fraudulent financial information is verified, corrective action will be taken and, if appropriate, the persons responsible will be disciplined.

7. Reprisal, threats, retribution or retaliation in any way against any person who has in good faith made a complaint or reported a concern, or against any person who assists in any investigation or process with respect to such a complaint or concern, is prohibited. Employees who believe that they have been subjected to any discrimination, retaliation or harassment for having submitted a complaint regarding questionable accounting, internal accounting controls or auditing matters, the reporting of fraudulent financial information under this policy or participating in an investigation relating to such a complaint, should immediately report the concern to the General Counsel or to any of their supervisors or to Human Resources or to the Chair of the Audit Committee. Any complaint that such discrimination, retaliation or harassment has occurred will be promptly and thoroughly investigated. If such a complaint is substantiated, appropriate disciplinary action will be taken, up to and including termination of employment for those individuals that engaged in the harassment or retaliation.

8. The General Counsel or Audit Committee will report the results of any investigation regarding a complaint, including any corrective actions taken, to the person making the complaint, if appropriate information for response was supplied, maintaining the anonymity of the person making the complaint to the fullest extent possible.

#### D. Retention of Complaints

The General Counsel shall retain written complaints, the accounting and auditing matters log and all related documentation as required under applicable law.