

WAGEWORKS, INC.

CORPORATE GOVERNANCE PRINCIPLES

Amended October 26, 2016

These principles have been adopted by the Board of Directors (the “**Board**”) of WageWorks, Inc. (the “**Company**”) for the purpose of establishing the corporate governance policies pursuant to which the Board intends to conduct its oversight of the business of the Company in accordance with its fiduciary responsibilities. These principles shall not limit the rights of VantagePoint Capital Partners (“**VPCP**”) set forth in the Stockholders Rights Agreement, dated May 9, 2012, between entities affiliated with VPCP and the Company.

1. Role of the Board

The role of the Board is to oversee the performance of the Company’s chief executive officer (the “**CEO**”) and other senior management and to assure that the best interests of the Company’s stockholders are being served. To satisfy this responsibility, the directors are expected to take a proactive approach to their duties and function as active monitors of corporate management. Accordingly, the directors provide oversight in the formulation of the long term strategic, financial and organizational goals of the Company and of the plans designed to achieve those goals. In addition, the Board reviews and approves standards and policies to ensure that the Company is committed to achieving its objectives through the maintenance of the highest standards of responsible conduct and ethics and to assure that management carries out their day-to-day operational duties in a competent and ethical manner.

The day-to-day business of the Company is carried out by its employees, managers and officers, under the direction of the CEO and the oversight of the Board, to enhance the long term value of the Company for the benefit of stockholders. The Board and management also recognize that creating long term enterprise value is advanced by considering the interests and concerns of other stakeholders, including the Company’s employees, customers, creditors and suppliers as well as the community generally.

The Board understands that effective directors act on an informed basis after thorough inquiry and careful review, appropriate in scope to the magnitude of the matter being considered. The directors know their position requires them to ask probing questions of management and outside advisors. The directors also rely on the advice, reports and opinions of management, counsel and expert advisors. In doing so, the Board evaluates the qualifications of those it relies upon for information and advice and also looks to the processes used by managers and advisors in reaching their recommendations. In addition, the Board has the authority to hire outside advisors at the Company’s expense if they feel it is appropriate.

2. Selection of Chairman of the Board and CEO

The Board shall fill the Chairman of the Board (the “**Chairman**”) and CEO positions based upon the Board’s view of what is in the best interests of the Company. The CEO and Chairman may, but need not be, the same person.

3. Lead Independent Director

In order to facilitate communication between management and the outside Directors, in the event that the Chairman is not an independent director, the Board should elect a “**Lead Independent Director**,” who will have the responsibility to schedule and prepare agendas for meetings of outside directors. The Lead Independent Director will communicate with the CEO, disseminate information to the rest of the Board in a

timely manner and raise issues with management on behalf of the outside directors when appropriate. All members of the Board are encouraged to communicate with the CEO. As long as the Chairman is an independent, non-employee director, the “Lead Independent Director” responsibility may be assigned to the Chairman. In the event that a Lead Independent Director is elected, the identity of the Lead Independent Director shall be disclosed in the Company’s annual proxy statement or published on the investors relations page of the Company’s website.

4. Committees

The Board has three committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Board will continue to delegate substantial responsibilities to each committee, and each committee should consist solely of independent directors, as defined by the rules of the New York Stock Exchange (the “**NYSE Rules**”) and, in the case of the Audit Committee, as also defined by the rules and regulations of the Securities and Exchange Commission (the “**SEC Rules**”). The members of these committees shall also meet the other membership criteria specified in the respective charters for these committees. New committees may be formed as determined by the Board.

5. Assignment of Committee Members

Committees should be appointed (or re-appointed), and chairs of each committee designated, by the full Board, upon recommendation by the Nominating and Corporate Governance Committee, annually. While the composition of the committees of the Board should be looked at each year in making certain that these committees are not stagnant or without fair representation, it is the Board’s belief that continuity of experience in the specific functions of these committees provides a significant benefit to the stockholders and to management.

6. Frequency and Length of Committee Meetings

Each committee chairman, in consultation with committee members, will determine the frequency and length of meetings of his or her committee, considering all relevant factors such as the committee’s mandate, nature of current committee business to be discussed and the like. Moreover, the chairman of each committee should feel free to call additional committee meetings at times other than the scheduled meetings of the full Board.

7. Committee Charters and Agendas

Each committee shall have its own charter, which will set forth the purpose, membership requirements, authority and responsibilities of the committee. Annually, the chairman of each committee should review the existing committee charter and determine, in consultation with the rest of the committee, whether any amendments are required. Committee charters should be within the scope of authority granted by the Board and should be approved by the Board. The chairman of the committee, in consultation with appropriate members of management and staff, should develop the overall annual agenda to the extent it can be foreseen. In addition, each committee chairman should prepare an agenda prior to each committee meeting and should consult with appropriate members of management for additional items which should be included in the agenda. Any committee of the Board is authorized to engage its own outside advisors at the Company’s expense, including legal counsel or other consultants, as required, provided that the committee shall promptly advise the full Board of such engagement.

8. Code of Conduct, Conflicts of Interests, Related Party Transactions and Complaints Process

The Nominating and Corporate Governance Committee shall periodically review and approve the Company’s Code of Business Conduct and Ethics, which is applicable to directors, officers and employees; consider questions of possible conflicts of interest of Board members and corporate officers; review actual and potential

conflicts of interest (including corporate opportunities) of Board members and corporate officers; and approve or prohibit any involvement of such persons in matters that may involve a conflict of interest or corporate opportunity. Directors may be asked, from time to time, to leave a Board meeting when the Board is considering a transaction in which the director (or another organization in which the director is a director or officer) has a financial or other interest.

The Audit Committee shall review and approve any proposed related party transactions in compliance with the Company's policies and the NYSE Rules and must report material related party transactions to the full Board, monitor compliance with the Company's financial code of ethics and review and approve the Company's procedures for handling complaints regarding accounting or auditing matters.

9. Board Meetings and Agenda Items

The Board shall have no less than four regularly scheduled meetings each year at which it reviews and discusses leadership continuity, management development, management reports on the performance of the company, its plans and prospects, as well as more immediate issues facing the company. The Chairman (in consultation with the CEO if not the same person) will set the agenda for each Board meeting. Each Board member is free to suggest inclusion of items on the agenda. A representative from the Company's outside counsel should be available to attend Board meetings. The Board will review the Company's long-term strategic plans during at least one Board meeting per year.

10. Board Materials Distributed in Advance

To the extent possible, information and data which is important to the Board's understanding of matters to be discussed at the meeting and the current status of the Company's business should be distributed in writing to the Board before the meeting to enable the directors to read and prepare for the meeting.

11. Board, Committee and Stockholder Meetings

Directors are expected to prepare for, attend and actively participate in all Board and committee meetings. As a general rule, preparation material on specific subjects should be sent to the Board members in advance so that the Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions when the subject matter is too sensitive to be distributed, the subject will have to be introduced at the meeting. The Company encourages, but does not require, directors to attend the annual meeting of stockholders.

12. Regular Attendance of Management at Board Meetings

It is anticipated that certain members of management (e.g., the Chief Financial Officer, the General Counsel or the Legal Department and such other members of the executive staff as the CEO may, from time to time, designate) will attend Board meetings on a regular basis. Other members of management and staff will attend meetings and present reports from time to time. Specifically, the Board encourages management to schedule managers to be present at Board meetings who can provide additional insight into the items being discussed because of personal involvement in these areas. It is understood that Company personnel and others attending Board meetings may be asked to leave the meeting in order for the Board to meet in executive session.

13. Executive Sessions of Independent Directors and Audit Committee

It is the policy of the Board to have separate meeting times for independent directors without management. Such meetings should be held following regularly scheduled meetings and at such other times as requested by an independent director. The Chairman or the Lead Independent Director shall preside at executive sessions.

In addition, the Audit Committee of the Board should meet periodically with the Company's outside auditors without management present at such times as it deems appropriate.

14. Board Access to Company Employees

Board members should have full access to members of management, either as a group or individually, and to Company information that they believe is necessary to fulfill their obligations as Board members. The directors should use their judgment to ensure that any such contact or communication is not disruptive to the business operations of the Company.

15. Board Compensation Review

The Nominating and Corporate Governance Committee should conduct an annual review of director compensation. This review will include input from the Company's Human Resources Department in order to evaluate director compensation compared to other companies of like size in the industry. Any change in Board compensation should be approved by the full Board. Ownership of stock by the directors is encouraged.

16. Size of the Board

The size of the Board is established, from time to time, by a resolution adopted by the Board in accordance with the Company's Bylaws and certificate of incorporation, each as may be amended. The size of the Board may vary based upon the size of the business and the availability of qualified candidates. Board size should facilitate active interaction and participation by all Board members. The Nominating and Corporate Governance Committee will review, from time to time, the appropriateness of the size of the Board.

17. Composition of Board

The Board believes that as a matter of policy there should be a majority of independent directors on the Board. Within that policy, the mix of Board members should provide a range of expertise and perspective in areas relevant to the Company's business.

18. Board Definition of "Independence" for Directors

A director shall be considered "independent" for purposes of serving on the Board if he or she meets the criteria for independence established by the NYSE Rules. A Director shall be considered "independent" for purposes of serving on a Board committee based on the definition of independence used in that committee's charter, which shall conform to any requirements established for such a committee by the NYSE Rules and any applicable SEC Rules.

19. Board Membership Criteria and Selection

The Nominating and Corporate Governance Committee should review on an annual basis, in the context of recommending a slate of directors for stockholder approval, the composition of the Board, including issues of character, judgment, diversity, age, independence, expertise, corporate experience, length of service, understanding of the Company's business, other commitments and the like. Selection of new directors requires recommendation of a candidate by the Nominating and Corporate Governance Committee to the full Board, which has responsibility for naming new members in the event of a vacancy or expansion of the Board between annual meetings of stockholders.

20. Notifying a Director of Non-Inclusion on a Proposed Slate of Directors

Any proposal to decrease the size of the Board, or to substitute a new director for an existing director, should be made first by the Nominating and Corporate Governance Committee, then approved by the full Board. After receipt of a recommendation from the Nominating and Corporate Governance Committee, the Chairman or the Lead Independent Director should notify the director of such recommendation prior to the meeting of the Board at which the slate of nominees is proposed to be approved.

21. Assessing Board and Committee Performance

The Nominating and Corporate Governance Committee should establish an annual process for permitting the Board and each committee to conduct an assessment of its performance during the prior year. This assessment should focus on areas in which the Board or the committees believe contributions can be made going forward to increase the effectiveness of the Board or the committees. Each committee and the full Board will consider and discuss the findings of the assessments.

22. Election of Directors

Directors shall be subject to election at the annual meeting of stockholders in accordance with the terms of service specified in the Company's certificate of incorporation, as amended. The Board shall be classified with three classes of directors. The initial term of office for Class I directors will expire at the first annual stockholders meeting following the completion of the Company's initial public offering; the initial term for Class II directors will expire one year thereafter and the initial term for Class III directors will expire two years thereafter. Subsequently, each director elected at an annual stockholders meeting shall serve for a term of three years. The Board shall fill vacancies or add new directors as provided in the Company's charter documents.

23. Policy on Majority Voting for Directors

In accordance with the Company's Bylaws, a director nominee must receive a majority of votes cast, as contemplated by the Company's Bylaws, in order to be elected or reelected to the Board, except that if as of a date that is 14 days in advance of the date that the Company files its definitive proxy statement with the Securities and Exchange Commission (the "SEC") (regardless of whether or not thereafter revised or supplemented) the number of nominees exceeds the number of directors to be elected, then the directors will be elected by the vote of a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. If an incumbent director fails to receive the required vote for reelection in an uncontested election, then such director will, promptly following certification of the stockholder vote, offer his or her resignation to the Board for consideration in accordance with the following procedures. All of these procedures shall be completed within 90 days following certification of the stockholder vote.

The Board, through its Qualified Independent Directors (as defined below), shall evaluate the best interests of the Company and its stockholders and shall decide the action to be taken with respect to such offered resignation, which can include, without limitation: (i) accepting the resignation; (ii) accepting the resignation effective as of a future date not later than 180 days following certification of the stockholder vote; (iii) rejecting the resignation but addressing what the Qualified Independent Directors believe to be the underlying cause of the withhold votes; (iv) rejecting the resignation but resolving that the director will not be re-nominated in the future for election; or (v) rejecting the resignation.

In reaching their decision, the Qualified Independent Directors shall consider all factors they deem relevant, including but not limited to: (i) any stated reasons why stockholders did not vote for such director; (ii) the extent to which the "against" votes exceed the votes "for" the election of the director and whether the

“against” votes represent a majority of the Company's outstanding shares of common stock; (iii) any alternatives for curing the underlying cause of the “against” votes; (iv) the director’s tenure; (v) the director’s qualifications; (vi) the director’s past and expected future contributions to the Company; (vii) the overall composition of the Board, including whether accepting the resignation would cause the Company to fail or potentially fail to comply with any applicable law, rule or regulation of the SEC, or the NYSE Rules; and (viii) whether such director’s continued service on the Board for a specified period of time is appropriate in light of current or anticipated events involving the Company.

Following the Board’s determination, the Company shall, within four business days, disclose publicly in a document furnished or filed with the SEC the Board’s decision as to whether or not to accept the resignation offer. The disclosure shall also include a description of the process by which the decision was reached, including, if applicable, the reason or reasons for rejecting the offered resignation.

A director who is required to offer his or her resignation in accordance with this policy shall not be present during the deliberations or voting as to whether to accept his or her resignation or, except as otherwise provided below, a resignation offered by any other director in accordance with this policy. Prior to voting, the Qualified Independent Directors may afford the affected director an opportunity to provide any information or statement that he or she deems relevant.

For purposes of this policy, “**Qualified Independent Directors**” means all directors who (i) are independent directors (as defined in accordance with the NYSE Rules) and (ii) are not required to offer their resignation in connection with an election in accordance with this policy. If there are fewer than three independent directors then serving on the Board who are not required to offer their resignations in accordance with this policy, then the Qualified Independent Directors shall mean all of the independent directors, and each independent director who is required to offer his or her resignation in accordance with this Policy shall recuse himself or herself from the deliberations and voting only with respect to his or her individual offer to resign.

All nominees for election or reelection as a director in an uncontested election shall be deemed, as a condition to being nominated, to have agreed to abide by this policy and, if applicable, shall offer to resign and shall resign if requested to do so in accordance with this policy (and shall if requested submit an irrevocable resignation letter, subject to this policy, as a condition to being nominated for election).

24. Director Orientation and Continuing Education

Meetings of the Board shall be designed to provide orientation for new directors to assist them in understanding the Company’s business as well as an introduction to the Company’s senior management. Further, the Company encourages directors to participate in continuing education programs focused on the Company’s business and industry, committee roles and responsibilities and legal and ethical responsibilities of Board members. The Company shall reimburse the directors for customary and reasonable expenses incurred in connection with their participation in such continuing education programs.

25. Formal Evaluation and Compensation of the CEO and Other Executive Officers

The formal evaluation of the CEO and the other executive officers should be made in the context of annual compensation review by the Compensation Committee, with appropriate input from other Board members, and should be communicated to the CEO by the Chairman or the Lead Independent Director and the chairman of the Compensation Committee. The evaluation should be based on objective criteria, including performance of the business and accomplishment of long-term strategic objectives and annual operating plan performance in accordance with the principles and criteria established by the Compensation Committee. Ownership of stock by the CEO and other executive officers is encouraged and will be reviewed by the Board.

26. Succession Planning

The Nominating and Corporate Governance Committee, in consultation with the full Board, is primarily responsible for CEO succession planning. In addition, it shall monitor management's succession plans for other key executives. Succession planning can be critical in the event the CEO or other key executives should cease to serve for any reason, including resignation or unexpected disability. In addition, however, the Board believes that the establishment of a strong management team is the best way to prepare for an unanticipated executive departure.

27. Management Development

In addition to its responsibilities related to executive succession planning, the Nominating and Corporate Governance Committee shall confer with the CEO to encourage management's employee development programs.

28. Board Interaction with Third Parties

The Board believes that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this with management's knowledge and, in most instances, only at the request of management.

In cases where stockholders wish to communicate directly with the non-management directors, communications can be sent to the General Counsel or the Legal Department. These messages will be forwarded to the appropriate committee of the Board or non-management director.

The Company's directors should not accept any gift of value that indicates an intent to influence improperly the normal business relationship between the Company and any supplier, customer or competitor.

29. Formulation of Strategy

The Board should provide oversight to management in formulating corporate strategy.

30. Periodic Review of Guidelines

The Nominating and Corporate Governance Committee and the Board should review these guidelines no less than annually.