haynesboone

December 18, 2020

**VIA E-MAIL: shareholderproposals@sec.gov**

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Paycom Software, Inc.
Stockholder Proposal of James McRitchie and Myra K. Young

Ladies and Gentlemen:

This letter and the enclosed materials are submitted on behalf of our client, Paycom Software, Inc. (the "***Company***"), to inform the Securities and Exchange Commission (the "***Commission***") that the Company intends to omit from its proxy statement and form of proxy for its 2021 Annual Meeting of Stockholders (the "***2021 Proxy Materials***") a stockholder proposal and supporting statement (the "***2021 Proposal***") submitted to the Company by James McRitchie and Myra K. Young (together, the "***Proponents***"). We also request confirmation that the staff of the Division of Corporation Finance (the "***Staff***") will not recommend enforcement action to the Commission if the Company omits the 2021 Proposal from the 2021 Proxy Materials for the reasons discussed below.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are sending this letter by electronic mail to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j) of the Securities Exchange Act of 1934, as amended, we are simultaneously sending a copy of this letter and its attachments to the Proponents' representative, John Chevedden, as notice of the Company's intent to omit the 2021 Proposal from the 2021 Proxy Materials. We take this opportunity to inform the Proponents that if the Proponents, or the Proponents' representative, elect to submit any correspondence to the Commission or the Staff with respect to the 2021 Proposal, pursuant to Rule 14a-8(k), a copy of that correspondence should be provided concurrently to the undersigned on behalf of the Company.

**Haynes and Boone, LLP**
**Attorneys and Counselors**
2323 Victory Avenue
Suite 700
Dallas, Texas 75219
T (214) 651-5000
F (214) 651-5940
www.haynesboone.com

*** FISMA & OMB Memorandum M-07-16

## THE PROPOSAL

The 2021 Proposal states, in pertinent part:

> Resolved: Shareholders of Paycom Software In. [sic] ('Paycom' or 'Company') request the Board of Directors amend our Company's policies, articles of incorporation and/or bylaws to provide that director nominees be elected by the affirmative vote of the majority of votes cast, with a plurality vote standard retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats. This proposal includes that a director who receives less than a majority vote be removed as soon as a replacement director can be qualified on an expedited basis. If such a removed director has key experience, they can transition to a consultant or director emeritus. With written justification, the board can set an effective date several years into the future for these changes to take effect.

A copy of the 2021 Proposal as well as copies of related correspondence with the Proponents and their representative are attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the 2021 Proposal may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(h)(3) because neither the Proponents nor their qualified representative attended the Company's 2019 Annual Meeting of Stockholders to present the Proponents' stockholder proposal that was included in the Company's 2019 Proxy Statement.

## ANALYSIS

**The 2021 Proposal May Be Excluded Under Rule 14a-8(h)(3) because Neither the Proponents nor their Qualified Representative Attended the Company's 2019 Annual Meeting of Stockholders to Present the Proponents' Stockholder Proposal Contained in the Company's 2019 Proxy Statement.**

Under Rule 14a-8(h)(l), a stockholder proponent must attend the stockholders' meeting to present its stockholder proposal, or, alternatively, must send a representative who is qualified under state law to present the proposal on the proponent's behalf. Rule 14a-8(h)(3) provides that, if a stockholder or its qualified representative fails, without good cause, to appear and present a

proposal included in a company's proxy materials, the company will be permitted to exclude all of such stockholder's proposals from the company's proxy materials for any meetings held in the following two calendar years.

The Company intends to omit the 2021 Proposal from its 2021 Proxy Materials because the Proponents and their qualified representative failed, without good cause, to attend the Company's 2019 Annual Meeting of Stockholders held on April 29, 2019 in Oklahoma City, Oklahoma (the "***2019 Annual Meeting***") to present the stockholder proposal that the Proponents submitted for that meeting (the "***2019 Proposal***"). The Company filed the 2019 Proxy Statement on March 27, 2019 and gave timely notice regarding the 2019 Annual Meeting to the Company's stockholders.

Consistent with Commission regulations and Delaware law, the notice of the 2019 Annual Meeting clearly delineated the date, time, and location of the 2019 Annual Meeting as April 29, 2019 at 11:00 a.m. local time at Gaillardia, 5300 Gaillardia Boulevard, Oklahoma City, Oklahoma 73142.

The Company included the 2019 Proposal in the Company's 2019 Proxy Statement as Proposal 4 (an excerpt of which is attached hereto as Exhibit B) and expected the Proponents, or their qualified representative, to present the 2019 Proposal at the 2019 Annual Meeting.

On April 1, 2019, I contacted Mr. Chevedden via email to inquire as to whether the Proponents would attend the 2019 Annual Meeting to present the 2019 Proposal. Mr. Chevedden did not respond to my inquiry. On April 23, 2019, I sent another email to Mr. Chevedden requesting a response to my email from April 1, 2019. Later that day, Mr. Chevedden contacted Matthew Paque, the Company's then-Executive Vice President – Legal and Compliance, via email to indicate that he "expect[ed] to have a person at the meeting."

On April 28, 2019 at 11:26 p.m. Central time, Mr. Chevedden notified the Company by email that Kyra Herring was authorized "to read the ruel [sic] 14a-8 proposal." On the morning of April 29, 2019, prior to commencement of the 2019 Annual Meeting, Mr. Paque confirmed receipt of Mr. Chevedden's email. See Exhibit C.

Prior to the start of the 2019 Annual Meeting, Mr. Paque alerted appropriate Company employees participating in the operation of the 2019 Annual Meeting to look out for and assist Ms. Herring, as she was expected to attend the 2019 Annual Meeting to present a matter. Before commencing the 2019 Annual Meeting, Mr. Paque asked other Company employees, as well as staff from the meeting venue, if they had seen Ms. Herring or any other person seeking to attend

the 2019 Annual Meeting who was not yet seated in the meeting room. Such Company employees and venue staff confirmed that they had not seen Ms. Herring nor any other person seeking to attend the 2019 Annual Meeting who was not yet seated in the meeting room. The 2019 Annual Meeting began promptly at 11:00 a.m. local time on April 29, 2019. Ms. Herring was not present when the 2019 Annual Meeting began, nor did she arrive during the 2019 Annual Meeting.

None of the Proponents nor any other qualified representative of the Proponents attended the 2019 Annual Meeting to present the 2019 Proposal. The 2019 Proposal was not presented to the 2019 Annual Meeting, as disclosed in the Company's Current Report on Form 8-K with respect to the 2019 Annual Meeting filed with the Commission on May 2, 2019, an excerpt of which is attached hereto as Exhibit D.

On numerous occasions the Staff has concurred that a company may exclude a stockholder proposal under 14a-8(h)(3) because the proponent or its qualified representative, without good cause, failed to appear and present a proposal at either of the company's previous two years' annual meetings. *See, e.g.*, United Technologies Corp. (avail. March 8, 2019); Verizon Communications, Inc. (avail. Nov. 6, 2014); State Street Corp. (avail. Feb. 3, 2010); (in each case, concurring with the exclusion of a stockholder proposal under Rule 14a-8(h)(3) where the proponent failed to appear and present their stockholder proposal in the prior year). *See also*, TheStreet, Inc. (avail. March 8, 2019); Aetna Inc. (avail. February 1, 2017); Expeditors International of Washington, Inc. (avail. Dec. 29, 2016); McDonalds Corporation (avail. Mar. 3, 2015); E.I. du Pont de Nemours and Co. (avail. Feb. 16, 2010); Entergy Corp. (avail. Jan. 12, 2010, recon. denied Mar. 16, 2010); Comcast Corp. (avail. Feb. 25, 2008) (in each case, concurring with the exclusion of a stockholder proposal under Rule 14a-8(h)(3) submitted for an annual meeting where the proponent had failed to appear and present its proposal at the annual meeting two years prior).

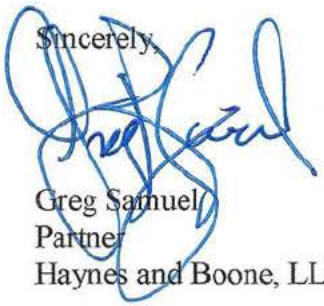
Consistent with the no-action letter precedent cited above, the Company believes that under Rule 14a-8(h)(3) it may exclude the 2021 Proposal from the 2021 Proxy Materials.

## CONCLUSION

Based on the foregoing facts and analysis, we respectfully request that the Staff concur that the Company may exclude the 2021 Proposal from the 2021 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have concerning this subject. Correspondence regarding this letter should be sent to me at greg.samuel@haynesboone.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (214) 651-5645.

Sincerely,



Greg Samuel
Partner
Haynes and Boone, LLP

Enclosures

cc: Craig E. Boelte, Paycom Software, Inc.
Matthew Paque, Paycom Software, Inc.
John Chevedden

EXHIBIT A

*[see attached]*

**From:** John Chevedden ***
**Date:** November 24, 2020 at 9:31:15 PM CST
**To:** Craig Boelte <cboelte@paycomonline.com>
**Cc:** Matthew Paque <matthew.paque@paycomonline.com>
**Subject: [EXTERNAL EMAIL]Rule 14a-8 Proposal (PAYC)``**

Mr. Boelte,
Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,
John Chevedden

# Corporate Governance

*CorpGov.net: improving accountability through democratic corporate governance since 1995*

***

Paycom Software, Inc.
Mr. Craig E. Boelte, Corporate Secretary
7501 W. Memorial Road,
Oklahoma City, Oklahoma 73142
Via: cboelte@paycomonline.com

Dear Corporate Secretary,

We are pleased to be shareholders in Paycom Software Inc (PAYC) and appreciate the company's leadership. We believe Paycom has further unrealized potential that can be unlocked through low or no cost measures by making our corporate governance more competitive.

We are submitting a shareholder proposal for a vote at the next annual shareholder meeting to **Transition to Elect Directors by Majority Vote**.

The proposal meets all Rule 14a-8 requirements, including the continuous ownership of the required stock value for over a year. We pledge to continue to hold stock until after the date of the next shareholder meeting. Our submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

This letter confirms that we are delegating John Chevedden to act as our agent regarding this Rule 14a-8 proposal, including its submission, negotiations and/or modification, and presentation at the forthcoming shareholder meeting. Please direct all future communications regarding our rule 14a-8 proposal to John Chevedden *** to facilitate prompt communication. Please identify me as the proponent of the proposal exclusively.

Your consideration and the consideration of the Board of Directors is appreciated in responding to this proposal. We expect to forward a broker letter soon, so if you simply acknowledge our proposal in an email message to *** , it may not be necessary for you to request such evidence of ownership.

Sincerely,

| | |
|---|---|
| James McRitchie | November 24, 2020<br>Date |
| Myra K. Young | November 24, 2020<br>Date |

cc: Matthew Paque <matthew.paque@paycomonline.com>

[PAYC: Rule 14a-8 Proposal, November 24, 2020
[This line and any line above it – *Not* for publication.]

**Proposal [4] – Transition to Elect Directors by Majority Vote**

Resolved: Shareholders of Paycom Software In. ('Paycom' or 'Company') request the Board of Directors amend our Company's policies, articles of incorporation and/or bylaws to provide that director nominees be elected by the affirmative vote of the majority of votes cast, with a plurality vote standard retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats. This proposal includes that a director who receives less than a majority vote be removed as soon as a replacement director can be qualified on an expedited basis. If such a removed director has key experience, they can transition to a consultant or director emeritus. With written justification, the board can set an effective date several years into the future for these changes to take effect.

Supporting Statement: To provide shareholders a meaningful role in director elections, our Company's current director election standard should transition from a plurality vote standard to a majority vote standard when only board nominated candidates are on the ballot.

Under our Company's current voting system, a director can be elected if all shareholders oppose the director but one shareholder votes FOR, even by mistake. More than 90% of the companies in the S&P 500 have adopted majority voting for uncontested elections.

In 2019 and 2020 majority shares voted FOR similar proposals at TG Therapeutics, Lipocine, Abeona Therapeutics, Alico, Guidewire Software, Stemline Therapeutics, Caesars Entertainment, RadNet, Gannett, New Residential Investment, Safety Insurance Group, First Community Bancshares, Greenhill, and Advaxis.

BlackRock's proxy voting guidelines include the following: "Majority voting standards assist in ensuring that directors who are not broadly supported by shareholders are not elected to serve as their representatives." Many of our other large shareholders have similar proxy voting policies.

This request should be seen in the context that Paycom has a classified board, does not allow shareholders to call special meeting or act by written consent, and a supermajority vote is required to amend certain bylaws. Our Board is locked into an outdated governance structure that reduces board accountability to shareholders. We are at risk of *Zombies on Board: Investors Face the Walking Dead*. (https://www.msci.com/www/blog-posts/zombies-on-board-investors-face/02161045315)

**To Enhance Shareholder Value, Vote FOR**
**Elect Directors by Majority Vote – Proposal [4]**
[This line and any below are *not* for publication]
Number 4* to be assigned by PAYC

[This line and any below are *not* for publication]
Number 4* to be assigned by CRL

The graphic above is intended to be published with the rule 14a-8 proposal.
The graphic would be the same size as the largest management graphic (and accompanying bold or highlighted management text with a graphic) or any highlighted management executive summary used

in conjunction with a management proposal or a rule 14a-8 shareholder proposal in the 2021 proxy.

The proponent is willing to discuss the in unison elimination of both shareholder graphic and management graphic in the proxy in regard to specific proposals.

Reference: SEC Staff Legal Bulletin No. 14I (CF)
[16] Companies should not minimize or otherwise diminish the appearance of a shareholder's graphic. For example, if the company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

Notes: This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

> Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:
>
> - the company objects to factual assertions because they are not supported;
> - the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
> - the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
> - the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.
>
> **We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.**

See also Sun Microsystems, Inc. (July 21, 2005)

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email ***
.

**From:** Matthew Paque <matthew.paque@paycomonline.com>
**Sent:** Tuesday, December 8, 2020 5:25 PM
**To:** John Chevedden; Craig Boelte
**Cc:** Craig Boelte
**Subject:** RE: [EXTERNAL EMAIL]Rule 14a-8 Proposal (PAYC) blb
**Attachments:** Scan.pdf

Mr. Chevedden:

Received. Please see the attached that was delivered today via FedEx.

---

**From:** John Chevedden ***
**Sent:** Tuesday, December 8, 2020 5:02 PM
**To:** Craig Boelte <cboelte@paycomonline.com>
**Cc:** Matthew Paque <matthew.paque@paycomonline.com>
**Subject:** [EXTERNAL EMAIL]Rule 14a-8 Proposal (PAYC) blb

Mr. Boelte,
Please see the attached broker letter.
Please confirm receipt.
Sincerely,
John Chevedden

December 7, 2020

VIA EMAIL AND OVERNIGHT MAIL

John Chevedden
*** *** *** ***
***
***
***

Dear Mr. Chevedden:

I am writing on behalf of Paycom Software, Inc. ("***Paycom***"), which received the stockholder proposal submitted on November 24, 2020 by James McRitchie and Myra K. Young (each, a "***Proponent***" and together, the "***Proponents***") pursuant to Securities and Exchange Commission ("***SEC***") Rule 14a-8 for inclusion in the proxy statement for Paycom's 2021 Annual Meeting of Stockholders (the "***Proposal***").

It is our view that the Proposal may be excluded from Paycom's proxy statement and form of proxy for its 2021 Annual Meeting of Stockholders (the "***2021 Proxy Materials***") pursuant to Rule 14a-8(h)(3) because none of the Proponents nor their qualified representative attended Paycom's 2019 Annual Meeting of Stockholders to present the Proponents' stockholder proposal that was included in Paycom's proxy statement and form of proxy for its 2019 Annual Meeting of Stockholders. Under Rule 14a-8(h)(l), a stockholder proponent must attend the stockholders' meeting to present its stockholder proposal, or, alternatively, must send a representative who is qualified under state law to present the proposal on the proponent's behalf. Rule 14a-8(h)(3) provides that, if a stockholder or its qualified representative fails, without good cause, to appear and present a proposal included in a company's proxy materials, the company will be permitted to exclude all of such stockholder's proposals from the company's proxy materials for any meetings held in the following two calendar years. The Proponents and their qualified representative failed, without good cause, to attend the Company's 2019 Annual Meeting of Stockholders held on April 29, 2019 in Oklahoma City, Oklahoma to present the stockholder proposal that the Proponents submitted for that meeting. If the Proponents do not withdraw the Proposal, we intend to request that the staff of the Division of Corporation Finance (the "***Staff***") concur with our view that Paycom may exclude the Proposal from the 2021 Proxy Materials pursuant to Rule 14a-8(h)(3), and that the Staff will take no action if Paycom excludes the Proposal from the 2021 Proxy Materials.

The Proposal also contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as

amended, provides that stockholder proponents must submit sufficient proof of their continuous ownership of at least $2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the stockholder proposal was submitted. According to Paycom's stock records, neither Proponent is currently the registered holder of a sufficient number of shares to satisfy this requirement. In addition, to date we have not received proof that the Proponents have satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to Paycom.

To remedy this defect, the Proponents must submit sufficient proof of their continuous ownership of the required number or amount of Paycom shares for the one-year period preceding and including November 24, 2020, the date the Proposal was submitted to Paycom. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- a written statement from the "record" holder of the Proponents' shares (usually a broker or a bank) verifying that the Proponents continuously held the required number or amount of Paycom shares for the one-year period preceding and including November 24, 2020; or

- if the Proponents have filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponents' ownership of the required number or amount of Paycom shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponents continuously held the required number or amount of Paycom shares for the one-year period.

To help stockholders comply with the requirements when submitting proof of ownership to companies, the SEC's Division of Corporation Finance published Staff Legal Bulletin No. 14F ("***SLB 14F***"), dated October 18, 2011, and Staff Legal Bulletin No. 14G ("***SLB 14G***"), dated October 16, 2012, copies of which are enclosed for your reference. SLB 14F and SLB 14G provide that for securities held through The Depository Trust Company ("***DTC***"), only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. You can confirm whether the Proponents' bank or broker is a DTC participant by checking DTC's participant list, which is currently available at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.xlsx.

If the Proponents' broker or bank is a DTC participant, then the Proponents need to submit a written statement from the Proponents' broker or bank verifying that the Proponents continuously held the required number or amount of Paycom shares for the one-year period preceding and including November 24, 2020.

If the Proponents' broker or bank is not a DTC participant, then the Proponents need to submit proof of ownership from the DTC participant through which the shares are held verifying

that the Proponents continuously held the required number or amount of Paycom shares for the one-year period preceding and including November 24, 2020. You should be able to find out the identity of the DTC participant by asking the Proponents' broker or bank. If the Proponents' broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponents' account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponents' shares is not able to confirm the Proponents' holdings but is able to confirm the holdings of the Proponents' broker or bank, then the Proponents need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including November 24, 2020, the required number or amount of Paycom shares were continuously held: (i) one statement from the Proponents' broker or bank confirming the Proponents' ownership; and (ii) one statement from the DTC participant confirming the broker or bank's ownership. Please review SLB 14F and SLB 14G carefully before submitting proof of ownership to ensure that it is compliant.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 7501 W. Memorial Road, Oklahoma City, Oklahoma 73142. Alternatively, you may transmit any response by email to me at cboelte@paycomonline.com. A copy of Rule 14a-8, which applies to stockholder proposals submitted for inclusion in proxy statements, is enclosed for your reference.

If you have any questions with respect to the foregoing, please contact me at (405) 722-6900.

Sincerely,

Craig Boelte
Chief Financial Officer, Treasurer
and Corporate Secretary

Enclosures

**From:** John Chevedden ***
**Sent:** Tuesday, December 8, 2020 5:02 PM
**To:** Craig Boelte <cboelte@paycomonline.com>
**Cc:** Matthew Paque <matthew.paque@paycomonline.com>
**Subject:** [EXTERNAL EMAIL]Rule 14a-8 Proposal (PAYC) blb

Mr. Boelte,
Please see the attached broker letter.
Please confirm receipt.
Sincerely,
John Chevedden

**Ameritrade**

11/27/2020

James Mcritchie & Myra Young
***

Re: Your TD Ameritrade Account Ending in ***

Dear James Mcritchie & Myra Young,

Pursuant to your request, this letter is to confirm that as of the date of this letter, James McRitchie and Myra Young held and had held continuously for at least 13 months, no less than 40 common shares of Paycom Software Inc (PAYC) in an account ending in *** at TD Ameritrade. The DTC clearinghouse number for TD Ameritrade is 0188.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

Gabriel Elliott
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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Exhibit B

# Proposal 4: Stockholder Proposal to Elect Each Director Annually

In accordance with SEC rules, we have set forth below a stockholder proposal from James McRitchie and Myra K. Young, along with their supporting statement, for which we and the Board of Directors accept no responsibility. James McRitchie and Myra K. Young have notified us that together they are the beneficial owners of no less than 40 shares of Common Stock and intend to present the following proposal at the Annual Meeting through their designee, John Chevedden. The address of James McRitchie and Myra K. Young is 9295 Yorkship Court, Elk Grove, CA 95758. The stockholder proposal is required to be voted upon at the Annual Meeting only if properly presented at the Annual Meeting.

Proposal 4 – Elect Each Director Annually

RESOLVED: Paycom Software, Inc ("Company" or "Paycom") shareholders ask that our Board take the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year. This will not affect the unexpired terms of directors elected prior to the Proposal's implementation.

## Supporting Statement

Arthur Levitt, former Chairman of the Securities and Exchange Commission said, "In my view it's best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them."

In 2010 over 70% of S&P 500 companies had annual election of directors. Now that number stands at 89%.

Shareholder resolutions on this topic won an average of 86% support in 2018 as of early November. Wins included 96% at Haemonetics, 94% at Hecla Mining, 88.4% at FleetCor Technologies, and 84.4% at Illumina Inc. No shareholder on this topic was recorded as winning less than 67.3% of the vote. That low support was at Axon Enterprise Inc. ISS and Glass Lewis did not recommended against any of these proposals.

According to one of our largest shareholders; BlackRock, "Directors should be elected annually to discourage entrenchment and allow shareholders sufficient opportunity to exercise their oversight of the board." BlackRock voted for shareholder proposals to declassify boards 6 times out of 6 in 2018, as did Vanguard.

According to Equilar; "A classified board creates concern among shareholders because poorly performing directors may benefit from an electoral reprieve. Moreover, a fraternal atmosphere may form from a staggered board that favors the interests of management above those of shareholders. Since directors in a declassified board are elected and evaluated each year, declassification promotes responsiveness to shareholder demands and pressures directors to perform to retain their seat. Notably, proxy advisory firms ISS and Glass Lewis both support declassified structures."

This proposal should also be evaluated in the context of our Company's overall corporate governance as of the date of this submission: Paycom retains supermajority voting provisions. Shareholders cannot call special meetings. Shareholders have no right to act by written consent. A plurality vote standard is used to elect directors. The combined effect is to lock the board into an out-dated corporate governance structure and reduce board accountability to shareholders.

Please vote for: Elect Each Director Annually—Proposal 4

Exhibit C

*[see attached]*

**From:** olmsted ***
**Date:** April 28, 2019 at 11:26:07 PM CDT
**To:** "Craig E. Boelte" <cboelte@paycomonline.com>
**Cc:** Matthew Paque <matthew.paque@paycomonline.com>
**Subject: Annual Meeting (PAYC) sps**

Warning: This email originated from outside of the organization

Mr. Boelte,
Please see the attached letter regarding the annual meeting.

Please confirm receipt of this letter.
Sincerely,
John Chevedden

**JOHN CHEVEDDEN**

*** ***

Mr. Craig E. Boelte
Corporate Secretary
Paycom Software, Inc., (PAYC)
7501 W. Memorial Road
Oklahoma City, Oklahoma 73142
PH: (405) 722-6900

Dear Mr. Boelte,

In looking forward to a good annual meeting this is to authorize
Kyra Herring
to read the ruel 14a-8 proposal.

Please forward this information to the Chairman of the meeting and to the Chairman of the Corporate Governance Committee.

This is to respectfully request that the company exercise its fiduciary duty to shareholders and extend every courtesy to facilitate this shareholder presentation. Also for the company to advise and alert me immediately by email and telephone if the company has any question on this message or perceived further requirement.

Thank you and all the best for a good meeting.

Sincerely,

John Chevedden

April 28, 2019
Date

cc: James McRitchie

Matthew Paque <matthew.paque@paycomonline.com>

**From:** Matthew Paque <matthew.paque@paycomonline.com>
**Sent:** Monday, April 29, 2019 9:56 AM
**To:** olmsted
**Cc:** Craig Boelte
**Subject:** Re: Annual Meeting (PAYC) sps

Received. Thank you.

> On Apr 29, 2019, at 9:34 AM, *** wrote:
>
> Warning: This email originated from outside of the organization
>
> Mr. Boelte,
> Please see the attached letter regarding the annual meeting.
>
> Please confirm receipt of this letter.
> Sincerely,
> John Chevedden
>
> <CCE28042019_5.pdf>

Exhibit D

Excerpt from Current Report on Form 8-K filed May 2, 2019

"As described in the Company's proxy materials, Proposal 4 was a stockholder proposal to elect each director annually. This proposal was not voted upon at the Annual Meeting because neither the proponent nor a qualified representative of the proponent appeared at the Annual Meeting to present the proposal."