

PAYCHEX INC  
Form DEF 14A  
August 29, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
**SCHEDULE 14A**

(RULE 14a-101)

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**  Definitive Proxy Statement  Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

# Paychex, Inc.

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:  
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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(4) Date Filed:

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August 29, 2008

Dear Paychex Stockholder:

The Board of Directors cordially invites you to attend our Annual Meeting of Stockholders (the Annual Meeting ) on Tuesday, October 7, 2008 at 10:00 a.m. Eastern Time at the Rochester Riverside Convention Center, 123 East Main Street, Rochester, New York.

This booklet includes the formal Notice of Annual Meeting of Stockholders and the Proxy Statement. The Proxy Statement tells you about the agenda items and the procedures for the Annual Meeting. It also provides certain information about Paychex, Inc., its Board of Directors, and its named executive officers.

It is important that your shares be represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, you are encouraged to vote. You may vote by Internet, telephone, written proxy, or written ballot at the Annual Meeting. We encourage you to use the Internet as it is the most cost-effective way to vote. If you elected to electronically access the Proxy Statement and Annual Report, you will not be receiving a proxy card and must vote via the Internet.

We hope you will be able to attend the Annual Meeting and would like to take this opportunity to remind you that your vote is important. If you need special assistance at the Annual Meeting, please contact the Secretary of the Company at (800) 828-4411, or write to Paychex, Inc., 911 Panorama Trail South, Rochester, New York 14625-2396, Attention: Corporate Secretary.

Sincerely,

Jonathan J. Judge  
*President and Chief Executive Officer*

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**PAYCHEX, INC.**

**911 Panorama Trail South Rochester, New York 14625-2396**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

- Date and Time:** 10:00 a.m. Eastern Time on Tuesday, October 7, 2008. Continental breakfast will be available from 9:00 a.m. to 10:00 a.m.
- Location:** Rochester Riverside Convention Center 123 East Main Street Rochester, New York 14604
- Items of Business:**
- (1) To elect eight nominees to the Board of Directors for one-year terms.
  - (2) To ratify selection of the independent registered public accounting firm.
  - (3) To transact such other business as may properly come before the Annual Meeting, or any adjournment thereof.
- Record Date:** Stockholders of record as of the close of business on August 11, 2008, are entitled to notice of, and to vote at, the Annual Meeting.
- Voting:** Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted at the Annual Meeting. You may vote either by signing and returning the enclosed proxy card, via the internet, or by telephone, as more fully described in the Proxy Statement.
- Annual Meeting Webcast:** The Annual Meeting will be simultaneously broadcast over the Internet at 10:00 a.m. Eastern Time on October 7, 2008. It can be accessed at the Investor Relations page at [www.paychex.com](http://www.paychex.com), and will be archived and available for replay for approximately one month.

August 29, 2008  
By Order of the Board of Directors  
John M. Morphy  
*Secretary*

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2008 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON OCTOBER 7, 2008**

Paychex, Inc.'s Proxy Statement and Annual Report for the year ended May 31, 2008 are available at <http://investor.paychex.com/annual.aspx>



**TABLE OF CONTENTS**

Proxy Statement	1
Stockholders Entitled to Vote; Outstanding Shares; Quorum	1
How to Vote	1
Revoking Your Proxy	1
General Information on Voting	2
Vote Required	2
Voting by Participants in the Paychex Employee Stock Ownership Plan Stock Fund	2
Security Ownership of Certain Beneficial Owners and Management	3
Proposal 1 Election of Directors For A One-Year Term	4
Director Compensation for the Fiscal Year Ended May 31, 2008	6
Cash Compensation	6
Equity-Based Compensation	6
Deferred Compensation Plan for Directors	7
Benefits	7
Stock Ownership Guidelines	7
Fiscal 2008 Director Compensation	8
Proposal 2 Ratification of Selection of Independent Registered Public Accounting Firm	9
Fees for Professional Services	9
Audit Committee Policy on Pre-Approval of Services of Independent Accountants	9
Report of The Audit Committee	10
Corporate Governance	11
Information About the Board of Directors and Corporate Governance	11
Board of Directors Committees	11
Nomination Process	12
Policy on Transactions with Related Persons	13
Communications with the Board of Directors	13
Governance and Compensation Committee Interlocks and Insider Participation	14
Section 16(a) Beneficial Ownership Reporting Compliance	14
Code of Business Ethics and Conduct	14
Compensation Discussion and Analysis	15
Objectives of Compensation Program	15
Role of Governance and Compensation Committee	15
Elements of Compensation	16
Annual Base Salary	17
Annual Officer Performance Incentive Program	17
Equity Compensation	18
CEO Compensation	19
Stock Ownership Guidelines	19
Non-Compete and Other Forfeiture Provisions	19
Perquisites	19

Deferred Compensation	20
Compensation Received In Fiscal 2008	20
Subsequent Events	21
Impact of the Internal Revenue Code	21
The Governance and Compensation Committee Report	21
Named Executive Officer Compensation	22
Fiscal 2008 Summary Compensation Table	22
Grants of Plan-Based Awards In Fiscal 2008	24
Outstanding Equity Awards as of May 31, 2008	25
Option Exercises and Stock Vested In Fiscal 2008	26
Non-Qualified Deferred Compensation Fiscal 2008	27
Change of Control and Severance Arrangement Fiscal 2008	28
Other Matters and Information	29

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## PROXY STATEMENT

### 2008 ANNUAL MEETING OF STOCKHOLDERS OF PAYCHEX, INC. TO BE HELD ON OCTOBER 7, 2008

This Proxy Statement is being mailed to stockholders of Paychex, Inc. ( Paychex or the Company ), a Delaware corporation, on or about August 29, 2008, in connection with the solicitation of proxies by the Board of Directors of the Company (the Board ) to be voted at the 2008 Annual Meeting of Stockholders (the Annual Meeting ). The Annual Meeting will be held on Tuesday, October 7, 2008 at 10:00 a.m. Eastern Time at the Rochester Riverside Convention Center, 123 East Main Street, Rochester, New York.

#### Stockholders Entitled to Vote; Outstanding Shares; Quorum

Paychex has one class of shares outstanding, designated common stock, \$0.01 par value per share. The Board has fixed the close of business on August 11, 2008 as the record date for determining the holders of common stock entitled to notice of, and to vote at, the Annual Meeting. As of the record date, 360,996,074 shares of common stock were issued and outstanding. A majority of the outstanding shares (180,498,038 shares) present at the Annual Meeting in person or by proxy will constitute a quorum. A quorum is necessary to hold a valid meeting. Stockholders will be entitled to one vote for each share of common stock held as of the record date.

#### How to Vote

Your vote is very important and we hope that you will attend the Annual Meeting. However, whether or not you plan to attend the Annual Meeting, please vote by proxy in accordance with the instructions on your proxy card, voting instruction form (from your bank or broker), or the instructions that you received through electronic mail. There are three convenient ways of submitting your vote:

***Voting by Internet*** You can vote via the Internet by visiting the website noted on your proxy card. Internet voting is available 24 hours a day. We encourage you to vote via the Internet, as it is the most cost-effective way to vote.

***Voting by telephone*** You can also vote your shares by telephone by calling the toll-free telephone number indicated on your proxy card and following the voice prompt instructions. Telephone voting is available 24 hours a day.

***Voting by mail*** If you choose to vote by mail, simply mark your proxy card, sign and date it, and return it in the enclosed postage-paid envelope. If you elected to electronically access the Proxy Statement and Annual Report, you will not be receiving a proxy card and must vote via the Internet.

The deadline for Internet or telephone voting is 11:59 p.m. Eastern Time on Monday, October 6, 2008. If you vote by telephone or the Internet, you do not need to return your proxy card. Signing and returning your proxy card or submitting your proxy via the Internet or by telephone does not affect your right to vote in person if you attend the Annual Meeting and your shares are registered in your name. If your shares are held in the name of a bank, broker, or



other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote in person at the Annual Meeting.

**Revoking Your Proxy**

You can revoke your proxy at any time prior to it being voted at the Annual Meeting by:

Providing written notice of revocation to the Secretary of the Company;

Submitting a later-dated proxy via the Internet, telephone, or mail; or

Voting in person at the Annual Meeting.

## General Information on Voting

All votes properly cast and not revoked will be voted at the Annual Meeting in accordance with the stockholder's directions. Shares voted by proxy card received without choices specified will be voted **FOR** the eight nominees for election to the Board of the Company and **FOR** the ratification of the selection of the independent registered public accounting firm (the independent accountants).

Abstentions are counted for the purpose of establishing a quorum and will have the same effect as a vote against a proposal (other than the election of directors). Broker non-votes occur when a broker does not vote on a matter because the broker does not have discretionary voting power for that proposal and has not received instructions from the beneficial owner to vote. Broker non-votes will be counted for the purpose of determining the presence or absence of a quorum, but will not be counted for the purpose of determining the number of shares entitled to vote on a specific proposal and thus will not affect the outcome of the vote.

## Vote Required

The Company's By-laws provide that each director shall be elected by the vote of a majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, the directors shall 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. A majority of the votes cast means that the number of shares voted for the election of a director nominee must exceed the number of votes cast against the nominee. If a nominee that is an incumbent director does not receive a required majority of the votes cast, the director shall offer to tender his or her resignation to the Board. The Governance and Compensation Committee of the Board shall consider such offer and will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will consider the committee's recommendation and will determine whether to accept such offer.

The table below shows the vote required to approve each of the proposals described in this Proxy Statement, assuming the presence of a quorum at the Annual Meeting.

Proposal Number	Proposal Description	Vote Required
Proposal 1	Election of eight nominees to the Board of Directors	Majority of the votes duly cast*
Proposal 2	Ratification of selection of independent registered public accounting firm	Majority of the votes duly cast*

\* without regard to broker non-votes

## Voting by Participants in the Paychex Employee Stock Ownership Plan Stock Fund

If a stockholder is a participant in the Paychex Employee Stock Ownership Plan Stock Fund (ESOP) of the Paychex 401(k) Incentive Retirement Plan (401(k) Plan), the proxy card also will serve as a voting instruction for Fidelity Management Trust Company (the Trustee), where all accounts are registered in the same name. As a participant in the ESOP, the stockholder has the right to direct the Trustee, who is the holder of record, regarding how to vote the shares

of common stock credited to the participant's account at the Annual Meeting. The participant's voting instructions will be tabulated confidentially. Only the Trustee and/or the tabulator will have access to the participant's individual voting direction. If voting instructions for the shares of common stock in the ESOP are not received, those shares will be voted by the Trustee in the same proportions as the shares for which voting instructions were received from other participants in the ESOP. Voting by ESOP participants will close at 11:59 p.m. Eastern Time on October 2, 2008. The Trustee will then vote all shares of common stock held in the ESOP by the established deadline.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information, based upon reports filed by such persons with the Securities and Exchange Commission ( SEC ), as of July 31, 2008, with respect to the beneficial ownership of common stock of the Company by (i) any person (including any group as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) who is known by the Company to be the beneficial owner of more than 5% of the Company's voting securities, (ii) each director and nominee for director of the Company, (iii) each of the named executive officers ( NEOs ) of the Company named in the Fiscal 2008 Summary Compensation Table on page 22 of this Proxy Statement, and (iv) all directors, NEOs, and executive officers of the Company as a group.

Name	Amount of Beneficial Ownership of Common Stock <sup>(1)</sup>	Percent of Class <sup>(1)</sup>
<b>More than 5% owners:</b>		
B. Thomas Golisano <sup>(2),(3),(4)</sup> 1 Fishers Road Pittsford, NY 14534	38,178,195	10.5%
Capital World Investors 333 South Hope Street Los Angeles, CA 90071	36,185,000	10.0%
<b>Directors:</b>		
B. Thomas Golisano <sup>(2),(3),(4)</sup>	38,178,195	10.5%
David J. S. Flaschen <sup>(5),(6)</sup>	57,793	**
Phillip Horsley <sup>(5),(6)</sup>	275,193	**
Grant M. Inman <sup>(4),(5),(6)</sup>	222,492	**
Pamela A. Joseph <sup>(5),(6)</sup>	13,043	**
Jonathan J. Judge <sup>(5),(6)</sup>	784,958	**
Joseph M. Tucci <sup>(5),(6)</sup>	45,543	**
Joseph M. Velli <sup>(5),(6)</sup>	11,876	**
<b>Named Executive Officers:</b>		
Jonathan J. Judge <sup>(5),(6)</sup>	784,958	**
John M. Morphy <sup>(5),(6)</sup>	137,275	**
Walter Turek <sup>(4),(5),(6)</sup>	385,816	**
Martin Mucci <sup>(5),(6)</sup>	142,592	**
William G. Kuchta <sup>(5),(6)</sup>	79,727	**
<b>All directors, NEOs, and executive officers of the Company as a group (13 persons)<sup>(4),(5),(6)</sup></b>	<b>40,362,419</b>	<b>11.1%</b>

\*\* Indicated percentage is less than 1%.

- (1) Based upon the number of shares of common stock outstanding and deemed outstanding as of July 31, 2008. Under the rules of the SEC, beneficial ownership is deemed to include shares for which the individual, directly or indirectly, has or shares voting or disposition power, whether or not they are held for the individual's benefit, and includes shares that may be acquired within 60 days by exercise of options.

- (2) Included in shares beneficially owned for Mr. Golisano are 494,568 shares owned by the B. Thomas Golisano Foundation for which Mr. Golisano is a member of the foundation's six-member board of trustees.
- (3) Mr. Golisano has 12,574,618 shares pledged as security.
- (4) Included in shares beneficially owned are shares held in the names of family members or other entities: Mr. Golisano 74,380 shares; Mr. Inman 136,949 shares; and Mr. Turek 1,670 shares.
- (5) Included in shares beneficially owned are unvested restricted stock: Mr. Flaschen 4,543 shares; Mr. Horsley 4,543 shares; Mr. Inman 4,543 shares; Ms. Joseph 4,543 shares; Mr. Judge 79,075 shares; Mr. Tucci 4,543 shares; Mr. Velli 3,876 shares; Mr. Morphy 45,816 shares; Mr. Turek 13,470 shares; Mr. Mucci 16,668 shares; Mr. Kuchta 7,910 shares; and all directors, NEOs, and executive officers as a group 195,865 shares.
- (6) Included in shares beneficially owned are shares that may be acquired upon exercise of options, which are exercisable on or prior to September 29, 2008: Mr. Flaschen 41,000 shares; Mr. Horsley 41,000 shares; Mr. Inman 41,000 shares; Ms. Joseph 6,000 shares; Mr. Judge 673,334 shares; Mr. Tucci 41,000 shares; Mr. Velli 3,000 shares; Mr. Morphy 78,000 shares; Mr. Turek 93,000 shares; Mr. Mucci 118,000 shares; Mr. Kuchta 59,000 shares; and all directors, NEOs, and executive officers as a group 1,213,334 shares.

**PROPOSAL 1 ELECTION OF DIRECTORS FOR A ONE-YEAR TERM**

Stockholders annually elect directors to serve for one year and until the directors' successors have been elected and qualified. The eight persons listed below, each of whom currently serves as a director, have been nominated for election to the Board by the Company's Governance and Compensation Committee. Six of the eight nominees are neither employees nor former employees of the Company. If elected, each nominee will hold office until the 2009 Annual Meeting of Stockholders and until his or her successor is elected and has qualified.

Although the Board believes that all of the nominees will be available to serve, the persons named in the enclosed proxy may exercise discretionary authority to vote for substitutes proposed by the Board.

Biographies are provided below setting forth certain information with respect to the nominees for election as directors of the Company, none of whom is related to any other nominee or executive officer.

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Position, Principal Occupation, Business Experience, and Directorships</b>
<b>B. Thomas Golisano</b>	66	1979	Mr. Golisano founded Paychex, Inc. in 1971 and is Chairman of the Board of the Company. Until October 2004, he served as President and Chief Executive Officer of the Company. Mr. Golisano is a member of the board of directors of several private companies. He serves on the board of trustees of the Rochester Institute of Technology. He owns the Buffalo Sabres of the National Hockey League. Mr. Golisano has served as a member of the board of directors of numerous non-profit organizations, and is founder of the B. Thomas Golisano Foundation.
<b>David J. S. Flaschen</b>	52	1999	Mr. Flaschen has been an Operating Partner of Castanea Partners since 2005. Castanea Partners is a private equity investment firm targeting small- to mid-market companies in the publishing and information, human resource and business services, and the consumer product and specialty retail sectors. From 2000 to 2005, he was Managing Director of Flagship Ventures, a venture capital firm that focuses on life science, information technology, and communications companies. Mr. Flaschen is a member of the board of directors of various private companies.
<b>Phillip Horsley</b>	69	1982	Mr. Horsley is the founder and Managing Director of Horsley Bridge Partners, a leading manager of private equity investments for institutional clients

since 1982.

**Grant M. Inman**

66

1983

Mr. Inman is the founder and General Partner of Inman Investment Management, a private investment company formed in 1998. He is a member of the board of directors of Lam Research Corporation, Wind River Systems, Inc., and several private companies. Mr. Inman is a trustee of the University of California, Berkeley Foundation.

Name	Age	Director Since	Position, Principal Occupation, Business Experience, and Directorships
<b>Pamela A. Joseph</b>	49	2005	Ms. Joseph is Chairman of U.S. Bancorp Payment Services and Chairman and Chief Executive Officer of Elavon (formerly NOVA Information Systems, Inc.), a wholly owned subsidiary of U.S. Bancorp. Elavon manages and facilitates payment processing. Ms. Joseph has been Vice Chairman of U.S. Bancorp since December 2004 and serves on its 13-member managing committee. From February 2000 to November 2004, she was President and Chief Operating Officer of NOVA Information Systems, Inc. Ms. Joseph is honorary chairman of Gift for a Child, a non-profit organization that assists foster children in finding permanent homes. She is also a member of the board of directors for Centene Corporation.
<b>Jonathan J. Judge</b>	54	2004	Mr. Judge has been President and Chief Executive Officer of the Company since October 2004. From October 2002 through December 2003, he served as President and Chief Executive Officer of Crystal Decisions, Inc., an information management software company. From 1976 to 2002, Mr. Judge worked for IBM in a variety of sales, marketing, and executive management positions, most recently as General Manager of IBM's Personal Computing Division, a \$10 billion business unit offering a broad range of products, services, and solutions, including IBM's ThinkPad brand of mobile computers. Mr. Judge is a member of the board of directors of PMC-Sierra, Inc. and the Buffalo Branch of the Federal Reserve Bank of New York.
<b>Joseph M. Tucci</b>	61	2000	Mr. Tucci has been the Chairman of the Board of Directors of EMC Corporation, the world leader in information infrastructure technology and solutions, since January 2006. He has been Chief Executive Officer and President of EMC Corporation since January 2001, and President since January 2000. Mr. Tucci is also Chairman of the Board of Directors of VMware, Inc., the global leader in virtualization solutions.
<b>Joseph M. Velli</b>	50	2007	Mr. Velli has been Chairman and Chief Executive Officer of BNY ConvergeEx Group, LLC, a leading



global agency brokerage and technology company offering a comprehensive suite of investment services, since October 2006. Prior to the formation of BNY CovergEx Group, he was a Senior Executive Vice President of The Bank of New York since September 1998 and assumed the additional role of Chief Executive Officer of BNY Securities Group in October 2002.

**The Board of Directors recommends the election of each of the nominees identified above. Unless otherwise directed, the persons named in the enclosed proxy will vote the proxy FOR the election of each of these eight nominees.**

## **DIRECTOR COMPENSATION**

### **FOR THE FISCAL YEAR ENDED MAY 31, 2008**

Director compensation is set by the Governance and Compensation Committee of the Board. The Company compensates the outside directors of the Board using a combination of cash and equity-based compensation. Jonathan J. Judge, President and Chief Executive Officer ( CEO ) of the Company, receives no compensation for his services as a director. The compensation received by Mr. Judge is shown on the Fiscal 2008 Summary Compensation Table on page 22 of this Proxy Statement.

#### **Cash Compensation**

During the year ended May 31, 2008 ( fiscal 2008 ), outside directors received an annual retainer of \$25,000, paid in quarterly installments, plus \$2,500 for each Board meeting attended. In addition, outside directors who served on a committee of the Board received \$1,000 for each committee meeting attended. The Chairman of the Audit Committee, currently Mr. Flaschen, was paid an additional \$1,000 for each Audit Committee meeting chaired. The combination of annual retainer and meeting fees provides compensation to those Board members contributing additional time through their participation at standing committee meetings.

In fiscal 2008, Mr. Golisano received an annual salary of \$140,000 for his services as Chairman of the Board. The Chairman does not receive any other director fees or equity-based compensation.

In July 2008, the Board approved a change to the cash and equity compensation structure for outside directors. In total, the compensation to be realized by each Board member is unchanged, however, the new structure is more in line with trends at other large market capitalization companies in terms of pay levels and composition. The annual retainer was increased to \$45,000, to be paid in quarterly installments. Compensation for each Board and committee meeting attended has been eliminated, replaced with committee retainers of \$7,500 annually for members of the Audit Committee and \$5,000 annually for all other committees. These committee retainers will be paid in quarterly installments. Additionally, the compensation for each meeting attended by the Audit Committee chairman has been eliminated, replaced with an annual chairman retainer of \$15,000. The Board also introduced an annual chairman retainer for the Governance and Compensation Committee in the amount of \$7,500. Both chairman retainers will be paid in quarterly installments. The Board also approved a change in the proportion of options and restricted stock to be awarded annually to each outside director. The awards will be based on a total equity value of \$120,000 with 50% to options and 50% to restricted stock.

#### **Equity-Based Compensation**

As the Company matures, the market for our common stock has matured and therefore, the Governance and Compensation Committee determined, during the year ended May 31, 2007 ( fiscal 2007 ), it would be more appropriate to shift equity awards from 100% in options to a blend of options and restricted stock.

In July 2007, each outside director received an award under the Company's 2002 Stock Incentive Plan, as amended and restated effective October 12, 2005 (the 2002 Plan) as follows:

	<b>Stock Awards</b>	<b>Option Awards</b>
Grant Date	July 17, 2007	July 17, 2007
Exercise Price	NA	\$43.91
Quantity <sup>(1)</sup>	1,334	6,000
Vesting Schedule	On the third anniversary of the date of grant	One-third per annum over three years from the date of grant
Certain Restrictions	Shares may not be sold during the director's tenure as a member of the Board, except as necessary to satisfy tax obligations	
Other	Upon the discretion of the Governance and Compensation Committee, unvested shares may be accelerated in whole or in part for certain events, including, but not limited to director retirement <sup>(2)</sup>	In the event of death or disability of a Board member, unvested options will vest in full and be immediately exercisable. Unvested options outstanding upon the retirement of a Board member will be canceled

<sup>(1)</sup> Mr. Velli received an additional awards of 667 restricted shares and 3,000 options to purchase shares of the Company's common stock, based on his service on the Board since January 2007.

<sup>(2)</sup> Retirement eligibility for directors for this purpose begins at age 55 or older with ten years of service as a member of the Board.

In July 2008, each outside director, except for Mr. Golisano, received 6,250 options to purchase shares of the Company's common stock at an exercise price of \$31.95 per share and 1,875 shares of restricted stock, with terms similar to the awards granted in July 2007.

### **Deferred Compensation Plan for Directors**

The Company maintains a non-qualified and unfunded deferred compensation plan in which all outside directors are eligible to participate. Directors may elect to defer up to 100% of their Board cash compensation. Gains and losses are credited based on the participant's election of a variety of designated investment choices, which the participant may change at any time. The Company does not match any participant deferral or guarantee a certain return. The interest rates earned on these investment choices is not above-market or preferential. Refer to page 27 of this Proxy Statement for a listing of investment funds available to a participant and the annual returns on those funds. Mr. Flaschen defers 100% of his Board cash compensation under this plan. No other directors participate in the plan at this time.

### **Benefits**

We reimburse each director for expenses associated with attendance at Board and committee meetings. Mr. Golisano also receives access to the Company's standard health and life insurance plans, and receives Company matching contributions into his account in the 401(k) Plan.

### **Stock Ownership Guidelines**

Directors must adhere to strict standards with regards to trading in the Company's stock. They may not, among other things:

speculatively trade in the Company's stock;

short sell any securities of the Company; or

buy or sell puts or calls on the Company's securities.

**Fiscal 2008 Director Compensation**

The table below summarizes the total compensation received from the Company by all outside directors for fiscal 2008.

Name	Fees Earned		Option Awards (\$) <sup>(3),(4)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total (\$)
	or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2),(4)</sup>			
B. Thomas Golisano	\$ 140,000	\$	\$	\$ 9,990	\$ 149,990
David J. S. Flaschen <sup>(6)</sup>	\$ 56,500	\$ 33,416	\$ 75,120	\$	\$ 165,036
Phillip Horsley	\$ 40,000	\$ 33,416	\$ 75,120	\$	\$ 148,536
Grant M. Inman	\$ 50,500	\$ 33,416	\$ 75,120	\$	\$ 159,036
Pamela A. Joseph	\$ 42,500	\$ 33,416	\$ 46,404	\$	\$ 122,320
Joseph M. Tucci	\$ 40,000	\$ 33,416	\$ 75,120	\$	\$ 148,536
Joseph M. Velli	\$ 40,000	\$ 25,574	\$ 30,860	\$	\$ 96,434

(1) The amounts in this column are as described above under Cash Compensation.

(2) The amounts in this column represent the dollar amount recognized as expense in the Company's consolidated financial statements for fiscal 2008 for the fair value of restricted stock awards in accordance with Statement of Financial Accounting Standard (SFAS) No. 123 (revised) (No. 123R), Share-Based Payment. Pursuant to SEC rules, the amount disclosed disregards estimates of forfeitures of awards that have been included in the financial statement reporting for such awards. The fair value of restricted stock awards is determined based on the closing price of the underlying common stock on the date of grant. Refer to Note C contained in the Notes to Consolidated Financial Statements included in Item 8 of our Annual Report on Form 10-K (Form 10-K) for fiscal 2008 for further discussion on restricted stock awards.

(3) The amounts in this column represent the dollar amount recognized as expense in the Company's consolidated financial statements for fiscal 2008 for the fair value of option awards in accordance with SFAS No. 123R, and thus