NAPEO Quarterly Pulse Survey – Q2 2017 Results

<table>
<thead>
<tr>
<th>WSEs per Client</th>
<th>Clients per FTE (Internal)</th>
<th>WSEs per FTE (Internal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typical PEO</td>
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</tr>
<tr>
<td>20</td>
<td>6</td>
<td>147</td>
</tr>
</tbody>
</table>

How did the 2nd quarter of 2017 compare with the 2nd quarter of 2016?

PEO Revenue

Typical PEO

- Increased Somewhat: 34%
- Increased Significantly: 11%
- Increased Somewhat: 10%
- Stayed About the Same: 43%
- Decreased Somewhat: 2%
- Decreased Significantly: 2%

Response Count: 53

Average annual wage per worksite employee (WSE)

Typical PEO

- Increased Somewhat: 48%
- Increased Significantly: 4%
- Increased Somewhat: 4%
- Stayed About the Same: 42%
- Decreased Somewhat: 4%
- Decreased Significantly: 2%

Response Count: 53

Note: Throughout this report, the word “Typical” is used to describe the median (middle) value for a given item.
How did the 2nd quarter of 2017 compare with the 2nd quarter of 2016?

Average number of worksite employees (WSEs) per client company

Typical PEO

- Increased Somewhat

Response Count: 53

Gross profit ($)

Typical PEO

- Increased Somewhat

Response Count: 52

Operating income ($)

Typical PEO

- Increased Somewhat

Response Count: 51
How did the 2nd quarter of 2017 compare with the 2nd quarter of 2016?

Number of internal employees (including salespeople)

Typical PEO

- Increased Somewhat: 43%
- Decreased Somewhat: 15%
- Decreased Significantly: 8%
- Increased Significantly: 34%

Response Count: 53

Number of Clients

Typical PEO

- Increased Somewhat: 56%
- Decreased Somewhat: 13%
- Stayed About the Same: 8%
- Decreased Significantly: 23%
- Increased Significantly: 2%

Response Count: 52

Number of Worker’s Compensation claims reported to carrier

Typical PEO

- Stayed About the Same: 49%
- Decreased Somewhat: 24%
- Increased Somewhat: 15%
- Increased Significantly: 8%

Response Count: 51
WSE Projection

How do you anticipate your number of WSEs will change over the next 12 months?

Typical PEO

Increase Somewhat

Response Count

53

Increase Significantly
Increase Somewhat
Stay About the Same
Decrease Somewhat
Decrease Significantly