

THE ULTIMATE SOFTWARE GROUP, INC.

CODE OF ETHICS FOR THE PRINCIPAL EXECUTIVE AND FINANCIAL OFFICERS

I. Introduction

- The following code of ethics (the “Code”) of The Ultimate Software Group, Inc. (the “Company”) applies to the Company’s principal executive officer, principal financial officer and principal accounting officer (the “Officers”) and is intended to supplement the Code of Business Conduct and Ethics of The Ultimate Software Group, Inc. The Code was adopted by the Company’s Board of Directors to ensure compliance with legal requirements, specifically Section 406 of the Sarbanes-Oxley Act of 2002, and the Securities and Exchange Commission (“SEC”) rules promulgated thereunder. The purpose of the Code is to deter wrongdoing and promote ethical conduct. The matters covered in this Code are of the utmost importance to the Company, our shareholders and our business partners.

The Code’s purpose is to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company submits to the SEC and in shareholder and other public communications made by the Company;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting of Code violations to an appropriate person or persons identified in the Code; and
- Accountability for adherence to the Code.

II. Honest and Ethical Conduct

We insist that all Officers act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while representing the Company and avoid actual or apparent conflicts of interest between personal and professional relationships. All Officers are expected to report any proposed transaction or relationship which they become aware of that reasonably could be expected to give rise to a conflict of interest to the General Counsel, Audit Committee, and/or the full Board of Directors of the Company. Annually, each Officer shall sign a statement of disclosure indicating he has no knowledge of any unreported violations of the Code.

III. Disclosure to the SEC and the Public

Our policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC or that is otherwise publicly disclosed or communicated.

The Officers shall promptly report to the General Counsel or Chairman of the Company's Audit Committee (i) any significant deficiencies or material weaknesses of which they become aware in the design or operation of the Company's internal control over financial reporting which is reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, of which they become aware, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

The Officers shall respect the confidentiality of information acquired in the course of their work and shall not disclose such information except when authorized or legally obligated to disclose. The Officers will not use for personal gain confidential information acquired in the course of their duties.

IV. Compliance with Laws, Rules and Regulations

Officers must comply with all applicable federal, state and local laws, regulations and administrative rules, and identify, report and correct any detected deviations from applicable federal, state or local laws, regulations or rules.

Any violations of applicable laws, rules and regulations may subject Officers to individual criminal or civil liability, as well as to disciplinary action by the Company.

V. Violations of the Code

Officers shall promptly report any violations of the Code of which they become aware to the General Counsel, Audit Committee and/or the full Board of Directors of the Company and shall be held accountable for strict adherence to the Code. A proven failure to uphold the standards stated herein shall be grounds for such sanctions as shall be imposed by the Board of Directors of the Company.

VI. Waivers and Amendments of the Code

Any waiver or amendment of any provision of the Code must be approved by the Board of Directors of the Company and promptly disclosed in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.