



Automatic Data Processing, Inc.
One ADP Boulevard
Roseland, NJ 07068-1728
973-974-5000

October 3, 2014

**Important U.S. Federal Income Tax Information
Related to the Separation of CDK Global, Inc.
from Automatic Data Processing, Inc.**

Dear ADP Stockholders:

On September 30, 2014, Automatic Data Processing, Inc. (“ADP”) was separated into two public companies. ADP transferred its Dealer Services business into a new corporation, CDK Global, Inc. (“CDK”), and all the shares of CDK were subsequently distributed to the stockholders of ADP. The separation was described in detail in the Information Statement, dated September 18, 2014, which was provided to all stockholders.

As a result of the separation, each holder of ADP common stock as of the record date received one share of CDK common stock (NASDAQ: CDK) for every three shares of such holder’s ADP common stock. Cash was paid in lieu of fractional shares.

ADP obtained an opinion from its counsel, Paul, Weiss, Rifkind, Wharton & Garrison LLP, on September 30, 2014 that stated that the stockholders of ADP will not recognize any gain or loss for income tax purposes upon receipt of the CDK common stock (except in connection with the cash received in lieu of fractional shares). ADP stockholders will, however, recognize gain or loss upon a subsequent sale of any shares of CDK common stock received as a result of the separation and distribution.

You will need to allocate your tax basis in the ADP common stock that you held before the separation between the ADP common stock that you retained after the separation and the CDK common stock you received in the separation. This basis allocation should be made in proportion to the fair market values of ADP’s and CDK’s common stock. U.S. federal tax law does not specifically identify how to determine the fair market value of ADP or CDK common stock for the purposes of allocating tax basis. Alternative methods to determine the fair market value include using: (i) the average of the high and low trading prices on October 1, 2014 (the day on which the CDK stock first traded); (ii) the opening trading price on October 1, 2014; or (iii) the closing trading price on October 1, 2014.



Your pre-separation U.S. federal income tax basis in your ADP stock should generally be determined as of September 30, 2014; however, if you bought or sold any of your shares of ADP common stock in between the close of business on September 24, 2014, the record date, and September 30, 2014, the date of distribution, you should consult your own tax advisor regarding the determination of tax basis and other tax consequences of such transaction. In addition, if you hold shares of ADP common stock with different tax bases, you must allocate your tax basis on a “block-by-block” basis.

An example and worksheet are enclosed to help you determine the tax basis in the CDK common stock you received as well as determine any gain or loss for cash paid in lieu of fractional shares. This example and worksheet assume that the fair market values of ADP and CDK common stock are determined using the closing trading prices of ADP and CDK common stock on October 1, 2014. If you base the fair market values of your ADP and CDK common stock on the closing trading prices on October 1, 2014, then 87.36 percent of your pre-separation federal income tax basis in your ADP common stock would be allocated to your ADP common stock and 12.64 percent would be allocated to your CDK common stock.

You are not required to include an information statement regarding the distribution of the CDK common stock with your U.S. federal income tax return, unless you owned at least five percent of the total outstanding stock of ADP on September 24, 2014 or September 30, 2014.

The information in this letter and the worksheet does not constitute tax advice. In addition, these materials do not purport to be complete or to describe the tax consequences that may apply to particular categories of stockholders. Each stockholder should consult his or her own tax advisor as to the tax consequences of the separation and distribution under U.S. federal, state, local and foreign tax laws.

Sincerely,

Jan Siegmund
Chief Financial Officer

Contact:
ADP Investor Relations
Investor.Mail@ADP.com
973.974.5858

TAX BASIS IN ADP COMMON STOCK AND CDK COMMON STOCK

You can use the worksheet below to allocate the tax basis in your ADP common stock between your ADP common stock and the CDK common stock received as a result of the separation of ADP and CDK. If you sell your ADP common stock or CDK common stock, you will need to allocate your tax basis to determine taxable gain or loss.

Based on the closing trading prices of ADP common stock (NASDAQ: "ADP") and CDK common stock (NASDAQ: "CDK") on October 1, 2014, 87.36% of the pre-separation tax basis in your ADP common stock would be allocated to your shares of ADP common stock, and 12.64% of the pre-separation tax basis would be allocated to the shares of CDK common stock (including any fractional shares) that you received in the separation and distribution. You would use different proportions if you decided to allocate your basis other than based on closing trading prices.

In order to use this worksheet, you need to determine the tax basis of your ADP common stock before the separation. **If you bought ADP common stock at different times, you need to perform the calculations below SEPARATELY for each purchase.**

WORKSHEET ILLUSTRATING ALLOCATION OF TAX BASIS FOR COMMON SHARES

EXAMPLE: John Stockholder owns 100 shares of ADP common stock which he purchased at a price of \$60.00 per share. John's total tax basis is \$6,000. John had the right to receive 33.3333 shares of CDK common stock as a result of the separation of ADP and CDK (but received cash in lieu of the fractional 1/3 share). 87.36% of John's tax basis of \$6,000 is allocated to his 100 shares of ADP common stock, and 12.64% of John's tax basis of \$6,000 is allocated to his 33.3333 shares of CDK common stock.

CALCULATION OF ADP COMMON STOCK TAX BASIS

Example:	\$6,000	×	0.8736	=	\$5,241.60	÷	100	=	\$52.42
	John's Original Tax Basis				John's Tax Basis in ADP Common Stock		John's Number of Shares		John's Tax Basis per Share in ADP Common Stock

Calculate your tax basis per share in ADP common stock here:

	<input type="text"/>	×	0.8736	=	<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>
	Your Original Tax Basis				Your Tax Basis in ADP Common Stock		Your Number of Shares		Your Tax Basis per Share in ADP Common Stock

CALCULATION OF CDK COMMON STOCK TAX BASIS

Example:	\$6,000	×	0.1264	=	\$758.40	÷	33.3333	=	\$22.75
	John's Original Tax Basis				John's Tax Basis in CDK Common Stock		John's Number of Shares (including any fractional share)		John's Tax Basis per Share in CDK Common Stock

Calculate your tax basis per share in CDK common stock here:

	<input type="text"/>	×	0.1264	=	<input type="text"/>	÷	<input type="text"/>	=	<input type="text"/>
	Your Original Tax Basis				Your Tax Basis in CDK Common Stock		Your Number of Shares (including any fractional share)		Your Tax Basis per Share in CDK Common Stock

CALCULATION OF CDK COMMON STOCK FRACTIONAL SHARE TAX BASIS

Example:	\$22.75	×	0.3333	=	\$7.58
	John's Tax Basis per Share in CDK Common Stock		Fractional Shares		Tax Basis of Fractional Shares

Calculate your CDK common stock fractional share tax basis here:

	<input type="text"/>	×	<input type="text"/>	=	<input type="text"/>
	Your Tax Basis per Share in CDK Common Stock		Fractional Shares		Tax Basis of Fractional Shares

GAIN/LOSS FROM SALE OF FRACTIONAL SHARE OF CDK COMMON STOCK

Example:	\$ 10.33*	-	\$7.58	=	\$2.75
	John's Cash Received for Fractional Shares of CDK Common Stock		Tax Basis of Fractional Shares		Gain/Loss from Fractional Shares Sold

Calculate your gain/loss from CDK fractional shares here:

	<input type="text"/>	-	<input type="text"/>	=	<input type="text"/>
	Cash Received for Fractional Shares of CDK Common Stock		Tax Basis of Fractional Shares		Gain/Loss from Fractional Shares Sold

* For illustration purposes only: your cash received may be different.

THIS WORKSHEET DOES NOT CONSTITUTE TAX ADVICE. PLEASE CONSULT YOUR TAX ADVISOR.