



## Frequently Asked Questions

### Book-Entry Share Ownership Through A Direct Registration System

#### 1. What is a Direct Registration System?

A Direct Registration System (DRS) allows investors to have securities registered in their names without the issuance of physical certificates. Effective July 1, 2008, all newly issued shares of common stock of ADP will be registered electronically in an account maintained by American Stock Transfer & Trust Company, ADP's transfer agent. Shares held in uncertificated book-entry form have the same rights and privileges as shares held in certificate form. Additional details regarding DRS may be found on the Securities and Exchange Commission's website, <http://www.sec.gov/investor/pubs/holdsec.htm>.

#### 2. What are the benefits of DRS?

Holding shares in book-entry form through DRS has many benefits to our stockholders, including:

- It helps reduce the risks and costs associated with storing share certificates and replacing lost or stolen certificates;
- It facilitates electronic transfer of stock to a new holder without a need to present a physical certificate;
- It makes possible moving shares electronically between your broker and American Stock Transfer & Trust Company;
- It gives you an opportunity to trade at any time and not risk "missing the market" because of delays associated with the handling of physical certificates;
- It enables rapid distribution of sale proceeds; and
- It facilitates electronic processing of new issuances of stock associated with corporate actions (such as stock splits, reverse stock splits, mergers, etc.).

In addition, DRS brings significant advantages to ADP, such as:

- Immediate cost savings from elimination of printing, storage, insurance, and postage to mail certificates to stockholders;
- Reduction in administrative costs attributable to lost certificate processing and related shareholder inquiries and correspondence;
- Elimination of the opportunity for previously cancelled certificates to be fraudulently presented as valid instruments; and
- Potential savings in the time and expense associated with the research and processing of un-exchanged certificates from any corporate actions.

#### 3. Can I send my existing ADP share certificates for registration in my DRS account?

Yes, you can send your existing share certificates to American Stock Transfer & Trust Company for registration in your DRS account. Your paper stock certificates were not automatically transferred into your DRS account. Please contact American Stock Transfer & Trust Company for information as to the formalities involved (see contact information at the bottom of this FAQ). A DRS Transaction Advice will be mailed to you upon receipt and processing of your certificates.

**4. Can I receive a share certificate for my book-entry shares?**

No, you cannot receive a share certificate for all or a portion of your shares held in book-entry form through DRS. The Board of Directors of ADP has resolved that effective July 1, 2008, ADP stop issuing new stock certificates and exclusively issue shares held in book-entry form through DRS. However, do not destroy any ADP stock certificates that you have. These are still valid and should be kept with your other certificates in a secure place. You will need to provide your stock certificates to American Stock Transfer & Trust Company when you transfer or sell any shares of ADP stock held in a certificated form.

**5. How do I transfer my shares to or from my brokerage account or sell my shares?**

In order to sell shares held in your DRS account, you will need to have a stock brokerage account, which you may open (if you don't already have one) at the broker of your choosing. If you wish to transfer your shares from your DRS account at American Stock Transfer & Trust Company to your brokerage account, whether or not you plan to sell your shares, contact your broker and provide him or her with your DRS account information (which will appear on the DRS Transaction Advice you will receive when you are issued new shares after July 1, 2008). Your broker will then electronically initiate the transfer of your book-entry shares based on your instructions.

**6. How do I transfer shares held through DRS to a new owner?**

You may transfer shares to a new owner by contacting the American Stock Transfer & Trust Company. Your instruction must include a Medallion Signature Guarantee. More detailed instructions are available at [http://www.amstock.com/shareholder/sh\\_transfinst.asp](http://www.amstock.com/shareholder/sh_transfinst.asp).

**7. What documents will I receive showing my shares held through DRS?**

You will receive a DRS Transaction Advice following each transaction involving your shares held through DRS. You can also view your account at [www.amstock.com](http://www.amstock.com).

**8. Will there be any cost to me to hold my shares through DRS?**

You will not be charged by ADP or American Stock Transfer & Trust Company for holding your shares of ADP common stock through DRS. Generally, switching to DRS should not result in any changes to the fees otherwise charged by your broker. However, brokers' policies may vary and we strongly recommend you contact your brokerage firm to determine whether a switch to DRS will result in any changes to their fees.

**9. How do I know my book-entry shares are safe and cannot be transferred without my consent?**

Your written consent and a Medallion Signature Guarantee are required by the American Stock Transfer & Trust Company to transfer shares to any third party other than your broker. If you choose to supply a broker with your DRS account information, your broker is responsible for obtaining your instructions and properly documenting any transfer or sale.

**10. How do I contact American Stock Transfer & Trust Company?**

American Stock Transfer & Trust Company may be reached as follows:

American Stock Transfer & Trust Company  
Shareholder Services  
59 Maiden Lane – Plaza Level  
New York, NY 11038  
Toll-free: 888-414-6896  
World Wide: 718-921-8200  
E-mail: [info@amstock.com](mailto:info@amstock.com)  
Internet: [www.amstock.com](http://www.amstock.com)