



## Employee Equity Frequently Asked Questions

### Stock options

#### Q. What happens to my outstanding stock options?

- A. Upon completion of the merger each outstanding stock option to acquire Ceridian common stock (Stock Option), whether or not vested, was cancelled and converted into the right to receive a cash payment equal to the number of shares of Ceridian common stock underlying the Stock Option multiplied by the amount (if any) by which \$36 exceeds the exercise price of the Stock Option, less any applicable federal, state and local withholding taxes. For example:

<u>Options Outstanding</u>	<u>Option Grant Price / Strike Price</u>	<u>Sale Price</u>	<u>Sale Price less Grant Price</u>	<u>Calculation</u>	<u>Ordinary Compensation Income</u>
1,000	\$28.50	\$36.00	$\$36.00 - \$28.50 = 7.50$	$\$7.50 \times 1,000 =$	\$ 7,500

You will receive this payout as part of a special Ceridian payroll run in the same manner as any other normal payroll process. Your earnings will be updated to reflect the income generated from this transaction as well as all tax withholding that occurred as a result of this transaction.

### Restricted Stock Units

#### Q. What happens to my unvested Restricted Stock Units (RSUs)?

- A. Upon completion of the merger any unvested RSUs were cancelled and converted into the right to receive \$36 per share, less any applicable federal, state and local tax withholdings. You will receive this payout as part of a special Ceridian payroll run, in the same manner as any other normal paycheck process. Your earnings will be updated to reflect the ordinary compensation income generated from this transaction as well as all tax withholding that occurred as a result of this transaction.

#### Q. What happens to my vested RSUs?

- A. Your vested RSUs were previously settled in shares of Ceridian common stock that were issued to you. You may hold these shares in certificate form or such shares may be held on your behalf at E\*TRADE Financial, The Bank of New York or another brokerage firm. Upon completion of the merger, all outstanding shares of Ceridian common stock, including the shares contemplated by this paragraph, were converted into the right to receive \$36 per share in cash.
1. If your shares are held on your behalf at E\*Trade or another brokerage firm (other than The Bank of New York), you will receive your funds directly deposited into your account **or**
  2. If your shares are held at our stock transfer agent, The Bank of New York, you will receive a letter of transmittal from the paying agent, Wells Fargo, that you will need to complete and return in order to receive your cash funds **or**

3. If you hold your shares in certificate form, you will receive a letter of transmittal from the paying agent, Wells Fargo, that you will need to complete and return with your stock certificate in order to receive cash funds.

Depending on where you held your Ceridian common stock you will receive a Form 1099 (U.S. Only) from either your broker or the paying agent, Wells Fargo. You will need to file a Schedule D (U.S. Only) to report this transaction on your 2007 income tax return. At the time these shares vested, you recognized ordinary compensation income, which is your cost basis for the shares you received.

The timing of when you will receive your funds via transmittal process or a direct deposit into a brokerage account will vary.

**Q. What happens if I am retirement eligible and I have already paid my FICA portion of taxes when I received unvested RSUs?**

- A. You will not have any additional FICA taken out for your unvested RSUs; however, you will be subject to applicable income tax withholding on the ordinary compensation income.

## **Restricted Stock Awards**

**Q. What happens to my unvested Restricted Stock Awards (RSAs)?**

- A. Upon completion of the merger, any unvested RSAs will be cancelled and converted into the right to receive \$36 per share less any applicable federal, state and local tax withholdings required as a result of the ordinary compensation income you will recognize at the time of conversion. The payout will be part of a special Ceridian payroll run which will vary. You will receive the funds as you would any other normal payroll process. Your earnings will be updated to reflect the ordinary compensation income generated from this transaction as well as all tax withholding that occurred as a result of this transaction.

**Q. What happens to my vested RSAs?**

- A. RSAs that have vested are shares of Ceridian common stock that you own without restriction. You may hold these shares in certificate form or such shares may be held on your behalf at E\*TRADE Financial, The Bank of New York or another brokerage firm. Upon completion of the merger, all outstanding shares of Ceridian common stock, including the shares contemplated by this paragraph, were converted into the right to receive \$36 per share in cash.
  1. If your shares are held on your behalf at E\*Trade or another brokerage firm, other than The Bank of New York, you will receive your funds directly deposited into your account, **or**
  2. If your shares are held at our stock transfer agent, The Bank of New York, you will receive a letter of transmittal from the paying agent, Wells Fargo, that you will need to complete and return in order to receive your cash funds, **or**
  3. If you hold your shares in certificate form you will receive a letter of transmittal from the paying agent, Wells Fargo, that you will need to complete and return with your stock certificate in order to receive cash funds.

Depending on where you held your shares, you will receive a Form 1099 (U.S. Only) from either your broker or the paying agent, Wells Fargo. You will need to file a Schedule D (U.S. Only) to report this

transaction on your 2007 income tax return. At the time these shares vested, you recognized ordinary compensation income, which is your cost basis for the shares you received.

The timing of when you will receive your funds via transmittal process or a direct deposit into a brokerage account will vary.

**Q. When will I receive cash for outstanding stock options or unvested RSUs or RSAs?**

- A. Ceridian will be running a special off-cycle payroll run for all transactions associated with the merger. This payroll run will include all outstanding stock options, unvested RSUs and unvested RSAs. The payroll process dates are as follows:

<b>Ceridian Payroll</b>	<b>Anticipated Date of Paycheck</b>
U.S HRS & Corporate	November 14, 2007
Comdata	November 14, 2007
Canada	November 14, 2007
U.K. & Ireland	November 16, 2007
Maritius	November 16, 2007

For all shares of Ceridian common stock that you own, you will receive cash from the paying agent or broker where your shares are being held.

## **401(k) account**

**Q. What happens to the Ceridian common stock that I own in my Ceridian 401(k) account at T. Rowe Price?**

- A. If you are invested in Ceridian common stock through the Ceridian 401(k) Plan, there will be a period of time when you will not have access to the balance that you hold in the Ceridian Stock Fund. This blackout period is necessary to allow for pending trades to clear, final share balances to be accurately determined, and cash proceeds to be reinvested in the T. Rowe Price Retirement Fund with the target date closest to the year in which you turn age 65.

The blackout period involving any plan assets in the Ceridian Stock Fund began on November 6, three days prior to the close of the merger. The blackout period is anticipated to last five days. You can confirm whether the blackout period has ended by contacting a T. Rowe Price representative at 1-800-922-9945.

During the blackout period, you will not be able to make any transaction in your plan account that involves:

- Making an exchange into or out of the Ceridian Stock Fund
- Rebalancing or auto-rebalance service transactions if you have a balance in the Ceridian Stock Fund
- Requesting a loan, withdrawal, or distribution from your account if you have a balance in the Ceridian Stock Fund
- Redirecting future contributions that you are currently directing to the Ceridian Stock Fund

**Q. What happens if I forget to change my Ceridian Stock Fund investment election at T. Rowe Price after the merger is complete?**

**A.** Upon completion of the merger, anyone that still has funds invested in the Ceridian Stock Fund will automatically default to the T. Rowe Price Retirement Fund with the target date closest to the year in which you will turn age 65.

## **General**

**Q. Who do I contact with additional questions?**

**A.** Please send an email to [MergerRelatedEmployeeStockQuestions@Ceridian.com](mailto:MergerRelatedEmployeeStockQuestions@Ceridian.com). Someone will respond to your email or call you directly to answer your questions.

*You should consult your own tax advisor to determine the particular tax consequences to you of the receipt of any payments in respect of outstanding stock options, RSAs, RSUs or Ceridian common stock.*