

Let me first just say that we came in peace. When we invested in ADP, we did so because we believed that ADP was a great company with a wonderful legacy, but an uncertain future. We believed that the company had underachieved its potential, and that we could help ADP address the issues and shortcomings we had identified. Initially, this was a surprising message for some shareholders who have experienced a rising stock price and growing dividends over many years. Often, however – as my co-nominee Ronee Hagen has so eloquently pointed out – the financial statements are a lagging indicator of what is really going on at a company. The fact that ADP needs a wake-up call is no surprise to its salesforce who every day is selling against competitors with better product offerings. We are very appreciative of the hard work of ADP’s associates and the many associates who have reached out to support us during this contest who have the best interests of ADP at heart.

Over the last three months, we have helped ADP shareholders understand what the company’s associates already know very well. ADP needs to improve its technology, its Enterprise product offerings, and its culture. A 90-day proxy contest is a wake-up call for every management team, and our large investment of time and money in this contest has already benefited all ADP stakeholders not only because billions of dollars of shareholder value have been created.

Our goal in this proxy contest was to help make ADP the best company it can be so its future will be as bright or brighter than its past. This is no small undertaking in light of the company’s illustrious history. Unfortunately, all of us have seen far too many great and dominant companies – think Kodak, Polaroid, IBM to name a few – disappear or fade away because of complacency, an unwillingness to take new competitors seriously, resistance to change, and deteriorating cultures. As a result of this proxy contest, we believe these risks for ADP are meaningfully lower than they were only 90 days ago.

While I and our other nominees did not get elected to the board this year, we have accomplished much of what we set out to do so far. ADP’s shareholders, management and board are now fully informed about the opportunities for improvement, and the risks of management’s failure to perform. Shareholders, including Pershing Square, can now hold management accountable for the company’s public commitments during this contest so that ADP remains the dominant company in the Human Capital Management industry.

In order to win this contest and get the support of one of the most influential proxy advisory firms, ADP’s board and management have made a number of important commitments to shareholders. The three most significant of which are:

- (1) After Employer Services’ organic revenue growth decelerates to 2%-3% this fiscal year, growth will reaccelerate to approximately 7%-9% growth in the fiscal year beginning July 1, 2018 which will continue into 2019 in order to achieve the company’s guidance of 6%-7% organic growth over the next three fiscal years;
- (2) ADP will increase operational profit by 500-600 basis points over the next three fiscal years despite a decline in operational profit in the first quarter of this first fiscal year, and
- (3) ADP’s “upcoming” release of Vantage 2.0 will enable ADP to offer better service and recover Enterprise market share losses.

We will hold the board and management accountable for these commitments to investors.

One of the large shareholders who did not support us told us: “The board and management have heard you loud and clear. The onus is now on them to live up to their commitments. If they don’t, you will have our full support next year.”

Here’s to hoping that the company delivers and we don’t need to run for election next year. Nothing could make me happier than seeing Carlos and the Board succeed in meeting and exceeding their commitments. We intend to be a supportive shareholder who is not shy about sharing our ideas with the company. The bottom line is: we will do everything we can to help.

I now wish to make a few comments on the current U.S. proxy election system as it leaves much to be desired. We were greatly disadvantaged in this contest because ADP did not permit the use of a universal proxy card where each shareholder could choose which directors it wanted to represent them on one proxy card. As a result, while we received the support of all of the proxy advisory firms, one chose to “facilitate” my election by recommending a withhold vote for one director on the management proxy card. It did so in order to decrease the likelihood that our two other nominees would get elected. This likely cost us the election. Had there been a universal proxy card, this firm would have simply recommended a vote for me and I would likely have been elected. It is incumbent upon all investors to insist that all companies use a universal proxy card in each shareholder election to make sure that shareholders can easily select the directors they wish to represent them.

I would now like to thank members of our team who did a superb job on this contest. First, I would like to thank our fellow nominees, Ronee Hagen and Paul Unruh. Ronee is here today. Ronee, please rise so that you can be recognized. Paul would have liked to have been here as well, but could not make it because he had a board meeting in Melbourne, Australia. What I can tell you from working with Ronee and Paul over the last three months is that they are both first class human beings in every respect. Every board would greatly benefit by their brilliant intellects, unimpeachable character, and superb judgment.

Unfortunately, today, it is the rare director candidate who is willing to sign up for a so-called hostile proxy contest. The fact that Ronee and Paul are in the minority on this point is unfortunate. What could be more consistent with our fundamentally democratic American ethos than challenging the status quo and running for office with a campaign based on principles you believe in, particularly when you are the underdog? All shareholders owe Ronee and Paul a great deal of gratitude for their work here, and we are extremely appreciative of the talent, time, and energy they committed to ADP.

The internal team at Pershing Square did an outstanding job on this contest. This began with an extraordinary research effort led by Brian Welch, Charles Korn, and Jenna Dabbs who many shareholders have gotten to know over the last few weeks. Fran McGill, our one-man internal PR organization, did a superb job getting the story out. As a result of all of their work, ADP shareholders, analysts, board, management, and employees know a lot more about the company. This detailed research and analysis will benefit the company, shareholders and employees for years to come.

The rest of the Pershing Square team including my partners, Nick Botta, Steve Fraidin, Ben Hakim, Halit Coussin, Ramy Saad, and other members of our legal, trading, and investment teams, as well as our investor relations team led by Tony Asnes, accounting and finance led by Mike Gonnella, technology led by Zach Frayne, and our administrative support team – Leah Cohen, Liz Anderson, Joelle Dellis, and others – all did a remarkable job.

We also greatly benefited by the wise counsel of exceptional advisors including Richard Brand and the rest of the legal team at Cadwalader, Wickersham & Taft; Jon Silvan and company at Global Strategy Group, who managed our print and social media; Steve Murray and the rest of the Rubenstein team, our public relations firm; Townsend Belisle and his team at Haystack Needle which created our video production, website and webinars; and Ed McCarthy and his team at D.F. King, our proxy advisors. They did a truly remarkable job, *and* kept our costs down, which we and our investors greatly appreciate.

I would also like to thank our investors who have been incredibly supportive in this contest, and over the course of my career. Without your long-term support and commitment, there would be no Pershing Square.

Lastly and importantly, there are thousands of families, pension funds, retirees, hundreds of thousands of clients, and numerous others who are very dependent on ADP's success. On their behalf, we wish Carlos, the entire ADP board, and the company's tens of thousands of associates great success in the future.

Yes, we will be watching from the sidelines. We will be cheering loudly for you to succeed, and occasionally commenting on a play or two. We are rooting for ADP to win as all of us depend on your success.