

# **DIRECT PURCHASE & SALE PLAN**

## **For the shares of Ceridian Corporation Common Stock**

### **Dear Stockholder and Other Interested Persons:**

The Bank of New York (the “Bank”), the Transfer Agent for Ceridian Corporation (the “Company”), has made available a Direct Purchase and Sale Plan (the “Plan”) which provides registered stockholders and other interested persons the opportunity to:

- Purchase shares of the Company’s common stock, par value \$0.01 (the “Common Stock”) through optional cash payments,
- Deposit certificates into the Plan for safekeeping, and
- Sell shares of Common Stock held in the Plan.

At any time a participant may request that a certificate be issued for all or some of the shares held in the Plan. In addition, the participant may request transfer of Plan shares.

Each participant will be charged directly for utilizing features of the Plan. See the brochure for listed fees to participants.

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**THE PLAN IS SPONSORED AND ADMINISTERED BY THE BANK OF NEW YORK,  
THE PLAN ADMINISTRATOR, NOT BY CERIDIAN CORPORATION**

**The securities held in Plan accounts for Plan Participants are not  
subject to protection under the Securities Investor Protection Act of 1970**

**The Bank of New York provides no advice and makes no recommendations with respect to purchasing or selling shares of Company Common Stock. Any decision to purchase or sell must be made by each individual Plan Participant based on his or her own research and judgment.**

Neither the Company nor Affiliates of the Company such as officers  
and directors are eligible to participate in the Plan

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It is recommended that this Brochure be retained for future reference.

**March 30, 2001**

**DIRECT PURCHASE & SALE PLAN**  
**For the shares of**  
**Ceridian Corporation**  
**Common Stock**  
**Terms and Conditions of the Plan**

**Overview**

The purpose of the Direct Purchase and Sale Plan is to provide registered holders of the Common Stock of Ceridian Corporation and other persons with a direct method of:

- Purchasing shares of Common Stock of the Company,
- Depositing certificates for Common Stock shares into the Plan for safekeeping,
- Selling shares of Common Stock held in the Plan.

Purchases and sales of shares will be made on the open market at a cost to the participant of \$2.50 for purchases and \$10.00 for sales, plus brokerage commission of \$0.10 per share. The participant will receive a confirmation after each purchase and sale transaction executed for the participant and a yearly statement showing detail activity.

The minimum initial purchase amount for existing registered stockholders is \$200. For all other persons, the minimum initial amount is \$500. The minimum amount of subsequent purchases is \$100. The maximum purchase amount per transaction is \$10,000, not to exceed \$120,000 per calendar year.

Purchases and sales of Common Stock are expected to take place daily but depending on transaction activity will take place at least weekly.

*The Company currently does not pay a cash dividend. The availability of the Plan's features do not in any way indicate an intent to declare or pay a cash dividend in the future. However, if the Company ever declares a cash dividend the Plan may be modified to allow for the reinvestment of cash dividends in which case each participant in the Plan would be notified about changes in the Plan and would be given an option to elect whether or not to have dividends reinvested.*

***How to Enroll in The Plan:***

Registered stockholders or other persons (other than the Company and its affiliates) may enroll and become participants in the Plan by completing and signing a Plan Enrollment Form along with transaction instructions. The Enrollment Form and transaction instructions should be mailed to the Plan Administrator at:

The Bank of New York  
Dividend Reinvestment Department  
P.O. Box 1958  
Newark, NJ  
07101-9774

All stockholders in whose name the Plan shares will be registered or in whose name(s) the current registration is shown need to sign the enrollment form. Once enrolled, participation in the Plan continues until terminated by the participant or by the Plan Administrator.

**Enrollment in the Plan may not be available in certain states.**

***How Optional Cash Payments Are Invested:***

The minimum initial purchase amount for existing registered stockholders is \$200. For all other persons, the minimum initial amount is \$500. The minimum amount of subsequent purchases is \$100. The maximum purchase amount per transaction is \$10,000 per investment not to exceed \$120,000 per calendar year. Optional cash amounts can be sent to the Plan Administrator any time. All purchases of Common Stock will be made on the open market as described below. The purchases are expected to be made daily but depending on transaction activity will take place at least weekly. Optional cash payments less applicable transaction fees and brokerage commission as described below will be used to purchase shares of Common Stock for the account of the participant. No interest will be paid to the participant on optional cash payments held by the Administrator pending investment.

An optional cash payment may be made by a participant when joining the Plan by enclosing a check or money order with the Enrollment Form. Thereafter, optional cash payments should be accompanied by the bottom portion of the statement of account or transaction advice provided to the participant. Optional cash payments should be made by check payable on a US Bank, in US currency, payable to “The Bank of New York”, and mailed to:

The Bank of New York  
Dividend Reinvestment Department  
P.O. Box 1958  
Newark, NJ  
07101-9774

*Participants should be aware that the Common Stock price may rise during the period between a request for purchase, its receipt by the Plan Administrator and the ultimate purchase on the open market. Instructions sent to the Plan Administrator to purchase or sell shares may not be rescinded, and are binding to the participant. The Plan Administrator may, in its own discretion, accept written requests to revoke instructions.*

Cash payments may not be accepted by the Administrator if a participant imposes any restrictions with respect to the number of shares to be purchased, the price at which the shares are to be purchased, or the timing of when the purchase is to be made.

***How Shares Are Purchased Under The Plan:***

Cash payments from all participants will be aggregated for the purpose of making an accumulated total purchase of shares. Purchases will be made on the open market in ordinary brokerage transactions by the Plan Administrator, usually through an affiliated broker, on any exchange for which the Common Stock is traded. Therefore, the price per share cannot be determined prior to the purchase. A processing fee of \$2.50 per transaction will be deducted from the cash payment before purchasing Common Stock. Common Stock purchased will be credited to each participant’s account in book entry form (computed to four decimal places) with a certificate issued only upon request. The purchase price per share will be adjusted to include the brokerage commission of \$0.10 per share.

A transaction advice will be sent to the participant subsequent to each purchase showing the shares purchased, fees and shares credited to their account. On a yearly basis a statement showing all transaction activity for the year will be mailed to the participant.



***How Shares Held in The Plan Are Sold:***

Participants in the plan may instruct the Plan Administrator to sell any or all shares held in the participant's plan account. As with purchases, the Plan Administrator will aggregate all requests for shares to be sold and sell the total share amount on the open market in ordinary brokerage transactions using an affiliated broker. The shares will be sold on any exchange for which the shares of the Company are listed. As with purchases, shares are expected to be sold daily, but depending on volume will be sold at least weekly. The selling price will not be known until the sale is completed.

*Participants should be aware that the Common Stock price may fall during the period between a request for sale, its receipt by the Plan Administrator and the ultimate sale on the open market. Instructions sent to the Plan Administrator to purchase or sell shares may not be rescinded, and are binding to the participant. The Plan Administrator may, in its sole discretion, accept written requests to revoke sell instructions.*

Following the sale, the net proceeds of the sale will be sent by check to the participant at the address of record. The \$10.00 per transaction fee will be deducted from the net sale amount. The net sale proceeds will reflect the brokerage commission of \$0.10 per share. The advice attached to the check should be retained for tax purposes. If the shares sold are insufficient to cover the processing fee of \$10.00 a check will not be issued nor will the participant be billed for additional fees due.

To request the sale of any or all shares held in the Plan, participants should complete the bottom portion of the statement of account provided to the participant. The request should indicate the shares to be sold and not the dollar amount to be attained. All participants listed should sign the request. Mail the instructions to the Plan Administrator:

The Bank of New York  
Dividend Reinvestment Department  
P.O. Box 1958  
Newark, NJ  
07101-9774

**All sales are subject to income tax reporting. It is solely the participant's responsibility to determine the tax consequences of such sales and it is suggested that a tax advisor be consulted.**

***How Certificates Are Deposited into The Plan for Safekeeping:***

Participants may elect to deposit Common Stock certificates into their Plan account. The Plan Administrator will credit these shares to the participant's Plan account in the form of book entry shares. Certificates for safekeeping can be sent to the Plan Administrator when enrolling in the Plan along with a completed Enrollment Form. Once enrolled in the Plan, additional certificates for safekeeping should be sent to the Plan Administrator along with the completed bottom portion of the statement of account provided to the participant. The certificates to be deposited, together with an Enrollment Form or bottom part of the statement, should be sent registered mail to the Plan Administrator to:

The Bank of New York  
Dividend Reinvestment Department  
P.O. Box 1958  
Newark, NJ  
07101-9774

It is suggested that participants use registered mail when sending stock certificates, insured for 2% of the market value of the shares, which would be the approximate cost of replacing the certificates should they be lost in the mail. Certificates should not be endorsed. Participants should keep their own records as to the original cost basis for any certificates deposited into the Plan.

***How Shares in The Plan Are Withdrawn via Issuance of a Certificate:***

A participant may request the Plan Administrator to issue a certificate(s) for some or all of the shares held in the Plan. The request for issuance of a stock certificate for full shares only should be made using the bottom portion of the statement of account. There is no fee to the participant to issue a certificate. However, if the participant requests the termination of participation in the Plan, a certificate for the number of full shares held in the Plan will be issued and any fractional shares held in the Plan will be sold in accordance with the terms of the Plan. The terms and conditions of the Plan call for the sale of any fractional shares and the closing of the account if the Plan shares held by the participant falls below one (1) share. The participant may receive a check for the net proceeds from the sale of any fractional shares. However, if the fractional shares sold are insufficient to generate the fee (\$10.00) for the sale of shares, a check will not be issued and the participant would not be billed for any amount due. See above section on sale of shares for applicable fees and commissions associated with selling of shares.

***Costs of the Plan:***

**The costs of initiating and executing transactions within the Plan are being paid by the participants.**

The cost to the participant for each type of transaction are:

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|---|---|
| Initial Enrollment                      | — \$7.50 (A one-time set-up fee for new Plan participants)  |
| Optional Cash Investments               | — Fee \$2.50 plus brokerage commission of \$0.10 per share.   |
| Sale of Shares                          | — Fee \$10.00 plus brokerage commission of \$0.10 per share.  |
| Certificate Issuance                    | — There is no fee for the issuance of a certificate. However, the closing of a participant’s account (termination request) may result in the sale of fractional shares. If the fractional shares sold are insufficient to generate the fee (\$10.00), the remaining fees due will be waived. See above Section on the sale of shares for applicable fees and commissions associated with selling of shares. |
| Deposit of Certificates for Safekeeping | — No charge.  |

***Stock Split or Stock Dividend Distributions:***

Any stock dividends or stock split shares distributed on shares held by the Plan Administrator for the participant in the Plan, including any fractional share distributions, will be credited directly into the participant’s Plan account. A certificate will be issued for shares held in certificated form registered in the participant’s name. Similarly, any rights or shares to be distributed as a result of any rights agreement would be distributed in a similar manner.

***How Shares Held in The Plan Are Voted:***

The participant will vote the shares held in the Plan in the same manner as shares in certificated form. Each participant in the Plan will receive a Notice of the Annual Meeting, a Proxy Statement, a proxy voting card

**HOW DO I CONTACT THE BANK OF NEW YORK:**

**For information regarding the Plan, please contact The Bank of New York at:**

Toll-free number: **1-800-524-4458** or write to:

**The Bank of New York**  
Church Street Station  
P.O. Box 11258  
New York, New York 10286-1258

**For optional cash investments, sales, transfers, deposits or withdrawals, mail the tear-off portion of your transaction advice or account statement to:**

**The Bank of New York**  
Investment Services Department  
P.O. Box 1958  
Newark, New Jersey 07101-1958

Or, you may call **1-800-524-4458**, the Bank's toll-free number, with your instructions or visit our website [www.stockbny.com](http://www.stockbny.com).

*To access The Bank of New York's website, please follow these steps:*

Log onto [www.stockbny.com](http://www.stockbny.com)

First-time users will have to enter their social security number or taxpayer ID when prompted in order to establish a temporary Personal Identification Number (PIN).

**NOTE:** Your temporary PIN will be sent to the address currently listed on your account within 10 business days of its request. You cannot access your account prior to receiving the PIN.

Upon receiving and entering your temporary PIN, you will be prompted to change it for security reasons. Please keep your new PIN in a safe place for future account access.

and the Company's Annual Report to Stockholders. The proxy voting card will include the full and fractional Plan shares held in the participant's Plan account along with any certificated shares the participants may hold in certificated form.

***Other Terms and Conditions of The Plan:***

**The securities held in Plan accounts for Plan Participants are not subject to protection under the Securities Investor Protection Act of 1970.**

**The Bank of New York provides no advice and makes no recommendations with respect to purchasing or selling shares of Company Common Stock. Any decision to purchase or sell must be made by each individual Plan Participant based on his or her own research and judgment.**

The Bank shall retain all fees being charged to the participant for administering the Plan. The Bank's affiliated broker will usually be used for purchases and sales and will retain Brokerage Commissions.

The Company will reimburse the Bank for the printing and mailing of the Plan Brochures and Enrollment Forms as well as telephone expenses associated with Plan inquiries. Fees and expenses normally associated with Transfer Agent functions will also be paid by the Company.

The Plan Administrator will not be liable for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability arising out of (i) failure to terminate a participant's account, sell shares in the Plan, or invest optional cash payments without receipt of proper docu-

mentation and instructions; (ii) with respect to the prices at which shares are purchased or sold for the participant's account and the time such purchases or sales are made including price fluctuation in market value after purchases or sales.

Questions about the Plan should be directed to the Plan Administrator by calling 800-524-4458 or by writing to:

The Bank of New York  
Church Street Station  
P.O. Box 11288  
New York, NY  
10286-1288

Only instructions that are properly completed and received by the Plan Administrator at the designated address will be processed.

**If the total number of shares in the participant's account is less than one (1) share, any remaining fractions will be sold and the account closed. See above Section on the sale of shares for applicable fees and commissions associated with selling of shares.**

The Plan Administrator reserves the right to modify the Plan including the right to terminate the Plan upon notice to Plan participants. In addition, the Plan Administrator reserves the right to interpret and regulate the Plan as it deems necessary or desirable in connection with its operation.

The Plan is not for use by institutional investors or financial intermediaries. The Plan shall be governed by and construed in accordance with the laws of the State of New York. The signing and mailing of the enrollment form shall constitute an offer by the