

AUTOMATIC DATA PROCESSING INC

Form DEF 14A

September 20, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ []

Check the appropriate box:

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| <input type="checkbox"/> [] | Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) |
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Automatic Data Processing, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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AUTOMATIC DATA PROCESSING, INC.

One ADP Boulevard
Roseland, New Jersey 07068

Notice of 2018 Annual Meeting of Stockholders

The 2018 Annual Meeting of Stockholders of Automatic Data Processing, Inc. will take place at 10:00 a.m., Eastern Standard Time, Tuesday, November 6, 2018 at our corporate headquarters, One ADP Boulevard, Roseland, New Jersey.

A Notice of Internet Availability of Proxy Materials or the proxy statement for the 2018 Annual Meeting of Stockholders is first being mailed to stockholders on or about Thursday, September 20, 2018.

The purposes of the meeting are to:

Elect a board of directors;

1. Hold an advisory vote on executive compensation;
2. Approve the 2018 Omnibus Award Plan;
3. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2019; and
- 4.
5. Transact any other business that may properly come before the meeting or any adjournment(s) thereof.

Only stockholders of record at the close of business on September 7, 2018 are entitled to receive notice of, to attend, and to vote at the meeting. **If you plan to attend the meeting in person, please note the admission procedures described under “How Can I Attend the Meeting?” on page 1 of the proxy statement.**

Your vote is important, and we urge you to vote whether or not you plan to attend the meeting. The Notice of Internet Availability of Proxy Materials instructs you on how to access our proxy materials and vote via the Internet. If you receive a paper copy of the proxy materials, you may also vote by telephone or by completing, signing, dating and returning the accompanying printed proxy in the enclosed envelope, which requires no postage if mailed in the United States.

By order of the Board of Directors

MICHAEL A. BONARTI
Secretary
September 20, 2018
Roseland, New Jersey

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This summary highlights certain information contained elsewhere in the proxy statement. This summary does not contain all of the information that you should consider. You should read the entire proxy statement carefully before voting.

2018 Annual Meeting of Stockholders**Time and**

Date 10:00 a.m. Eastern Standard Time, November 6, 2018

Place One ADP Boulevard, Roseland, New Jersey, 07068

Record Date Stockholders of record at the close of business on September 7, 2018 are entitled to vote at the meeting in person or by proxy.

Admission Admission to the meeting is restricted to stockholders and/or their designated representatives. All stockholders will be required to show valid picture identification and proof of ownership in order to be admitted to the meeting. Under rules adopted by the Securities and Exchange Commission ("SEC"), we are furnishing proxy materials to our stockholders primarily via the Internet instead of mailing printed copies of those materials to each stockholder.

Proxy Materials

On September 20, 2018, we commenced the mailing to our stockholders of a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials. Our proxy materials were mailed to those stockholders who have previously asked to receive paper copies. If you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

How to Vote

The Notice of Internet Availability of Proxy Materials instructs you on how to vote through the Internet. If you receive a paper copy of the proxy materials, you may also vote your shares by telephone or by completing, signing, dating and returning the accompanying printed proxy in the enclosed envelope, which requires no postage if mailed in the United States.

Voting Matters and Board Voting Recommendations

		Board Recommendation	Page Reference For More Detail
Proposal 1:	Election of directors	For Each Nominee	5
Proposal 2:	Advisory resolution to approve compensation of named executive officers	For	29
Proposal 3:	Approval of the 2018 Omnibus Award Plan	For	73
Proposal 4:	Ratification of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2019	For	85

Table of Contents**2018 Proxy Statement Summary****Election of Directors (Proposal 1)**

The board of directors has nominated the following current directors for re-election as directors. Please refer to page 5 in this proxy statement for important information about the qualifications and experience of each of the following director nominees. Each director nominee has consented to being named in this proxy statement and has agreed to serve if elected. The board of directors recommends a vote **FOR** each of the nominees for director.

Peter Bisson	61	2015	Retired Director and Global Leader of the High-Tech Practice at McKinsey & Company	
Richard T. Clark	72	2011	Retired Chairman and Chief Executive Officer of Merck & Co., Inc.	Chair
Eric C. Fast	69	2007	Retired Chief Executive Officer of Crane Co.	Chair,
Linda R. Gooden	65	2009	Retired Executive Vice President of Lockheed Martin Corporation Information Systems & Global Solutions	Chair
Michael P. Gregoire	52	2014	Chairman and Chief Executive Officer of CA Technologies	
R. Glenn Hubbard	60	2004	Dean of Columbia University's Graduate School of Business	Chair
John P. Jones (Board Chairman)	67	2005	Retired Chairman and Chief Executive Officer of Air Products and Chemicals, Inc.	
Thomas J. Lynch	63	2018	Chairman and Former Chief Executive Officer of TE Connectivity Ltd.	
Scott F. Powers	59	2018	Former President and Chief Executive Officer of State Street Global Advisors	
William J. Ready	38	2016	Executive Vice President and Chief Operating Officer of PayPal	
Carlos A. Rodriguez	54	2011	President and Chief Executive Officer of Automatic Data Processing, Inc.	
Sandra S. Wijnberg	62	2016	Executive Advisor, and Former Partner and Chief Administrative Officer of Aquiline Holdings	

AC – audit committee

CC – compensation committee

NCGC – nominating / corporate governance committee

CDTAC – corporate development and technology advisory committee

Chair – committee chair

– financial expert member of audit committee

Mr. Fast currently serves as the chair of the audit committee and Ms. Wijnberg will fill this role after the annual meeting.

Mr. Hubbard currently serves as the chair of the nominating/corporate governance committee and Mr. Gregoire will fill this role after the annual meeting.

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2018 Proxy Statement Summary
Board Nominee Highlights

11 of 12 director nominees are **independent**.

DIRECTOR AGE

As of our 2018 Annual Meeting, the average age of our director nominees will be **60 years**.

We believe our board composition strikes a balanced approach to director tenure and allows the board to benefit from a mix of newer directors who bring fresh perspectives and seasoned directors who bring continuity and a deep understanding of our complex business.

Six new directors have joined our board since 2014, accounting for **over half of our eleven independent director nominees**.

As of our 2018 Annual Meeting, the average tenure of our independent directors will be **6.5 years**.

Director Skills & Expertise

Our director nominees bring to the board a balance of skills and expertise.

ADP Board of Directors' Skills and Expertise

Cybersecurity	Enterprise Risk Management	Financial	General Operations	Government & Regulatory
Human Resources/ Compensation	Industry (HCM/ Business Process Outsourcing)	International	Investment Banking/ Capital Markets	Other Public Board
Product Marketing/ Management	Public Company CEO	Strategic Planning/Business Development	Technology	Transformation

A more detailed matrix of relevant skills by individual director is set forth on page 6.

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2018 Proxy Statement Summary

Advisory Resolution to Approve Executive Compensation (Proposal 2)

Consistent with the stockholders' advisory vote at our 2017 Annual Meeting of Stockholders, we determined to hold the advisory say-on-pay vote to approve our named executive officer compensation on an annual basis. Therefore, we are asking our stockholders to approve, on an advisory basis, our named executive officer ("NEO") compensation for fiscal year 2018. Our stockholders will have the opportunity to approve, on an advisory basis, our NEO compensation for fiscal year 2019 at the 2019 Annual Meeting of Stockholders.

The board of directors recommends a vote **FOR** this resolution because it believes that the policies and practices described in the "Compensation Discussion and Analysis" section beginning on page 30 of this proxy statement are effective in achieving the company's goals of linking pay to performance and levels of responsibility, encouraging our executive officers to remain focused on both short-term and long-term financial and strategic goals of the company and linking executive performance to stockholder value.

At our 2017 Annual Meeting of Stockholders, our stockholders approved the compensation of our fiscal year 2017 NEOs by a vote of approximately 93% in favor.

Approval of the 2018 Omnibus Award Plan (Proposal 3)

We are asking our stockholders to approve the Automatic Data Processing, Inc. 2018 Omnibus Award Plan ("2018 Omnibus Award Plan"). The board of directors adopted the 2018 Omnibus Award Plan on August 2, 2018, subject to stockholder approval at the annual meeting. The purpose of the 2018 Omnibus Award Plan is to provide a means through which the company and its affiliates may attract and retain key personnel and to provide a means whereby directors, officers, employees, consultants and advisors of the company and its affiliates can acquire and maintain an equity interest in the company, or be paid incentive compensation, including incentive compensation measured by reference to the value of the company's common stock, thereby strengthening their commitment to the welfare of the company and its affiliates and aligning their interests with those of the company's stockholders.

A summary of the 2018 Omnibus Award Plan can be found beginning on page 73 of this proxy statement and a full copy of the 2018 Omnibus Award Plan is set forth in Appendix B. The board of directors recommends a vote **FOR** the 2018 Omnibus Award Plan.

Ratification of the Appointment of Auditors (Proposal 4)

We are asking our stockholders to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2019. A summary of fees paid to Deloitte & Touche LLP for services provided in fiscal years 2017 and 2018 is provided on page 84 of this proxy statement. The board of directors recommends a vote **FOR** this ratification.

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2018 Proxy Statement Summary **Fiscal Year 2018 Business Highlights**

Our business strategy is based on three strategic pillars, which are designed to position ADP as the global market leader in human capital management (“HCM”) technology and services.

Strategic Pillars

Grow a complete suite of cloud-based **HCM solutions**

Grow and scale our market-leading **HR Outsourcing solutions** by leveraging our platforms and processes

Leverage our **global** presence to offer clients **HCM solutions** wherever they do business

Fiscal year 2018 reflected growing momentum from our multi-year investments in distribution, product, and operational initiatives. We accelerated the pace of our change and transformation through the launch of our next generation platforms, the completion of our mid-market migrations, our acquisitions of Global Cash Card and WorkMarket, the continued execution of our service alignment initiative, and the launch of our voluntary early retirement program.

ADP’s client-centric focus and drive to meet the evolving needs of the global HCM market through leading-edge product and unparalleled service delivered robust financial performance that contributed to an improvement in client retention and a sustained acceleration in our new business bookings. Other key business results in fiscal year 2018 continued to reflect a strong enterprise with solid revenue growth, improved margins, consistent, healthy cash flows and low capital expenditure requirements.

We continue to see ample opportunity to add value in new and innovative ways given our strong fiscal year 2018 performance and the momentum we have built from our investments in the business. Looking ahead

to fiscal year 2019, we intend to continue to accelerate on our momentum through transformation and invest in our strategic initiatives while executing on margin opportunities. We believe our core strategy to create long-term shareholder value by balancing top line revenue growth and strong margins to drive earnings per share growth is working.

2018 Incentive Compensation Performance Metrics

Our financial performance impacted the compensation of our executive officers in several ways, most notably our annual cash bonus plan and performance-based stock unit (“PSU”) program. The compensation committee’s determination of incentive compensation under our annual cash bonus plan for our executive officers, including our NEOs, was based on fiscal year 2018 revenue growth, new business bookings growth, adjusted earnings before interest and taxes (“EBIT”) growth and strategic objectives. Targets and results exclude the impact of certain items pursuant to predetermined categories of parameters established by the compensation committee at the time that targets were set.

Table of Contents**2018 Proxy Statement Summary**

Performance for all metrics, including the strategic objectives, are formulaically measured without the use of subjective judgment. Details with regard to the strategic

objectives are provided on page 42 and the financial goals and performance results are summarized below.

Annual Cash Bonus Plan Measures	Plan Targets	Plan Results
Revenue Growth	5.9%	7.2%, excluding the impact of foreign currency fluctuations in excess of the fluctuations assumed in the target
New Business Bookings Growth	6.8%	8.0%
Adjusted EBIT Growth ⁽¹⁾	4.6%	7.2%, excluding the impacts of: Charges related to transformation initiatives; Charges related to proxy contest matters; and Foreign currency fluctuation in excess of the fluctuation assumed in the target

Our adjusted EBIT measure excludes the impact of taxes, certain interest expense, certain interest income, and certain other items. We continue to include the interest income earned on investments associated with our client funds extended investment strategy and interest expense on borrowings related to our client funds extended investment strategy as we believe these amounts to be fundamental to the underlying operations of our business model. Refer to the table in Appendix A for a 1 reconciliation from net earnings to adjusted EBIT for fiscal years 2018 and 2017.

The incentive compensation under our PSU program was based on net income growth for fiscal years 2017 and 2018 and, for PSU awards granted in fiscal year 2016, earnings per share growth. Targets and results exclude the impact

of certain items pursuant to predetermined categories of parameters established by the compensation committee at the time the targets were set.

PSU Program Measures	Program Targets	Program Results
Net Income Growth	1.7%	4.2%, excluding the impacts of: Charges related to transformation initiatives; The Tax Cuts and Jobs Act; Accounting Standard Update 2016-09 on stock-based compensation; Charges related to proxy contest matters; Foreign currency fluctuations in excess of the fluctuations assumed in the target; and Acquisitions
	3.2%	5.7%, excluding the impacts of: Charges related to transformation initiatives; The Tax Cuts and Jobs Act; Accounting Standard Update 2016-09 on stock-based compensation; Charges related to proxy contest matters; Foreign currency fluctuations in excess of the fluctuations assumed in the target; and Acquisitions
Earnings Per Share ("EPS") Growth		

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2018 Proxy Statement Summary **Compensation Principles**

We believe that compensation should be designed to create a direct link between performance and stockholder value. Five principles that guide our decisions involving executive compensation are that compensation should be:

based on (i) the overall performance of the company, (ii) the performance of each executive's business unit and (iii) each executive's individual performance;

closely aligned with the short-term and long-term financial and strategic objectives that build sustainable long-term stockholder value;

competitive, in order to attract and retain executives critical to our long-term success;

consistent with high standards of corporate governance and best practices; and

designed to dampen the incentive for executives to take excessive risks or to behave in ways that are inconsistent with the company's strategic planning processes and high ethical standards.

2018 Compensation Highlights

Consistent with our pay for performance philosophy, the compensation of our NEOs is structured with a significant portion of their total compensation at risk and paid based on the performance of the company and the applicable business unit. Our financial performance in fiscal year 2018 impacted the compensation for all of our executive officers,

not just our NEOs, in several ways, most notably through our annual cash bonus plan and PSU program. Please refer to the "Compensation Discussion and Analysis" section on page 30 of this proxy statement, and the tables and narratives that follow on page 50 of this proxy statement, for more detail concerning the compensation of our NEOs.

Key highlights of our fiscal year 2018 executive compensation program

Base salary:

For fiscal year 2018, we increased the base salary of each NEO, as we determined the amount based on the executive's overall performance, level of responsibility, pay grade, competitive compensation practices data, and comparison to other company executives.

Annual cash bonus:

Fiscal year 2018 target bonuses as a percentage of base salary were the same as fiscal year 2017 levels for all the NEOs except for Mr. Rodriguez, whose target bonus percentage was increased from 160% to 180% to align closer to market median. The threshold corporate performance goal established by the compensation committee for fiscal year 2018 was adjusted EBIT margin of 15%. As this threshold performance goal was achieved, the annual bonuses were based on the performance of the company and the business units as well as the strategic progress realized for fiscal year 2018 against the NEOs' bonus objectives.

Equity awards:

As part of our equity compensation program in fiscal year 2018, consistent with fiscal year 2017, we granted our executive officers PSUs and stock options.

A payout percentage of 142% was achieved under our PSU program as a result of our fiscal year 2018 net income growth. This net income payout percentage applies to year 1 of the fiscal year 2018 award and to

year 2 of the fiscal year 2017 award. These awards will be earned and issued following the end of the corresponding three-year performance period ending in fiscal years 2020 and 2019, respectively.

In addition, a payout percentage of 142% was achieved under our PSU program as a result of our fiscal year 2018 EPS growth and applies only to year 3 of the fiscal year 2016 award. The end of fiscal year 2018 marked the end of the three-year performance period for PSU awards granted in fiscal year 2016 as well as the use of EPS growth as a PSU program measure. Based on the average of the three fiscal years, these awards earned a payout percentage of 119%.

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2018 Proxy Statement Summary

A summary of fiscal year 2018 total direct compensation for our NEOs is set forth in the following table:

Name	Base Salary	Annual Bonus	PSUs⁽¹⁾⁽²⁾	Stock Options⁽¹⁾	Total
Carlos A. Rodriguez <i>President and Chief Executive Officer</i>	\$1,055,000	\$2,449,710	\$5,334,900	\$3,400,000	\$12,239,610
Jan Siegmund <i>Chief Financial Officer</i>	\$693,600	\$894,700	\$1,540,800	\$750,000	\$3,879,100
Edward B. Flynn <i>Former President, Global Enterprise Solutions</i>	\$616,500	\$888,400	\$1,102,200	\$630,000	\$3,237,100
Michael A. Bonarti <i>General Counsel and Secretary</i>	\$544,600	\$562,000	\$1,074,900	\$570,000	\$2,751,500
Dermot J. O'Brien <i>Chief Human Resources Officer</i>	\$554,900	\$572,700	\$1,023,900	\$540,000	\$2,691,500

Footnotes:

1 Equity amounts are the grant date fair values for fiscal year 2018, which are the same amounts disclosed in the "Summary Compensation Table for Fiscal Year 2018" on page 50 of this proxy statement. Amounts are rounded for ease of presentation.

2 Only the grant date fair value, calculated in accordance with FASB ASC Topic 718, for the performance year in which performance targets are set is reported. The amounts for the PSU awards represent the grant date fair value of one third of the target awards for each of the fiscal years 2016, 2017 and 2018.

The mix of target total direct compensation (base salary, cash bonus, and long-term incentive awards) for fiscal year 2018 was designed to deliver the following approximate proportions of total compensation to Mr. Rodriguez, our

chief executive officer, and the other NEOs (on average) if company and individual target levels of performance are achieved:

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2018 Proxy Statement Summary Compensation Good Governance and Best Practices

Our compensation programs reflect our strong commitment to good governance.

Pay for performance: We design our compensation programs to link pay to performance and levels of responsibility, to encourage our executive officers to remain focused on both the short-term and long-term financial and strategic goals of the company and to link executive performance to stockholder value.

Annual say-on-pay vote: We hold an advisory say-on-pay vote to approve our NEO compensation on an annual basis.

Clawback policy: We adopted a Clawback Policy that provides the compensation committee with discretion to recover both cash and equity incentive compensation from any current or former executives.

Stock ownership guidelines: We maintain stock ownership guidelines to encourage equity ownership by our executive officers.

Limited perquisites: We provide limited perquisites that are viewed as consistent with our overall compensation philosophy.

Double trigger change in control payments: Our Change in Control Severance Plan for Corporate Officers includes “double-trigger” provisions, such that

No-hedging policy: We prohibit our directors and executive officers from engaging in any hedging or similar transactions involving ADP securities.

No-pledging policy: We prohibit our directors and executive officers from holding ADP securities in a margin account or pledging ADP securities as collateral for a loan.

No repricing of underwater stock options without stockholder approval: We may not lower the exercise price of any outstanding stock options or otherwise provide economic value to the holders of underwater stock options in exchange for the forfeiture of such awards without stockholder approval.

payments of cash and vesting of equity awards occur only if termination of employment without cause or with good reason occurs during the two-year period after a change in control.

Independence of our compensation committee and advisor: The compensation committee of our board of directors, which is comprised solely of independent directors, utilizes the services of FW Cook as an independent compensation consultant. FW Cook reports to the compensation committee, does not perform any other services for the company other than in connection with an annual review of competitive director compensation for the nominating/corporate governance committee of our board of directors, and has no economic or other ties to the company or the management team that could compromise their independence and objectivity.

Stockholder engagement: As described below under “Stockholder Engagement Process,” our investor engagement program promotes an active dialogue with our largest stockholders on a range of topics related to our strategy, corporate governance and executive compensation programs.

No discount stock options: The exercise price of our stock options is not less than 100% of the fair market value of our common stock on the date of grant.

No IRC Section 280G or 409A tax gross-ups: We do not provide tax gross-ups under our change in control provisions or deferred compensation programs.

No current dividends on unearned performance stock units: We do not pay dividends in respect of unearned PSUs; rather, dividend equivalents are accrued over the applicable performance period and are paid only if the units are earned and shares are issued at the end of the performance period.

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2018 Proxy Statement Summary
2018 Corporate Governance Highlights

We have a history of strong corporate governance. We are committed to sound corporate governance practices that provide our stockholders with meaningful rights and foster strong independent leadership in our boardroom.

Annual election of directors

Majority voting standard

One share, one vote

Proxy access by-law

"No overboarding" policy

No poison pill

Independent board chair and independent board committees

Stockholder ability to call special meetings

Stockholder right to act by written consent

Annual board assessment of corporate governance best practices

Significant board role in strategy and risk oversight

Annual succession planning review

Active stockholder engagement to better understand investor perspectives

Executive sessions of independent directors held regularly

We firmly believe that creating sustainable long-term value for stockholders is enabled through such strong governance practices and open dialogue with stockholders through continuous direct engagement.

Added two new board members with decades of operational experience as we continue to focus on our operational success and transformation (April 2018)

Amended our "no overboarding" policy in our corporate governance principles to adopt a more stringent standard (April 2018)

Stockholder friendly amendments to our 2008 Omnibus Award Plan (adopted minimum vesting period and no "liberal share recycling") (April 2018)

Announced upcoming chair rotations of our audit committee and nominating/corporate governance committee (June 2018)

Announced enhanced financial disclosures at ADP's Investor Day (June 2018)

Issued first, formal corporate social responsibility report (February 2018)

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2018 Proxy Statement Summary

Stockholder Engagement Process

We value stockholder engagement and feedback as we continue to deliver strong financial performance and sustained value creation for our investors. Our ongoing investor engagement program includes outreach focused on the company's strategy, corporate governance and executive compensation programs. We contacted stockholders representing more than 60% of our shares outstanding, and during fiscal year 2018, we discussed our strategy, corporate governance and executive compensation programs with stockholders representing over 40% of our shares outstanding. In addition to management, many of these engagements included participation by certain members of our board of directors, including our chairman. Director participation continues to be part of our engagement in fiscal year 2019.

We look forward to maintaining this ongoing dialogue with our investors as well as incorporating feedback into our plans, as appropriate. These meetings, which are designed to keep our board of directors attuned to our stockholders' views, provide useful context as we seek to ensure the interests of our stockholders continue to be addressed. What we learn from our stockholders through our ongoing discussions is regularly shared with our board of directors. For example, we received consistent feedback from our investors for more formal reporting on environmental, social and governance matters. As a result of this feedback and at the direction of our board, the company launched an enterprise-wide effort that culminated in the release of ADP's first corporate social responsibility report in February 2018.

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2018 Proxy Statement Summary

Important Dates for the 2019 Annual Meeting of Stockholders

Please refer to the *Stockholder Proposals* section on page 86 of this proxy statement for more information regarding the applicable requirements for submission of stockholder proposals. If a stockholder intends to submit any proposal (including pursuant to our proxy access by-law) for inclusion in the company's proxy statement for the company's 2019 Annual Meeting of Stockholders in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the *Exchange Act*), the proposal must be received by the corporate secretary of the company no later than May 23, 2019.

Separate from the requirements of Rule 14a-8 relating to the inclusion of a stockholder proposal in the company's proxy statement, the company's amended and restated by-laws require that notice of a stockholder nomination for candidates for our board of directors (other than pursuant to our proxy access by-law) or any other business to be considered at the company's 2019 Annual Meeting of Stockholders must be received by the company no earlier than July 9, 2019, and no later than August 8, 2019.

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Proxy Statement

The board of directors of Automatic Data Processing, Inc. is soliciting your proxy to vote at the 2018 Annual Meeting of Stockholders to be held on November 6, 2018 at 10:00 a.m. Eastern Standard Time, and at any postponement(s) or adjournment(s) thereof. The meeting will be held at One ADP Boulevard, Roseland, New Jersey.

Under rules adopted by the SEC, we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On September 20, 2018, we commenced the mailing to our stockholders of a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials, including our proxy statement and our annual report on Form 10-K (which is not a part of the proxy soliciting material). This process is designed to expedite stockholders' receipt of proxy materials, lower the cost of the Annual Meeting, and help conserve natural resources.

Our proxy materials were mailed to those stockholders who have previously asked to receive paper copies. If you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

The only outstanding class of securities entitled to vote at the meeting is our common stock, par value \$0.10 per share. At the close of business on September 7, 2018, the record date for determining stockholders entitled to notice of, to attend, and to vote at the meeting, we had 437,439,841 issued and outstanding shares of common stock (excluding 201,272,601 treasury shares not entitled to vote). Each outstanding share of common stock is entitled to one vote with respect to each matter to be voted on at the meeting.

This proxy statement and our annual report on Form 10-K are also available on our corporate website at www.adp.com under "Financial Information" in the "Investor Relations" section.

Questions and Answers About the Annual Meeting and Voting

WHY AM I RECEIVING THESE PROXY MATERIALS?

We are providing these proxy materials to holders of shares of the company's common stock, par value \$0.10 per share, in connection with the solicitation of proxies by our board of directors for the forthcoming 2018 Annual Meeting of Stockholders to be held on November 6, 2018 at 10:00 a.m. Eastern Standard Time, and at any postponement(s) or adjournment(s) thereof. The company will bear all expenses in connection with this solicitation.

Admission to the meeting is restricted to stockholders of record as of September 7, 2018 and/or their designated representatives. If your shares are registered in your name and you plan to attend the meeting, your admission ticket will be the top portion of the proxy card. If your shares are in the name of your broker or bank or you received your proxy materials electronically, you will need to bring evidence of your stock ownership, such as your most recent brokerage account statement.

HOW CAN I ATTEND THE MEETING?

All stockholders will be required to show valid picture identification. If you do not have valid picture identification or proof of your stock ownership, you will not be admitted to the meeting. For security purposes, packages and bags will be inspected and you may be required to check these items. Please arrive early enough to allow yourself adequate time to clear security.

HOW MANY SHARES MUST BE PRESENT TO HOLD THE MEETING?

The representation in person or by proxy of a majority of the issued and outstanding shares of stock entitled to vote at the meeting constitutes a quorum. Under our amended and restated certificate of incorporation and our amended and restated by-laws and under Delaware law, abstentions and "broker non-votes" are counted as present in determining whether the quorum requirement is satisfied. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner.

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Questions and Answers About the Annual Meeting and Voting

The Notice of Internet Availability of Proxy Materials instructs you on how to vote through the Internet.

If you receive a paper copy of the proxy materials, you may also vote your shares by telephone or by completing, signing, dating and returning the accompanying printed proxy in the enclosed envelope, which requires no postage if mailed in the United States.

HOW CAN I VOTE MY SHARES?

Unless contrary instructions are indicated on the proxy, all shares represented by valid proxies received pursuant to this solicitation (and not revoked before they are voted) will be voted in accordance with the recommendations of our board of directors as indicated below. If you are a registered stockholder and attend the meeting, you may deliver your completed proxy card in person.

If your shares are held in "street name" (i.e., your shares are held by a bank, brokerage firm or other nominee), you must provide voting instructions to your bank or broker by the deadline provided in the materials you receive from your bank or broker.

If you hold your shares in street name and you do not instruct your bank or broker as to how to vote your shares, your bank or broker may only vote your shares in its discretion on the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2019 (Proposal 4), but will not be allowed to vote your shares on any of the other proposals described in this proxy statement, including the election of directors.

IF I HOLD SHARES IN STREET NAME, DOES MY BROKER NEED INSTRUCTIONS IN ORDER TO VOTE MY SHARES?

Under applicable Delaware law, a broker non-vote will have no effect on the outcome of any of the other proposals described in this proxy statement because the non-votes are not considered in determining the number of votes necessary for approval.

Proposal	Voting Choices	Board Recommendation
Proposal 1: Election of the 12 nominees named in this proxy statement to serve on the company's board of directors	For Against Abstain	FOR election of all 12 director nominees
Proposal 2: Advisory resolution approving the compensation of the company's named executive officers as disclosed in the "Compensation Discussion and Analysis" section on page 30 of this proxy statement and accompanying compensation tables	For Against Abstain	FOR
Proposal 3: Approval of the 2018 Omnibus Award Plan	For Against Abstain	FOR
Proposal 4: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2019	For Against Abstain	FOR

WHAT MATTERS WILL BE VOTED ON AT THE MEETING, WHAT ARE MY VOTING CHOICES, AND HOW DOES THE BOARD OF DIRECTORS RECOMMEND THAT I VOTE?

So far as the board of directors is aware, only the above matters will be acted upon at the meeting. If any other matters properly come before the meeting, the accompanying proxy may be voted on such other matters in accordance with the best judgment of the person or persons voting the proxy.

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Questions and Answers About the Annual Meeting and Voting

Proposal 1:

The affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote thereon is required to elect a director, provided that if the number of nominees exceeds the number of directors to be elected (a situation that the company does not anticipate), the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy. Votes may be cast in favor of or against each nominee, or a stockholder may abstain from voting. Abstentions will have the effect of a negative vote, provided that if the number of nominees exceeds the number of directors to be elected, abstentions will be excluded entirely and will have no effect on the vote. A broker non-vote will have no effect on the outcome of this proposal because the non-votes are not considered in determining the number of votes necessary for approval.

Proposal 2:

The affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote thereon is required to approve the advisory resolution on executive compensation. Votes may be cast in favor of or against this proposal or a stockholder may abstain from voting. Abstentions will have the effect of a negative vote. A broker non-vote will have no effect on the outcome of the advisory resolution because the non-votes are not considered in determining the number of votes necessary for approval. Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded to any named executive officer and will not be binding on or overrule any decisions by the compensation committee or the board of directors.

Because we value our stockholders' views, however, the compensation committee and the board of directors will consider carefully the results of this advisory vote when formulating future executive compensation policy.

Proposal 3:

The affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote thereon is required to approve our 2018 Omnibus Award Plan. Votes may be cast in favor of or against this proposal or a stockholder may abstain from voting. Abstentions will have the effect of a negative vote. Broker non-votes will have no effect on the outcome of this proposal because the non-votes are not considered in determining the number of votes necessary for approval.

Proposal 4:

The affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote thereon is required to ratify the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for fiscal year 2019. Votes may be cast in favor of or against this proposal or a stockholder may abstain from voting. Abstentions will have the effect of a negative vote. Brokers have the authority to vote shares for which their customers did not provide voting instructions on the ratification of the appointment of Deloitte & Touche LLP.

If your shares are registered in your name, you may revoke your proxy and change your vote prior to the completion of voting at the Annual Meeting by:

submitting a valid, later-dated proxy card or a later-dated vote in accordance with the voting instructions on the Notice of Internet Availability of Proxy Materials in a timely manner; or

giving written notice of such revocation to the company's corporate secretary prior to or at the Annual Meeting or by voting in person at the Annual Meeting.

HOW MANY VOTES ARE
NEEDED TO APPROVE
THE PROPOSALS, AND
WHAT IS THE EFFECT OF
BROKER NON-VOTES OR
ABSTENTIONS?

MAY I REVOKE MY PROXY
OR CHANGE MY VOTE?

If your shares are held in "street name," you should contact your bank or broker and follow its procedures for changing your voting instructions. You also may vote in person at the Annual Meeting if you obtain a legal proxy from your bank or broker.

Only the latest validly executed proxy that you submit will be counted.

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Questions and Answers About the Annual Meeting and Voting

**IS MY VOTE
CONFIDENTIAL?**

Proxies and ballots identifying the vote of individual stockholders will be kept confidential from our management and directors, except as necessary to meet legal requirements in cases where stockholders request disclosure or in a contested election.

**WHERE CAN I FIND THE
VOTING RESULTS OF THE
ANNUAL MEETING?**

The preliminary voting results will be announced at the Annual Meeting. The final voting results, which are tallied by independent tabulators and certified by independent inspectors, will be published in the company's current report on Form 8-K, which we are required to file with the SEC within four business days following the Annual Meeting. We are making this solicitation of proxies on behalf of our board of directors and will pay the solicitation costs. Our directors, officers and other employees may, without additional compensation except reimbursement for actual expenses, solicit proxies by mail, in person or by telecommunication. In addition, we have retained Innisfree M&A Incorporated at a fee estimated to be approximately \$20,000, plus reasonable out-of-pocket expenses, to assist in the solicitation of proxies. We will reimburse brokers, fiduciaries, custodians, and other nominees for out-of-pocket expenses incurred in sending our proxy materials to, and obtaining instructions relating to such materials from, beneficial owners.

**WHO IS PAYING FOR THE
PREPARATION AND
MAILING OF THE PROXY
MATERIALS AND HOW WILL
SOLICITATIONS BE MADE?**

If you have any questions about giving your proxy or require assistance, please contact our proxy solicitor at:

INNISFREE M&A INCORPORATED

501 Madison Avenue, 20th Floor

New York, NY 10022

Shareholders call toll-free: (888) 750-5834

Banks and brokers call collect: (212) 750-5833

To reduce the expense of delivering duplicate proxy materials to stockholders who may have more than one account holding our stock but share the same address, we have adopted a procedure known as "householding." Under this procedure, certain stockholders of record who have the same address and last name, and who do not participate in electronic delivery of proxy materials, will receive only one copy of our Notice of Internet Availability of Proxy Materials and, as applicable, any additional proxy materials that are delivered until such time as one or more of these stockholders notifies us that they want to receive separate copies. Stockholders who participate in householding will continue to have access to and utilize separate proxy voting instructions.

WHAT IS "HOUSEHOLDING?"

If you are a registered stockholder and choose to have separate copies of our Notice of Internet Availability of Proxy Materials, proxy statement and annual report on Form 10-K mailed to you, you must "opt-out" by writing to Broadridge Financial Solutions, Inc., Household Department, 51 Mercedes Way, Edgewood, New York, 11717 or by calling 1-866-540-7095 and we will cease householding all such disclosure documents within 30 days. If we do not receive instructions to remove your accounts from this service, your accounts will continue to be "household" until we notify you otherwise. If you own our common stock in nominee name (such as through a broker), information regarding householding of disclosure documents should have been forwarded to you by your broker.

You can also contact Broadridge Financial Solutions, Inc. at 1-866-540-7095 if you received multiple copies of the Annual Meeting materials and would prefer to receive a single copy in the future.

Table of Contents**Proposal 1****Election of Directors**

The board of directors has nominated the following current directors for re-election as directors. Properly executed proxies will be voted as marked. Executed but unmarked proxies will be voted in favor of electing each of the below returning directors to serve on the board of directors until the 2019 Annual Meeting of Stockholders and until their successors are duly elected and qualified.

Peter Bisson	61	2015	Retired Director and Global Leader of the High-Tech Practice at McKinsey & Company
Richard T. Clark	72	2011	Retired Chairman and Chief Executive Officer of Merck & Co., Inc.
Eric C. Fast	69	2007	Retired Chief Executive Officer of Crane Co.
Linda R. Gooden	65	2009	Retired Executive Vice President of Lockheed Martin Corporation Information Systems & Global Solutions
Michael P. Gregoire	52	2014	Chairman and Chief Executive Officer of CA Technologies
R. Glenn Hubbard	60	2004	Dean of Columbia University's Graduate School of Business
John P. Jones (Board Chairman)	67	2005	Retired Chairman and Chief Executive Officer of Air Products and Chemicals, Inc.
Thomas J. Lynch	63	2018	Chairman and Former Chief Executive Officer of TE Connectivity Ltd.
Scott F. Powers	59	2018	Former President and Chief Executive Officer of State Street Global Advisors
William J. Ready	38	2016	Executive Vice President and Chief Operating Officer of PayPal
Carlos A. Rodriguez	54	2011	President and Chief Executive Officer of Automatic Data Processing, Inc.
Sandra S. Wijnberg	62	2016	Executive Advisor, and Former Partner and Chief Administrative Officer of Aquiline Holdings

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Proposal 1

The board of directors possesses an appropriate mix of skills, experience and leadership designed to drive board performance and properly oversee the interests of the company, including our strategy of long-term sustainable stockholder value creation.

ADP BOARD OF DIRECTORS' SKILLS & EXPERIENCE

As discussed in further detail below, our nominating/corporate governance committee evaluates these desired attributes on an ongoing basis and adds new skills and qualifications as the company's strategy and needs evolve.

Automatic Data Processing, Inc. *Proxy Statement* | 6

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Proposal 1

Below are summaries of the principal occupations, business experience, background, and key skills and qualifications of the nominees. The key skills and qualifications are not intended to be an exhaustive list of each nominee's skills

or contributions to the board, but rather the specific skills and qualifications that led to the conclusion that the person should serve as a director for the company.

Peter Bisson

Retired Director at McKinsey & Company

Director since: 2015

Age: 61

Independent

Committees:

CDTAC
Nominating/
Corporate
Governance

Mr. Bisson was a director and the global leader of the High-Tech Practice at McKinsey & Company prior to his retirement in June 2016. Mr. Bisson also held a number of other leadership positions at McKinsey & Company, including chair of its knowledge committee, which guides the firm's knowledge investment and communication strategies, member of the firm's shareholders committee, and leader of the firm's strategy and telecommunications practices. In more than 30 years at McKinsey & Company, Mr. Bisson advised a variety of multinational public companies, including ADP, in the technology-based products and services industry. Mr. Bisson is also a director of Gartner Inc.

Key Skills & Qualifications

Mr. Bisson's experience includes advising clients on corporate strategy and M&A, design and execution of performance improvement programs, marketing and technology development. Mr. Bisson's broad experience in the technology industry is a valuable asset to our board of directors and contributes to the oversight of the company's strategic direction and growth.

Richard T. Clark

Retired Chairman and Chief Executive Officer of Merck & Co., Inc.

Director since: 2011

Age: 72

Independent

Committees:

Audit
Compensation,
Chair

Mr. Clark is the retired chairman of the board, chief executive officer, and president of Merck & Co., Inc. Mr. Clark served as chairman of Merck & Co., Inc. from April 2007 until December 2011, as chief executive officer from May 2005 until December 2010, and as president from May 2005 until April 2010. He held a variety of other senior management positions during his 39-year tenure at Merck, including president of the Merck manufacturing division from June 2003 to May 2005. Mr. Clark is the lead independent director of Corning Incorporated, a global manufacturing company, and previously served on the advisory board of American Securities, a private equity firm, from 2011 to 2014.

Key Skills & Qualifications

With a proven track record of leadership and achievement as a former public-company CEO and chairman, Mr. Clark has significant business experience in navigating through complex regulatory environments and offers our board of directors broad managerial, operational, compensation and strategic planning expertise, as well as extensive experience in the issues facing public companies and multinational businesses.

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Proposal 1

Eric C. Fast

Retired Chief Executive Officer of Crane Co.

Director since: 2007

Age: 69

Independent

Committees:

Audit, Chair
Compensation

Mr. Fast is the retired chief executive officer, president, and director of Crane Co., a manufacturer of industrial products. Mr. Fast served as the chief executive officer of Crane Co. from April 2001 until January 2014, as president from 1999 through January 2013, and as a director from 1999 to January 2014. Mr. Fast is a director of Regions Financial Corporation and serves as a director/trustee of the twelve investment companies in the Lord Abbett Family of Funds. Prior to his tenure at Crane Co., Mr. Fast worked for Salomon Brothers and later Salomon Smith Barney, where he ultimately was co-head of global investment banking and a member of the firm's management committee.

Key Skills & Qualifications

As a former chief executive officer, Mr. Fast brings broad managerial and operational expertise, as well as experience in risk management matters, to our board. Mr. Fast has extensive financial and transactional experience, demonstrated by his career in investment banking prior to his tenure at Crane Co. With years of demonstrated leadership ability, Mr. Fast contributes significant organizational skills to our board of directors, including expertise in financial, accounting, compensation and transactional matters.

Linda R. Gooden

Retired Executive Vice President of Lockheed Martin Corporation Information Systems & Global Solutions

Director since: 2009

Age: 65

Independent

Committees:

Audit
CDTAC, Chair

Ms. Gooden is the retired executive vice president – information systems & global solutions of Lockheed Martin Corporation, a position that she held from January 2007 to March 2013. She previously served as deputy executive vice president – information & technology services of Lockheed Martin Corporation from October 2006 to December 2006, and president, Lockheed Martin Information Technology from September 1997 to December 2006. Ms. Gooden serves on the boards of General Motors Company and The Home Depot, as well as WGL Holdings, Inc., a former publicly-traded company that is now private.

Key Skills & Qualifications

Ms. Gooden brings to our board of directors broad managerial and operational expertise, as well as experience in business restructuring, finance and risk management. She has a strong background in cybersecurity and information technology, as well as a proven track record of achievement and sound business judgment demonstrated throughout her career with Lockheed Martin Corporation.

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Proposal 1

Michael P. Gregoire

Chairman and Chief Executive Officer of CA Technologies

Director since: 2014

Age: 52

Independent

Committees:

CDTAC
Nominating/
Corporate
Governance

Mr. Gregoire is the chairman and chief executive officer of CA Technologies. He served as president and chief executive officer of Taleo Corporation, a provider of on-demand talent management software solutions, from March 2005 until its acquisition by Oracle Corporation in April 2012, as a director from April 2005 to April 2012, and as chairman of the board from May 2008 to April 2012. Mr. Gregoire served as executive vice president, global services and held various other senior management positions at PeopleSoft, Inc., an enterprise software company, from May 2000 to January 2005. He has also served as a director of ShoreTel, Inc. from November 2008 to January 2014.

Key Skills & Qualifications

Mr. Gregoire brings to our board of directors extensive executive and CEO leadership experience with public companies in the software and services business and strong experience in the technology industry and cybersecurity matters. In addition, his directorships at other public companies provide him with broad experience on governance issues facing public companies.

R. Glenn Hubbard

Dean of Columbia University's Graduate School of Business

Director since: 2004

Age: 60

Independent

Committees:

Compensation
Nominating/
Corporate
Governance, Chair

Mr. Hubbard has been the dean of Columbia University's Graduate School of Business since 2004 and has been the Russell L. Carson professor of finance and economics since 1994. He is also a director of BlackRock Closed-End Funds and MetLife, Inc. and a member of the Panel of Economic Advisors for the Federal Reserve Bank of New York. Mr. Hubbard served as a director of KKR Financial Holdings, LLC from 2004 until 2014, in addition to several prior public company directorships. Mr. Hubbard was also chairman of the President's Council of Economic Advisers from 2001 to 2003 as well as chairman of the Economic Policy Committee, Organization for Economic Cooperation and Development from 2001 to 2003.

Key Skills & Qualifications

In addition to his government experience, Mr. Hubbard provides our board of directors with substantial knowledge of and expertise in global macroeconomic conditions and economic, tax and regulatory policies, as well as perspective on financial markets. His directorships at other public companies provide him with broad experience on governance issues facing public companies.

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Proposal 1

John P. Jones

Retired Chairman and Chief Executive Officer of Air Products and Chemicals, Inc.

Mr. Jones is the retired chairman of the board, chief executive officer, and president of Air Products and Chemicals, Inc., an industrial gas and related industrial process equipment business. Mr. Jones served as chairman of Air Products and Chemicals, Inc. from October 2007 until April 2008, as chairman and chief executive officer from September 2006 until October 2007, and as chairman, president, and chief executive officer from December 2000 through September 2006. He also served as a director of Sunoco, Inc. from 2006 to 2012.

Director since: 2005

Age: 67

Key Skills & Qualifications

Independent

Chairman

With a track record of achievement and sound business judgment demonstrated during his thirty-six year tenure at Air Products and Chemicals, Inc., including as CEO, Mr. Jones understands how to operate effectively within highly regulated and complex frameworks and brings to the board of directors extensive experience in issues facing public companies and multinational businesses, including organizational management, strategic planning, and risk management matters, combined with proven business and financial acumen.

Thomas J. Lynch

Chairman and Former Chief Executive Officer of TE Connectivity Ltd.

Mr. Lynch has been the chairman of TE Connectivity Ltd., a leading global technology and manufacturing company, since 2013 and previously served as chief executive officer from January 2006 to March 2017. Before becoming CEO of TE Connectivity Ltd., Mr. Lynch was president of Tyco Engineered Products and Services since joining Tyco International in September 2004. Prior to that, he held various positions at Motorola, including executive vice president of Motorola and president and chief executive officer of Motorola's Personal Communications sector, from August 2002 to September 2004. In addition to TE Connectivity Ltd., Mr. Lynch is currently a director of Cummins Inc. and Thermo Fisher Scientific Inc.

Director since: 2018

Age: 63

Independent

Committees:

Key Skills & Qualifications

CDTAC

Compensation

Mr. Lynch possesses extensive executive leadership experience as a former CEO and sitting chairman of a publicly traded company. In addition to his broad managerial experience, he is a seasoned leader with a deep operational background and technology expertise. This breadth of experience enriches his contributions to the board, particularly with respect to transformation, innovation, strategic planning and compensation matters.

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Proposal 1

Scott F. Powers

Former President and Chief Executive Officer of State Street Global Advisors**Director since:** 2018**Age:** 59

Independent

Committees:

Audit
Nominating/
Corporate
Governance

Mr. Powers was the president and chief executive officer of State Street Global Advisors, from 2008 until his retirement in 2015. Before joining State Street, Mr. Powers was the president and chief executive officer of Old Mutual Asset Management, the U.S.-based global asset management business of Old Mutual plc, from 2001 to 2008. He also held executive roles at Mellon Institutional Asset Management and Boston Company Asset Management. Mr. Powers is currently a director of PulteGroup, Inc. and Sun Life Financial Inc. and previously a member of the board of directors of Whole Foods Market, Inc. in 2017.

Key Skills & Qualifications

With over three decades of experience leading and advising firms in the investment management industry, Mr. Powers has an extensive global operational and business background. The valuable blend of these critical skills and his investor mindset support the board in its oversight of the company's strategic direction, growth and transformation.

William J. Ready

Executive Vice President and Chief Operating Officer of PayPal**Director since:** 2016**Age:** 38

Independent

Committees:

CDTAC
Nominating/
Corporate
Governance

Mr. Ready has been PayPal's executive vice president and chief operating officer since September 2016 and prior to that, senior vice president, global head of product and engineering since January 2015. Since August 2011, he had been the chief executive officer of Braintree, a mobile and web payment systems company acquired by PayPal in 2013. He continues to lead Braintree in his capacity as chief operating officer of PayPal. Prior to Braintree, Mr. Ready was executive in residence at Accel Partners, a leading Silicon Valley venture capital and growth equity firm. A veteran of the payments industry, Mr. Ready also served as president of iPay Technologies from 2008 to 2011. He also worked as a strategy consultant for McKinsey & Company, where he advised leading financial technology companies.

Key Skills & Qualifications

Mr. Ready possesses strong expertise in the technology-based products and services industry, which is a valuable asset to our board of directors and contributes to the oversight of the company's strategic direction and growth. He also brings to our board of directors deep operational experience and knowledge of the technology industry's consumer space, including related cybersecurity matters.

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Proposal 1

Carlos A. Rodriguez

President and Chief Executive Officer of Automatic Data Processing, Inc.

Director since: 2011

Age: 54

Management

Mr. Rodriguez is president and chief executive officer of the company. He served as president and chief operating officer of the company before he was appointed to his current position in November 2011. Having started his career at the company in 1999, Mr. Rodriguez previously served as president of several key businesses, including National Accounts Services, Employer Services International, Small Business Services, and Professional Employer Organization, giving him deep institutional knowledge across the company's business. Mr. Rodriguez was also a director of Hubbell Inc., a manufacturer of electrical and electronic products, from 2009 to 2016.

Key Skills & Qualifications

In addition to broad managerial, operational and strategic planning expertise, Mr. Rodriguez brings a wealth of business acumen and leadership experience to our board of directors, including a deep knowledge of the HCM industry and unique understanding of our business, coupled with a proven track record of integrity, achievement, and strategic vision.

Sandra S. Wijnberg

Executive Advisor, and Former Partner and Chief Administrative Officer of Aquiline Holdings

Director since: 2016

Age: 62

Independent

Ms. Wijnberg is an executive advisor to and former partner, chief administrative officer and member of the board of Aquiline Holdings, a registered investment advisory firm she joined in 2007. From 2014 to 2015, Ms. Wijnberg left Aquiline Holdings to work in Jerusalem at the behest of the U.S. State Department as the deputy head of mission, Office of the Quartet. Prior to joining Aquiline Holdings, she was the senior vice president and chief financial officer of Marsh & McLennan Companies, Inc., from January 2000 to April 2006, and before that, the treasurer and interim chief financial officer of YUM! Brands, Inc. She is a director of T. Rowe Price and previously served on the boards of Tyco International plc from 2003 to 2016 and TE Connectivity Ltd. from 2007 to 2009.

Committees:

Key Skills & Qualifications

Audit
CDTAC

Ms. Wijnberg is a seasoned business leader with strong financial acumen and significant corporate finance, accounting, strategic planning, insurance and risk management expertise. Her international experience also provides a valuable global perspective to our board of directors.

It is expected that all nominees proposed by our board of directors will be able to serve on the board if elected. However, if before the election one or more nominees are unable to serve or for good cause will not serve (a situation that we do not anticipate), the proxy holders will vote the proxies for the remaining nominees and for substitute nominees chosen by the board of directors (unless the board reduces the number of directors to be elected). If

any substitute nominees are designated, we will file an amended proxy statement that, as applicable, identifies the substitute nominees, discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected, and includes certain biographical and other information about such nominees required by the rules of the SEC.

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Proposal 1

Stockholder Approval Required

At the 2018 Annual Meeting of Stockholders, directors will be elected by the affirmative vote of the holders of a majority of the shares represented in person or by proxy and entitled to vote thereon, provided that if the number of nominees exceeds the number of directors to be elected (a situation we do not anticipate), the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF EACH OF THE NOMINEES TO THE BOARD OF DIRECTORS.

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Corporate Governance

The board of directors' categorical standards of director independence are consistent with NASDAQ listing standards and are available in the company's corporate governance principles on our corporate website at www.adp.com. To access these documents, click on Investor Relations, then Corporate Governance, and then Governance Documents. The board of directors has determined that Ms. Gooden, Ms. Wijnberg and Messrs. Bisson, Clark, Fast, Gregoire, Hubbard, Jones, Lynch, Powers and Ready meet these standards and are independent directors for purposes of the NASDAQ listing standards. All current members of the audit, compensation, nominating/corporate governance, and corporate development and technology advisory committees are independent.

In the ordinary course of business, the company has business relationships with certain companies in which ADP directors also serve as executive officers or on the board of directors, including for example, software services and human capital management services. Based on the standards described above, the board of directors has determined that none of these transactions or relationships, nor the associated amounts paid to the parties, was material or would impede the exercise of independent judgment.

It is our policy that our directors attend the Annual Meetings of Stockholders. All of our directors then in office attended our 2017 Annual Meeting of Stockholders. During fiscal year 2018, our board of directors held fourteen (14) meetings. All of our incumbent directors attended at least 75%, in the aggregate, of the meetings of the board of directors and the committees of which they were members during the periods that they served on our board of directors during fiscal year 2018.

Executive sessions of the non-management directors are held during each meeting of the committees and the board of directors. Mr. Jones, our independent non-executive chairman of the board, presided at each executive session of the board of directors.

Board Leadership Structure

Our corporate governance principles do not require the separation of the roles of chairman of the board and chief executive officer because the board believes that effective board leadership can depend on the skills and experience of, and personal interaction between, people in leadership roles. Our board of directors is currently led by Mr. Jones, our independent non-executive chairman of the board. Mr. Rodriguez, our chief executive officer, serves as a member of the board of directors. The board of directors

believes this leadership structure is in the best interests of the company's stockholders at this time. Separating these positions allows our chief executive officer to focus on developing and implementing the company's business plans and supervising the company's day-to-day business operations, and allows our chairman of the board to lead the board of directors in its oversight, advisory, and risk management roles.

Board Composition and Director Succession Planning

The board takes a thoughtful approach to its composition to ensure alignment with the company's evolving corporate strategy. We believe our board composition strikes a balanced approach to director tenure and allows the board to benefit from a mix of newer directors who bring fresh

perspectives and seasoned directors who bring continuity and a deep understanding of our complex business. We refresh our board and assess our board succession plans regularly with this balance of tenure and experience in mind. We have added six new directors since 2014.

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As of our 2018 Annual Meeting, the average age of our director nominees will be 60 years and the average tenure of our independent directors will be 6.5 years.

Our director succession planning is conducted in the context of a skillset review designed to focus on key areas of skills and experience deemed to be most helpful to driving board performance. Our nominating/corporate governance committee evaluates these desired attributes on an ongoing basis and adds new skills and qualifications as necessary in light of the company's changing strategy and needs.

Individual director evaluations are also conducted by the nominating/ corporate governance committee on an annual basis, in close coordination with our chairman. The form of assessment used to facilitate this review is refreshed each year to ensure relevance and covers a broad

array of topics relevant to individual performance such as knowledge, expertise, commitment, preparation, integrity and judgment. This process facilitates director succession planning as it helps identify opportunities to enhance individual performance and any relevant feedback is communicated to the individual director.

In addition to individual evaluations, the nominating/corporate governance committee, working with our chairman, conducts a thorough evaluation at the board and committee levels to ensure the effectiveness of the directors and their ability to work as a team in the long-term interest of the company. This assessment is conducted through a questionnaire process, which is also refreshed each year, and designed to elicit feedback with respect to areas such as board/committee structure, governance, communication, culture, risk and strategy. Responses are shared and discussed with the nominating/corporate governance committee. The committee then shares the output of this process with the full board along with a series of recommendations that are subsequently implemented to improve board and committee performance, practices and procedures.

The company also has a director retirement policy in place to promote thoughtful board refreshment, as set forth in further detail under "Retirement Policy" on page 16 of this proxy statement.

Director Nomination Process

Our nominating process ensures our board consists of a well-qualified and diverse group of leaders who bring an important mix of boardroom and operating experience. When the board of directors decides to recruit a new member, or when the board of directors considers any director candidates submitted for consideration by our stockholders, it seeks strong candidates who, ideally, meet all of its categorical standards of director independence, and who are, or were, preferably, senior executives of large companies who have backgrounds directly related to our technologies, markets and/or clients. Additionally, candidates should possess the following personal characteristics: (i) business community respect for his or her integrity, ethics, principles, insights and

analytical ability; and (ii) ability and initiative to frame insightful questions, speak out and challenge questionable assumptions and disagree without being disagreeable. The nominating/corporate governance committee will not consider candidates who lack the foregoing personal characteristics.

In addition, the nominating/corporate governance committee considers a wide range of other factors in determining the composition of our board of directors, including diversity of thought and background, as well as individual qualities such as professional experience, skills, education, and training. Our nominating/corporate governance committee also considers a range of types of diversity, including race, gender, ethnicity, age, culture

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and geography. The nominating/corporate governance committee retains a third party search firm from time to time to identify and evaluate, as appropriate, potential nominees to the board. Nominations of candidates for our board of directors by our stockholders for consideration

at our 2019 Annual Meeting of Stockholders are subject to the deadlines and other requirements described under "Stockholder Proposals" on page 86 of this proxy statement.

Retirement Policy

Our director retirement policy provides that, subject to such exceptions on a case by case basis as the board of directors shall determine, no person will be nominated by the board of directors to serve as a director following the date he or she turns 72. Management directors who are no longer officers of the company are required to offer to resign from the board of directors.

After considering his many contributions, including the number of board objectives for which he provided great insight and value, as well as his knowledge and expertise, and relatively short tenure on the board, the board of directors waived the mandatory retirement age of 72 for Mr. Clark. The waiver is effective upon his 72nd birthday in calendar year 2018 and allows Mr. Clark to stand for re-election until after his 75th birthday.

Committees of the Board of Directors

During fiscal year 2018, our board of directors held fourteen (14) meetings. The table below provides membership and meeting information for each of the committees of the board of directors.

Peter Bisson				
Richard T. Clark		Chair		
Eric C. Fast*	Chair,			
Linda R. Gooden				Chair
Michael P. Gregoire**				
R. Glenn Hubbard**			Chair	
Thomas J. Lynch				
Scott F. Powers				
William J. Ready				
Sandra Wijnberg*				
Number of meetings held in				
fiscal year 2018	7	6	5	5
- Financial expert member of audit committee				

* Mr. Fast currently serves as the chair of the audit committee and Ms. Wijnberg will fill this role after the annual meeting.

Mr. Hubbard currently serves as the chair of the nominating/corporate governance committee and Mr. Gregoire will fill this role
**after the annual meeting.

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Audit Committee

The audit committee's principal functions are to assist the board of directors in fulfilling its oversight responsibilities with respect to:

Eric C. Fast
Committee Chair

our systems of internal controls regarding finance, accounting, legal compliance, and ethical behavior;

**Other
committee members:**

our auditing, accounting and financial reporting processes generally;

Richard T. Clark
Linda R. Gooden
Scott F. Powers
Sandra S. Wijnberg

our financial statements and other financial information that we provide to our stockholders, the public and others;

our compliance with legal and regulatory requirements;

the appointment, compensation, retention and performance of our independent auditors and the selection of the lead audit partner; and

the performance of our corporate audit department.

All members are independent and financially literate under NASDAQ listing standards

The audit committee acts under a written charter, which is available online on our corporate website at www.adp.com. To access this document, click on "Investor Relations," then "Corporate Governance," and then "Governance Documents." A further description of the role of the audit committee is set forth on page 82 under "Audit Committee Report."

Nominating/Corporate Governance Committee

The principal functions of the nominating/corporate governance committee are to:

R. Glenn Hubbard
Committee Chair

identify individuals qualified to become members of the board of directors and recommend a slate of nominees to the board of directors annually;

**Other
committee members:**

ensure that the audit, compensation and nominating/corporate governance committees of the board of directors have the benefit of qualified and experienced independent directors;

Peter Bisson
Michael P. Gregoire
Scott F. Powers
William J. Ready

review and reassess annually the adequacy of the board of directors' corporate governance principles and recommend changes as appropriate;

oversee the evaluation of the board of directors and management and recommend to the board of directors senior managers to be elected as new corporate vice presidents of the company; and

review our policies and programs that relate to matters of corporate citizenship.

All members are independent under NASDAQ listing standards

The nominating/corporate governance committee acts under a written charter, which is available online on our corporate website at www.adp.com. To access this document, click on "Investor Relations," then "Corporate Governance," and then "Governance Documents."

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Compensation Committee

The compensation committee sets and administers our executive compensation program. See “Compensation Discussion and Analysis” on page 30 of this proxy statement.

Richard T. Clark
Committee Chair

The compensation committee is authorized to engage the services of outside advisors, experts and others to assist the committee. For fiscal year 2018, the compensation committee sought advice from FW Cook, an independent compensation consulting firm specializing in executive and director compensation. For further information about FW Cook’s services to the compensation committee, see “Compensation Consultant” on page 37 of this proxy statement.

**Other
committee
members:**

Eric C. Fast
R. Glenn Hubbard
Thomas J. Lynch

The compensation committee acts under a written charter, which is available online on our corporate website at www.adp.com. To access this document, click on “Investor Relations,” then “Corporate Governance,” and then “Governance Documents.” Each member of the compensation committee is a “Non-Employee Director” as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and an “outside director” as defined in the regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended. The compensation committee may form and delegate authority to subcommittees when appropriate, provided that the subcommittees are composed entirely of directors who satisfy the applicable independence requirements of NASDAQ.

All members are independent under NASDAQ listing standards

Corporate Development and Technology Advisory Committee

Linda R.
Gooden
**Committee
Chair**

The corporate development and technology advisory committee’s principal functions are to act in an advisory capacity to the board and management concerning potential acquisitions, strategic investments, divestitures and matters of technology and innovation.

**Other
committee
members:**

Peter Bisson
Michael P.
Gregoire
Thomas J.
Lynch
William J.
Ready
Sandra S.
Wijnberg

The corporate development and technology advisory committee acts under a written charter, which is available online on our corporate website at www.adp.com. To access this document, click on “Investor Relations,” then “Corporate Governance,” and then “Governance Documents.”

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Our board of directors provides oversight with respect to the company's enterprise risk assessment and risk management activities, which are designed to identify, prioritize, assess, monitor and mitigate the various risks confronting the company, including risks that are related to the achievement of the company's operational and financial strategy. As set forth in more detail below, the board of directors performs this oversight function periodically as part of its meetings and also through its audit, compensation and nominating/corporate governance committees, each of which examines various

components of risk as part of its assigned responsibilities. In addition, our corporate development and technology advisory committee acts in an advisory capacity to the board with respect to certain risks assigned to oversight of the full board. Our committees report back on risk oversight matters directly to the board of directors on a regular basis. Management is responsible for implementing and supervising day-to-day risk management processes and reporting to the board of directors and its committees as necessary.

Corporate Strategy & Initiatives	Product Development	People/HR	Information Assurance	Treasury Management	Laws & Regulations
Third Party Relationships	Sales & Marketing	Physical Assets	IT Development & Production Support	Tax Strategy & Management	Ethics Program
External Environment	Implementation	Procurement	IT Operations Information	Risk Management (i.e., Insurance/ Indemnity)	Legal
External Communications	Service Delivery	Money Movement	Availability & Continuity	Reporting	Corporate Governance