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June 8, 2016

The Board of Directors
CDK Global, Inc.
1950 Hassell Road
Hoffman Estates, IL 60169
Attn: Chairman Leslie Brun
Attn: CEO Brian MacDonald

Dear Les, Brian and Members of the Board:

I am writing to you again on behalf of Elliott Associates, L.P. and Elliott International, L.P. (together, “Elliott” or “we”), which collectively beneficially own 8.6% of the common stock and equivalents of CDK Global, Inc. (NASDAQ: CDK) (the “Company” or “CDK”), making us one of the Company’s largest shareholders.

First, we would like to thank Les, Brian and Al for the ongoing positive dialogue and for taking time to discuss the “Value-Maximizing Plan” (or the “Plan”) we laid out in our letter of May 4th. We also appreciate the constructive discussion we have had with your advisors. We recognize that your time is valuable, and we look forward to continuing our discussions about how best to maximize shareholder value at CDK.

When we publish a letter publicly, we generally receive numerous calls from shareholders wishing to share their views and learn more about ours. Shareholders nearly always inquire about the views of other owners, about management’s views as we understand them, and about the progress of our dialogue with the Company. Today’s letter is in response to these numerous inquiries from our fellow owners and summarizes for the benefit of both the Board and other shareholders the dozens of conversations we have had since our last letter of May 4th. We hope by sharing this information with the Company and our fellow shareholders we can work toward the best path forward for CDK.

The key takeaways from the several dozen calls we received in response to our letter are that **1) shareholders overwhelmingly believe that CDK should seize this opportunity to both improve operating performance and return capital, and 2) shareholders are awaiting clarity from the Company on its willingness to act swiftly on these opportunities.**

After having discussions with shareholders **that together represent more than half of CDK’s shares outstanding**, we ask that CDK adopt the steps in the Value-Maximizing Plan without delay. Not only would the Plan **create sustained improvements in shareholder value**, but it would **also create a better company for employees and customers.**

Shareholders Have Embraced the Value-Maximizing Plan

Over the last month, we have exchanged views on CDK with many in the investment community, including a majority of CDK shareholders. While we had already spoken to many CDK shareholders since initially investing in the Company over a year ago, we received an influx of calls after our letter was published in early May from both long-standing shareholders and new shareholders who had recently acquired CDK stock.

Below are quotes from our discussions with CDK's top shareholders:

“Our fund is really glad you sent that letter. It made a bunch of good points – per our last call, our analysis shows margins can be around 45% in fiscal ‘18 if the right actions are taken, and the buyback recommendation is just a no-brainer.” – *Top 10 Shareholder*

“Shareholders generally think CDK should take the steps you proposed – the question is does management actually understand this and are they willing to do what shareholders want here.” – *Top 10 Shareholder*

“We told management that we were supportive of your letter. We think the right margin target could be much higher than the 42% in the letter and that this business can comfortably support leverage of at least 4.0x as a public company.” – *Top 10 Shareholder*

“They have a small board. Do you think they will add some more directors? Would probably be helpful to get some folks with software experience on there. Directors who are more familiar and comfortable with the space may help speed up the pace of margin improvement.” – *Top 10 Shareholder*

“These guys [CDK] aren't doing anything on capital return front – the ASR they are doing is peanuts. The company is under-levered and throws off a fair amount of U.S. cash flow. They should be buying back as much stock as they can now and formalizing a better [capital return] program.” – *Top 20 Shareholder*

“Do you think they [CDK] will do the right thing here and put out a plan in line with your letter? Often we see companies take “half-measures” to try and get shareholders off their back rather than truly engaging and creating the best possible plan today.” – *Top 20 Shareholder*

“Hopefully, CDK will look at your letter as an opportunity to improve their plan. I don't want to hear from them that they will figure out a better plan once they get to 35% margins. I think we both agree that management shouldn't be figuring out the plan as they go along – they should set the appropriate goals today so they can immediately start planning and implementing steps that will lead them to hitting the higher targets in a couple of years.” – *Top 20 Shareholder*

“The point in the letter that there are positive business implications to moving quickly to getting to the optimal margin profile rather than a slow, ongoing restructuring really made sense to me.” – *Top 20 Shareholder*

“I agree with an over 40% margin target in fiscal ‘18 here, but I think we need to ensure management incentives are aligned to get there. I think management should get paid handsomely if they hit the 42% margin target in ‘18; that is the best way to ensure good execution so that they don’t try and push out the targets for a few years.” – *Top 20 Shareholder*

“Based on our modeling, the stock is going to at least \$90 if they fully take advantage of the cost savings and buyback options they have. The upside is so great it makes no sense not to do this. We are betting they eventually get there – one way or another.” – *Top 25 Shareholder*

After our conversations with shareholders owning a majority of CDK, it is clear that shareholders believe more can and should be done to improve CDK’s business operations and capital return program. As we conveyed to the Board previously, CDK’s shareholders strongly support the Company taking the recommended actions without delay, and several shareholders have told us that they have communicated this message to management directly.

While we received a great deal of feedback from the investment community, the most common question we received from CDK’s owners is whether the Board and management team are on the same page as shareholders in their willingness to implement the changes necessary to realize CDK’s potential. Specifically, CDK’s shareholders want to know whether CDK’s Board and management will adopt the Value-Maximizing Plan. Our response to them has been that we hope so, but our sentiments are no substitute for a strong signal from the Board and management team that you understand the urgency and plan to provide shareholders with a roadmap shortly.

In addition to our fellow shareholders calling us, we have also received inbounds from a number of other Wall Street participants, including private equity buyers, strategic partners, investment banks and other financing sources, that called us to express interest in CDK. We believe this verifies the view that multiple value-unlocking pathways exist. Credit markets are now functioning at favorable levels with available financing at attractive terms – but this market strength will not last indefinitely. It is critically important that CDK evaluate all of its options now while the financing markets are still strong.

The Value-Maximizing Plan Will Also Benefit CDK’s Customers

One of the most attractive aspects of CDK’s business is its very loyal customer base, defined by an average DMS client tenure of 20 years. We have had the opportunity to spend a meaningful amount of time understanding the viewpoints of loyal customers, former employees, and other industry participants. Our survey of numerous customers and industry participants confirmed that CDK is a leader in the DMS industry with a mission-critical product and service function. **As large shareholders, we strongly believe that CDK’s commitment to its customers must be unwavering.**

However, our diligence has confirmed what many shareholders already suspected: **Some of the business issues that have led to shareholder discontent have also resulted in numerous organizational and quality-control issues affecting customers.** The affected areas include product development and innovation, as well as critical service functions.

The good news is that many of the same steps entailed in the Value-Maximizing Plan will have the salutary effect of helping CDK maintain its industry-leading customer support and product innovation engine. Specifically, we believe that:

- Reducing product complexity will shorten product implementation times.
- Enhanced leveraging of technology and automation will reduce customer response times.
- Improved software version discipline will free up funds for higher overall product quality and a better customer experience as a greater proportion of R&D spend would be committed to new features rather than simply maintaining older products.
- Implementing an automated contracting system will deliver a simplified, more transparent set of invoices for customers.

Implementing these value-maximizing steps will not only create a more streamlined business for shareholders but will also ensure that CDK can continue to deliver enhanced customer satisfaction, take share in a competitive market and grow.

The goals of a more effective business for customers and a more efficient one for shareholders are completely aligned. We are confident that CDK can be a better business, period – one that will drive growth, maintain and improve loyalty, and ultimately create compounding value for years to come.

Next Steps

We are gratified by the breadth of support expressed for the recommendations presented in our last letter, and we share the consensus view that CDK's management team and Board should embrace this opportunity to announce and implement our proposed Value-Maximizing Plan immediately:

1. **Improved Operations:** This would include a full operational review of the business, which will lead to streamlined and improved operations with a 42% FY2018 EBITDA Margin. It would also include a strong and unambiguous public commitment to executing upon this plan in a targeted but decisive manner, with changes to be made promptly. The Company's commitment would be clearly communicated via regular progress updates to shareholders.
2. **Enhanced Capital Return:** CDK would accelerate its capital return plan by committing to repurchase \$1.0 billion of stock through the end of calendar year 2016 funded with new debt and balance-sheet cash as well as announce a new long-term capital return plan comprised of ongoing buybacks funded by both cash proceeds generated by maintaining a 3.0x net leverage target and returning 65% of annual free cash flow.

We continue to believe that this plan, if fully implemented, **should result in CDK's share price reaching \$81 or higher within 14 months.** This price would represent an increase of at least 72% to the share price prior to the release of our last letter (and at least 43% from today's price). This plan is entirely achievable in a timely fashion and, as laid out above, would result in not only a higher stock price but also a more productive business and an improved product offering and service experience for customers.

We very much appreciate the Board and management's time in considering our thoughts. We have enormous respect and admiration for CDK's high-quality business model and its technology, products and competitive position. **However, we must reiterate that shareholder frustration is incredibly high due to both a lack of progress and a lack of clarity.** Shareholders are frustrated with the limited progress on margin improvement and capital return since the Company separated from ADP. The lack of progress to date was reinforced on CDK's last earnings call, when only \$50 million of savings were targeted for all of FY2016 (representing only 2-3% of CDK's \$1.7 billion expense base) and no update was provided on a capital return plan.

We see no reason for shareholders to remain in the dark regarding the plans of management and the Board. We are firmly committed to CDK as active shareholders with a large investment to protect, and we look forward to continuing our dialogue with Les, Brian, Al and the new leadership team. We hope that the Board and management believe, as we and other shareholders do, that now is the time to take action.

As always, we welcome the opportunity to answer any questions you may have.

Best regards,

A handwritten signature in blue ink, appearing to read 'Jesse Cohn', written in a cursive style.

Jesse Cohn
Senior Portfolio Manager