

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly reporting period ended September 30, 2025

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

Commission file number 001-38467



Dayforce, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

46-3231686
(I.R.S. Employer
Identification Number)

3311 East Old Shakopee Road
Minneapolis, Minnesota 55425
(952) 853-8100

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	DAY	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 22, 2025, there were 160,034,963 shares of common stock, par value of \$0.01 per share, outstanding.

Dayforce, Inc.
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Form 10-Q") contains, or incorporates by reference, not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act") and that are subject to the safe harbor created by those sections. Forward-looking statements include, without limitation, statements concerning the conditions of the human capital management solutions industry and our operations, performance, and financial condition, and include, in particular, statements relating to our business, growth strategies, product development efforts, and future expenses. Forward-looking statements can be identified by words such as "anticipate," "intend," "plan," "seek," "believe," "estimate," "expect," "assume," "project," "could," "continue," "likely," "may," "will," "should," and similar references to future periods, or by the inclusion of forecasts or projections.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy, and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Consequently, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national, or global political, economic, business, competitive, market, and regulatory conditions. In particular:

- the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the Thoma Bravo Transaction (as defined below) that could delay the consummation of the Thoma Bravo Transaction or cause the parties to abandon the Thoma Bravo Transaction;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement (as defined below) entered into in connection with the Thoma Bravo Transaction;
- the possibility that our stockholders may not approve the Thoma Bravo Transaction;
- the risk that the parties to the Merger Agreement may not be able to satisfy the conditions to the Thoma Bravo Transaction in a timely manner or at all;
- risks related to disruption of management time from ongoing business operations due to the Thoma Bravo Transaction;
- the risk that any announcements relating to the Thoma Bravo Transaction could have adverse effects on the market price of our common stock;
- the risk of any unexpected costs or expenses resulting from the Thoma Bravo Transaction;
- the risk of any litigation relating to the Thoma Bravo Transaction;
- the risk that the Thoma Bravo Transaction and its announcement could have an adverse effect on our ability to retain and hire key personnel and to maintain relationships with customers, vendors, partners, employees, stockholders and other business relationships and on our operating results and business generally;
- our ability to continue to sustain and grow revenue from our recurring services solutions;
- any information security breach of our systems or the loss of, or unauthorized access to, customer information or sensitive company information;
- disruptions to the movement of funds to initiate payroll-related transactions on behalf of our customers, or customer inability to provide funds sufficient to cover the amounts paid on their behalf, or funds advanced to them via our Dayforce Wallet product;
- our aging software infrastructure and technology;
- our ability to manage our growth effectively;
- our ability to compete effectively in the competitive markets in which we participate;
- our exposure to risks inherent to our international sales and operations;
- any failure to manage our technical operations infrastructure, or the impact of service outages or delays in the implementation of our applications, or the failure of our applications to perform properly;
- our reliance on strategic relationships with third parties to drive additional growth;

- any failure to offer high-quality support services;
- any dissatisfaction of our customers with the quality and pace of the implementation and professional services provided by us or our partners;
- any loss of key employees or the inability to attract and retain highly skilled employees;
- any loss of customer funds and wage funds of their employees that our trustees and third-party financial institution partners hold;
- our acquisition of other companies or technologies;
- the implementation of new accounting systems or other applications;
- any failure to protect our intellectual property rights or any lawsuits against us for alleged infringement of third-party proprietary rights;
- the use of open source software in our applications;
- our failure, or the failure of our third-party service providers, to comply with laws and regulations, or to update our solutions to reflect changes in applicable laws and regulations;
- additional regulatory requirements placed on our software and services;
- any litigation and regulatory investigations aimed at us;
- any actual or perceived failure to comply with evolving regulatory frameworks around the development and use of Artificial Intelligence;
- our existing and future debt obligations;
- volatility in the price of our common stock or the issuance of additional common stock;
- our share repurchase program;
- any change in our intention to not pay cash dividends in the foreseeable future;
- provisions in our certificate of incorporation and bylaws and Delaware law that might discourage, delay or prevent a change of control of the Company or changes in our management;
- any failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act;
- adverse economic and market conditions, including, among other things, the potential effects of recessionary environments on customer employment levels, changes in interest rates affecting float revenue, uncertainties related to the adoption and impact of Artificial Intelligence, and our ability to sustain growth in a highly competitive industry;
- fluctuations in our quarterly results;
- catastrophic events and our disclosures and ambitions related to sustainability matters;
- our being subject to taxation in multiple jurisdictions; and
- any changes in generally accepted accounting principles in the United States.

Please refer to Part II, Item IA, “Risk Factors” of this Form 10-Q and Part I, Item IA, “Risk Factors” of our most recently filed Annual Report on Form 10-K, for the year ended December 31, 2024 (“2024 Form 10-K”), for a further description of these and other factors. Although we have attempted to identify important risk factors, there may be other risk factors not presently known to us or that we presently believe are not material that could cause actual results and developments to differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. If any of these risks materialize, or if any of the above assumptions underlying forward-looking statements prove incorrect, actual results and developments may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-Q. For the reasons described above, we caution against relying on any forward-looking statements. Any forward-looking statement made by us in this Form 10-Q speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update or to revise any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by law. Comparisons of results for current and any prior

periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should be viewed as historical data.

Investors and others should note that we have in the past announced, and expect in the future to continue to announce, material business and financial information to our investors using our investor relations website (www.investors.dayforce.com), our filings and furnishings with the Securities and Exchange Commission ("SEC"), webcasts, press releases, conference calls, and other channels of distribution that are compliant with SEC regulations.

In the future, we may also announce material business and financial information to our investors using our corporate X (formerly known as Twitter) account (@Dayforce), our blog (www.dayforce.com/blog), and our corporate LinkedIn account (www.linkedin.com/company/dayforce). We use these mediums, including our website, to communicate with investors and the general public about us, our products, and other issues. It is possible that the information that we make available on these mediums may be deemed to be material information. We therefore encourage investors and others interested in us to review the information that we make available through these channels.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Dayforce, Inc. Condensed Consolidated Balance Sheets (Unaudited)

	September 30, 2025	December 31, 2024
(In millions, except per share data)		
Assets		
Current assets:		
Cash and equivalents	\$ 627.6	\$ 579.7
Trade and other receivables, net	325.1	264.8
Prepaid expenses and other current assets	145.0	137.5
Total current assets before customer funds	1,097.7	982.0
Customer funds	4,433.8	5,001.5
Total current assets	5,531.5	5,983.5
Right of use lease assets, net	10.9	12.3
Property, plant, and equipment, net	232.6	223.7
Goodwill	2,384.9	2,336.7
Other intangible assets, net	129.6	189.2
Deferred sales commissions	262.4	231.8
Other assets	124.3	139.8
Total assets	<u>\$ 8,676.2</u>	<u>\$ 9,117.0</u>
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 582.3	\$ 7.3
Current portion of long-term lease liabilities	5.6	5.7
Accounts payable	88.9	77.0
Deferred revenue	39.1	42.3
Employee compensation and benefits	111.7	126.8
Other accrued expenses	61.1	31.5
Total current liabilities before customer funds obligations	888.7	290.6
Customer funds obligations	4,413.3	5,024.2
Total current liabilities	5,302.0	5,314.8
Long-term debt, less current portion	631.1	1,209.1
Employee benefit plans	4.8	5.9
Long-term lease liabilities, less current portion	7.9	10.8
Other liabilities	35.7	30.1
Total liabilities	5,981.5	6,570.7
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, \$0.01 par, 500.0 shares authorized, 160.0 and 159.0 shares issued and outstanding, respectively	1.6	1.6
Additional paid in capital	3,490.3	3,363.2
Accumulated deficit	(556.3)	(335.8)
Accumulated other comprehensive loss	(240.9)	(482.7)
Total stockholders' equity	2,694.7	2,546.3
Total liabilities and stockholders' equity	<u>\$ 8,676.2</u>	<u>\$ 9,117.0</u>

See accompanying notes to condensed consolidated financial statements.

Dayforce, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(In millions, except per share data)				
Revenue:				
Recurring services	\$ 403.1	\$ 375.9	\$ 1,206.7	\$ 1,123.6
Professional services	78.5	64.1	221.4	171.2
Total revenue	481.6	440.0	1,428.1	1,294.8
Costs and expenses:				
Costs of recurring services	95.6	87.4	286.7	265.1
Costs of professional services	83.9	75.1	241.8	210.8
Product development and management	59.3	55.4	175.9	166.8
Selling and marketing	86.8	85.8	257.3	246.6
General and administrative	81.2	63.4	211.2	178.4
Depreciation and amortization	44.3	52.1	151.4	151.5
Total costs and expenses	451.1	419.2	1,324.3	1,219.2
Operating profit	30.5	20.8	103.8	75.6
Interest expense, net	6.7	8.8	21.7	33.2
Other expense (income), net	176.7	(6.3)	177.6	5.7
(Loss) income before income taxes	(152.9)	18.3	(95.5)	36.7
Income tax expense	43.9	16.3	65.1	29.4
Net (loss) income	<u>\$ (196.8)</u>	<u>\$ 2.0</u>	<u>\$ (160.6)</u>	<u>\$ 7.3</u>
Net (loss) income per share:				
Basic	\$ (1.23)	\$ 0.01	\$ (1.01)	\$ 0.05
Diluted	\$ (1.23)	\$ 0.01	\$ (1.01)	\$ 0.05
Weighted average shares outstanding:				
Basic	159.8	158.1	159.7	157.6
Diluted	159.8	159.7	159.7	159.9

See accompanying notes to condensed consolidated financial statements.

Dayforce, Inc.
Condensed Consolidated Statements of Comprehensive (Loss) Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(In millions)				
Net (loss) income	\$ (196.8)	\$ 2.0	\$ (160.6)	\$ 7.3
Items of other comprehensive income before income taxes:				
Change in foreign currency translation adjustment	(7.9)	18.1	57.5	(9.4)
Change in unrealized loss from invested customer funds	11.1	58.6	43.5	58.3
Change in pension liability adjustment	191.2	2.8	200.9	8.8
Other comprehensive income before income taxes	194.4	79.5	301.9	57.7
Income tax expense, net	49.2	16.1	60.1	17.6
Other comprehensive income after income taxes	145.2	63.4	241.8	40.1
Comprehensive (loss) income	<u>\$ (51.6)</u>	<u>\$ 65.4</u>	<u>\$ 81.2</u>	<u>\$ 47.4</u>

See accompanying notes to condensed consolidated financial statements.

Dayforce, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>\$</u>	<u>Paid In</u>	<u>Deficit</u>	<u>Other</u>	<u>Stockholders'</u>
(In millions)			<u>Capital</u>		<u>Comprehensive</u>	<u>Equity</u>
					<u>Loss</u>	
Balance as of December 31, 2024	159.0	\$ 1.6	\$3,363.2	\$ (335.8)	\$ (482.7)	\$ 2,546.3
Net income	—	—	—	14.9	—	14.9
Issuance of common stock under share-based compensation plans	1.5	—	4.4	—	—	4.4
Taxes paid related to the net share settlement of equity awards	—	—	(17.1)	—	—	(17.1)
Repurchases of common stock	(0.5)	—	—	(30.4)	—	(30.4)
Share-based compensation	—	—	40.9	—	—	40.9
Foreign currency translation	—	—	—	—	10.7	10.7
Change in unrealized loss, net of tax of \$6.4	—	—	—	—	18.5	18.5
Change in pension liability adjustment, net of tax of \$1.3	—	—	—	—	3.9	3.9
Balance as of March 31, 2025	160.0	\$ 1.6	\$3,391.4	\$ (351.3)	\$ (449.6)	\$ 2,592.1
Net income	—	—	—	21.3	—	21.3
Issuance of common stock under share-based compensation plans	0.2	—	4.5	—	—	4.5
Taxes paid related to the net share settlement of equity awards	—	—	(1.4)	—	—	(1.4)
Repurchases of common stock	(0.4)	—	—	(20.8)	—	(20.8)
Share-based compensation	—	—	43.1	—	—	43.1
Foreign currency translation	—	—	—	—	54.7	54.7
Change in unrealized loss, net of tax of \$2.0	—	—	—	—	5.5	5.5
Change in pension liability adjustment, net of tax of \$1.2	—	—	—	—	3.3	3.3
Balance as of June 30, 2025	159.8	\$ 1.6	\$3,437.6	\$ (350.8)	\$ (386.1)	\$ 2,702.3
Net loss	—	—	—	(196.8)	—	(196.8)
Issuance of common stock under share-based compensation plans	0.4	—	13.6	—	—	13.6
Taxes paid related to the net share settlement of equity awards	—	—	(0.5)	—	—	(0.5)
Repurchases of common stock	(0.2)	—	—	(8.7)	—	(8.7)
Share-based compensation	—	—	39.6	—	—	39.6
Foreign currency translation	—	—	—	—	(7.9)	(7.9)
Change in unrealized loss, net of tax of \$2.9	—	—	—	—	8.2	8.2
Change in pension liability adjustment, net of tax of \$46.3	—	—	—	—	144.9	144.9
Balance as of September 30, 2025	160.0	\$ 1.6	\$3,490.3	\$ (556.3)	\$ (240.9)	\$ 2,694.7

	Common Stock		Additional	Accumulated	Accumulated	Total
	Shares	\$	Paid In	Deficit	Other	Stockholders'
(In millions)			Capital		Comprehensive	Equity
Balance as of December 31, 2023	156.3	\$ 1.6	\$3,151.1	\$ (317.8)	\$ (436.7)	\$ 2,398.2
Net income	—	—	—	7.1	—	7.1
Issuance of common stock under share-based compensation plans	1.6	—	21.7	—	—	21.7
Taxes paid related to the net share settlement of equity awards	—	—	(6.4)	—	—	(6.4)
Share-based compensation	—	—	38.0	—	—	38.0
Foreign currency translation	—	—	—	—	(22.7)	(22.7)
Change in unrealized loss, net of tax of (\$1.9)	—	—	—	—	(5.5)	(5.5)
Change in pension liability adjustment, net of tax of \$0.8	—	—	—	—	2.4	2.4
Balance as of March 31, 2024	157.9	\$ 1.6	\$3,204.4	\$ (310.7)	\$ (462.5)	\$ 2,432.8
Net loss	—	—	—	(1.8)	—	(1.8)
Issuance of common stock under share-based compensation plans	1.9	—	5.7	—	—	5.7
Taxes paid related to the net share settlement of equity awards	—	—	(4.2)	—	—	(4.2)
Share-based compensation	—	—	40.8	—	—	40.8
Foreign currency translation	—	—	—	—	(4.8)	(4.8)
Change in unrealized loss, net of tax of \$1.9	—	—	—	—	5.2	5.2
Change in pension liability adjustment, net of tax of \$0.7	—	—	—	—	2.1	2.1
Balance as of June 30, 2024	159.8	\$ 1.6	\$3,246.7	\$ (312.5)	\$ (460.0)	\$ 2,475.8
Net income	—	—	—	2.0	—	2.0
Issuance of common stock under share-based compensation plans	(1.5)	—	5.3	—	—	5.3
Taxes paid related to the net share settlement of equity awards	—	—	(0.1)	—	—	(0.1)
Repurchases of common stock	(0.5)	—	—	(30.0)	—	(30.0)
Share-based compensation	—	—	39.6	—	—	39.6
Foreign currency translation	—	—	—	—	18.1	18.1
Change in unrealized loss, net of tax of \$15.4	—	—	—	—	43.2	43.2
Change in pension liability adjustment, net of tax of \$0.7	—	—	—	—	2.1	2.1
Balance as of September 30, 2024	157.8	\$ 1.6	\$3,291.5	\$ (340.5)	\$ (396.6)	\$ 2,556.0

See accompanying notes to condensed consolidated financial statements.

Dayforce, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2025	2024
(In millions)		
Cash flows from operating activities		
Net (loss) income	\$ (160.6)	\$ 7.3
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Deferred income tax benefit	(32.2)	(27.5)
Depreciation and amortization	151.4	151.5
Amortization of debt issuance costs and debt discount	3.4	3.2
Loss on debt extinguishment	—	4.3
Provision for doubtful accounts	8.5	4.7
Net periodic pension and postretirement cost	186.7	7.6
Share-based compensation expense	139.1	118.4
Change in fair value of contingent consideration	—	9.0
Other	(0.2)	(1.2)
Changes in operating assets and liabilities, excluding effects of acquisitions:		
Trade and other receivables	(72.2)	(26.2)
Prepaid expenses and other current assets	(17.1)	(4.5)
Deferred sales commissions	(27.0)	(22.9)
Accounts payable and other accrued expenses	9.1	5.9
Deferred revenue	(5.0)	(6.5)
Employee compensation and benefits	(19.3)	(16.1)
Accrued taxes	44.6	22.5
Payment of contingent consideration	—	(20.9)
Other assets and liabilities	(15.7)	(8.5)
Net cash provided by operating activities	193.5	200.1
Cash flows from investing activities		
Purchases of customer funds marketable securities	(555.8)	(483.2)
Proceeds from sale and maturity of customer funds marketable securities	342.8	283.4
Purchases of marketable securities	(3.7)	(10.0)
Proceeds from sale and maturity of marketable securities	11.5	7.6
Expenditures for property, plant, and equipment	(9.9)	(8.7)
Expenditures for software and technology	(72.0)	(74.1)
Acquisition costs, net of cash acquired	(5.5)	(173.1)
Net cash used in investing activities	(292.6)	(458.1)
Cash flows from financing activities		
Decrease in customer funds obligations, net	(659.6)	(1,049.9)
Proceeds from issuance of common stock under share-based compensation plans	22.5	32.7
Taxes paid related to the net share settlement of awards under share-based compensation plans	(19.0)	(10.7)
Repurchases of common stock	(59.9)	(28.8)
Proceeds from debt issuance	—	650.0
Repayment of long-term debt obligations	(5.5)	(646.5)
Payment of debt refinancing costs	(1.2)	(11.4)
Payment of contingent consideration	—	(3.0)
Net cash used in financing activities	(722.7)	(1,067.6)
Effect of exchange rate changes on cash, restricted cash, and equivalents	12.6	(18.2)
Net decrease in cash, restricted cash, and equivalents	(809.2)	(1,343.8)
Cash, restricted cash, and equivalents at beginning of period	3,253.9	3,421.4
Cash, restricted cash, and equivalents at end of period	<u>\$ 2,444.7</u>	<u>\$ 2,077.6</u>
Reconciliation of cash, restricted cash, and equivalents to the condensed consolidated balance sheets		
Cash and equivalents	\$ 627.6	\$ 494.1
Restricted cash and equivalents included in customer funds	1,817.1	1,583.5
Total cash, restricted cash, and equivalents	<u>\$ 2,444.7</u>	<u>\$ 2,077.6</u>

See accompanying notes to condensed consolidated financial statements.

Dayforce, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Organization

Dayforce, Inc. and its direct and indirect subsidiaries (also referred to in this report as “we,” “our,” “us,” or the “Company”) offer a broad range of services and software designed to help employers more effectively manage employment processes, such as payroll, payroll-related tax filing, human resource information systems, employee self-service, time and labor management, employee assistance programs, and recruitment and applicant screening. Our technology-based services are typically provided through long-term customer relationships that result in a high level of recurring revenue. While we operate in 19 countries globally, our operations are primarily located in the United States and Canada.

Pending Transaction with Thoma Bravo

On August 20, 2025, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) under which, on the terms and subject to the conditions thereof, certain affiliates of Thoma Bravo, L.P. (“Thoma Bravo”) will acquire Dayforce for \$70.00 in cash per share of Dayforce common stock for a total enterprise value of approximately \$12.3 billion, and Dayforce will become a privately-held company. We expect to complete the transaction, which we refer to herein as the “Thoma Bravo Transaction,” in late 2025 or early 2026, subject to fulfillment of customary closing conditions, including approval of Dayforce stockholders and receipt of required regulatory approvals.

At the effective time (the “Effective Time”) of the Thoma Bravo Transaction, each issued and outstanding share of Dayforce common stock, par value \$0.01 per share, as of immediately prior to the Effective Time (other than certain excluded shares) will be converted into the right to receive \$70.00 in cash, without interest (the “Merger Consideration”). Also at the Effective Time, (1) each vested Dayforce stock option with an exercise price less than the Merger Consideration will be converted into the right to receive a cash payment based on the Merger Consideration and the applicable exercise price, (2) each vested Dayforce restricted stock unit (“RSU”), each Dayforce RSU held by a non-employee director (whether or not vested) and vested Dayforce performance-based restricted stock unit (“PSU”) will be converted into the right to receive a cash payment based on the Merger Consideration, and (3) each other unvested Dayforce RSU and unvested Dayforce PSU will be converted into an award representing the right to receive a cash payment based on the Merger Consideration (or for holders who are residents of Canada, or other non-U.S. jurisdictions and who are otherwise jointly designated by the Company and Dawn Bidco, LLC (“Parent”), where the conversion to a cash award would result in adverse tax consequences on such holders, a right to receive shares of non-voting preferred stock in a direct or indirect sole equity-holder of Parent with a fixed value per share equal to the merger consideration), which award will be subject to the same terms and conditions that applied to the corresponding Dayforce awards immediately prior to the Effective Time (except that any performance conditions will be deemed achieved at 100% of target performance levels and subject to other specified exceptions). Each unvested Dayforce stock option, and each Dayforce stock option with an exercise price equal to or greater than the Merger Consideration, will be cancelled without consideration.

In connection with the Thoma Bravo Transaction, we incurred non-recurring acquisition and transaction fees of \$22.2 million for the three and nine months ended September 30, 2025, which are included in general and administrative in the condensed consolidated statements of operations. These costs primarily included legal and advisory fees, and other acquisition-related costs.

Additional information on the Thoma Bravo Transaction is set forth in this Form 10-Q in Part I, Item 2, [“Management’s Discussion and Analysis of Financial Condition and Results of Operations”](#) and Part II, Item 1A, [“Risk Factors.”](#)

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information. Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and notes required by GAAP for complete financial statements. The accounting policies we follow are set forth in Part II, Item 8, Note 2, “Summary of Significant Accounting Policies,” to our audited consolidated financial statements in our [2024 Form 10-K](#). The following notes should be read in conjunction with these policies and other disclosures in our 2024 Form 10-K.

In the opinion of management, the unaudited condensed consolidated financial statements contained herein reflect all adjustments (consisting only of normal recurring adjustments, except as set forth in these notes to the condensed consolidated financial statements) necessary to present fairly in all material respects the financial position, results of operations, comprehensive (loss) income, and cash flows from all periods presented. Interim results are not necessarily indicative of results for a full year.

Recently Issued Accounting Pronouncements from the Financial Accounting Standards Board

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”), which requires the disaggregation of certain expenses in the notes of the financial statements, to provide enhanced transparency into the expense captions presented on the condensed consolidated statements of operations. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027 and may be applied either prospectively or retrospectively. We are currently evaluating the impact that ASU 2024-03 will have on our condensed consolidated financial statements and related disclosures, including the adoption date and transition method.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) – Improvements to Income Tax Disclosures*, which requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendment is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the presentational impact that this ASU will have on our condensed consolidated financial statements.

Segment Information

We operate as a single reporting unit, a single operating segment and a single reporting segment. Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and assessing performance. Our CODM is our chief executive officer (“CEO”). Our CODM uses operating profit as the measure of segment profitability to assess performance.

In addition to the information contained in the condensed consolidated statements of operations, the significant segment expense category regularly provided to the CODM is labor and benefits. Both operating profit and labor and benefits expense are used to monitor budget versus actual results to assess performance of the segment. The labor and benefits expense information provided to the CODM primarily consists of base salaries and wages, payroll taxes, healthcare and insurance benefits, and retirement benefits. Expenses related to share-based compensation, incentive compensation, commissions, and external consulting and contract labor are excluded.

The following table sets forth our segment information of revenue, expenses, and operating profit:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Revenue	\$ 481.6	\$ 440.0	\$ 1,428.1	\$ 1,294.8
Labor and benefits	178.4	181.4	536.2	534.7
Other expenses	272.7	237.8	788.1	684.5
Operating profit	<u>\$ 30.5</u>	<u>\$ 20.8</u>	<u>\$ 103.8</u>	<u>\$ 75.6</u>

Other Expense (Income), Net

Our other expense (income), net consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)			
Net periodic pension and postretirement costs	\$ 177.1	\$ 2.5	\$ 186.7	\$ 7.6
Other income	(0.4)	(8.8)	(9.1)	(1.9)
Other expense (income), net	<u>\$ 176.7</u>	<u>\$ (6.3)</u>	<u>\$ 177.6</u>	<u>\$ 5.7</u>

Reclassifications

Beginning in 2025, we have reclassified depreciation and amortization in our condensed consolidated statements of operations into a single financial statement line item. We made this change to enhance comparability with our peers and to better align reporting with how management assesses performance. Application of this change is being made on a retrospective basis. The following presents the line items in which depreciation and amortization were previously included for the periods presented:

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
	(In millions)	
Cost of revenue	\$ 20.8	\$ 58.6
Selling and marketing	0.6	1.9
General and administrative	30.7	91.0
Total depreciation and amortization	<u>\$ 52.1</u>	<u>\$ 151.5</u>

Efficiency Plan

On February 26, 2025, we announced an efficiency plan which included a reduction of approximately 5% of our workforce. The headcount reduction was substantially completed by March 31, 2025. In connection with this plan, we incurred non-recurring restructuring charges in the nine months ended September 30, 2025 of approximately \$31.9 million, including severance payments, employee benefits and related costs, and non-cash charges for share-based compensation. No charges were incurred during the three months ended September 30, 2025. These charges were recorded in all line items in costs and expenses in the condensed consolidated statements of operations, excluding depreciation and amortization. For the nine months ended September 30, 2025, there were \$29.1 million of restructuring charges paid or otherwise settled. As of September 30, 2025, the liability associated with this plan was \$2.8 million.

3. Fair Value Measurements

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

	September 30, 2025			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets				
Available for sale customer funds assets	\$ —	\$ 2,616.7 (a)	\$ —	\$ 2,616.7
Total assets measured at fair value	<u>\$ —</u>	<u>\$ 2,616.7</u>	<u>\$ —</u>	<u>\$ 2,616.7</u>
	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets				
Available for sale customer funds assets	\$ —	\$ 2,327.3 (a)	\$ —	\$ 2,327.3
Total assets measured at fair value	<u>\$ —</u>	<u>\$ 2,327.3</u>	<u>\$ —</u>	<u>\$ 2,327.3</u>

(a) Fair value is based on inputs that are observable for the asset or liability, other than quoted prices.

Financial Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

During the nine months ended September 30, 2025 and the year ended December 31, 2024, assets acquired and liabilities assumed as part of a business combination, and liabilities recognized as a part of a debt issuance, were measured at fair value on a nonrecurring basis.

4. Customer Funds

Overview

In certain jurisdictions, we collect funds for payment of payroll and taxes; temporarily hold such funds until payment is due; remit the funds to the customers' employees and appropriate taxing authorities; file federal, state, and local tax returns; and handle related regulatory correspondence and amendments. The customer assets are held in segregated accounts intended for the specific purpose of satisfying customer funding obligations and therefore are not freely available for our general business use. In the U.S. and Canada, these customer funds are held in trusts.

Our customer funds are held and invested with the primary objectives being to protect the principal balance and to ensure adequate liquidity to meet cash flow requirements. Accordingly, we maintain on average approximately 45% to 55% of customer funds in liquidity portfolios with maturities ranging from one to 120 days, consisting of high-quality bank deposits, money market mutual funds, commercial paper, or collateralized short-term investments; and we maintain on average approximately 45% to 55% of customer funds in fixed income portfolios with maturities ranging from 120 days to 10 years, consisting of U.S. Treasury and agency securities, Canada government and provincial securities, as well as highly rated asset-backed, mortgage-backed, municipal, corporate, and bank securities. To maintain sufficient liquidity to meet payment obligations, we also have financing arrangements and may pledge fixed income securities for short-term financing.

Financial Statement Presentation

Investment income from invested customer funds, also referred to as float revenue or float, is a component of our compensation for providing services under agreements with our customers. Investment income from invested customer funds included in recurring revenue was \$42.2 million and \$45.6 million for the three months ended September 30, 2025, and 2024, respectively, and \$144.9 million and \$155.2 million for the nine months ended September 30, 2025, and 2024, respectively. Investment income includes interest income, realized gains and losses from sales of customer funds' investments, and unrealized credit losses determined to be unrecoverable.

The amortized cost of customer funds as of September 30, 2025, and December 31, 2024, is the original cost of assets acquired. The amortized cost and fair values of investments of customer funds available for sale were as follows:

		September 30, 2025		
	Amortized	Gross Unrealized		Fair
	Cost	Gain	Loss	Value
	(In millions)			
Money market securities, investments carried at cost and other cash equivalents	\$ 1,786.0	\$ —	\$ —	\$ 1,786.0
Available for sale investments:				
U.S. government and agency securities	873.1	6.2	(11.0)	868.3
Canadian and provincial government securities	493.0	6.7	(1.2)	498.5
Corporate debt securities	818.1	14.7	(1.8)	831.0
Asset-backed securities	226.9	3.0	(0.2)	229.7
Mortgage-backed securities	123.7	2.0	(0.4)	125.3
Other securities	63.5	0.4	—	63.9
Total available for sale investments	2,598.3	33.0	(14.6)	2,616.7
Invested customer funds	4,384.3	\$ 33.0	\$ (14.6)	4,402.7
Receivables	31.1			31.1
Total customer funds	\$ 4,415.4			\$ 4,433.8

	December 31, 2024			
	Amortized	Gross Unrealized		Fair
	Cost	Gain	Loss	Value
	(In millions)			
Money market securities, investments carried at cost and other cash equivalents	\$ 2,650.9	\$ —	\$ —	\$ 2,650.9
Available for sale investments:				
U.S. government and agency securities	818.3	0.5	(27.1)	791.7
Canadian and provincial government securities	449.2	4.6	(3.6)	450.2
Corporate debt securities	734.7	7.7	(7.0)	735.4
Asset-backed securities	202.9	1.9	(0.6)	204.2
Mortgage-backed securities	83.5	0.1	(1.3)	82.3
Other securities	64.3	0.1	(0.9)	63.5
Total available for sale investments	2,352.9	14.9	(40.5)	2,327.3
Invested customer funds	5,003.8	\$ 14.9	\$ (40.5)	4,978.2
Receivables	23.3			23.3
Total customer funds	\$ 5,027.1			\$ 5,001.5

The following represents the gross unrealized losses and the related fair value of the investments of customer funds available for sale, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	September 30, 2025					
	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
	(In millions)					
U.S. government and agency securities	\$ (0.1)	\$ 9.1	\$ (10.9)	\$ 403.9	\$ (11.0)	\$ 413.0
Canadian and provincial government securities	—	—	(1.2)	156.2	(1.2)	156.2
Corporate debt securities	—	12.2	(1.8)	224.3	(1.8)	236.5
Asset-backed securities	—	3.5	(0.2)	21.6	(0.2)	25.1
Mortgage-backed securities	(0.2)	17.8	(0.2)	6.8	(0.4)	24.6
Other securities	—	2.0	—	14.4	—	16.4
Total available for sale investments	\$ (0.3)	\$ 44.6	\$ (14.3)	\$ 827.2	\$ (14.6)	\$ 871.8

Management does not believe that any individual unrealized loss was unrecoverable as of September 30, 2025. The unrealized losses are primarily attributable to changes in interest rates and not to credit deterioration. We currently do not intend to sell or expect to be required to sell the securities before the time required to recover the amortized cost.

The amortized cost and fair value of investment securities available for sale at September 30, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or to prepay obligations with or without call or prepayment penalties.

	September 30, 2025	
	Cost	Fair Value
	(In millions)	
Due in one year or less	\$ 2,310.4	\$ 2,306.7
Due in one to three years	848.4	848.5
Due in three to five years	744.3	759.1
Due after five years	481.2	488.4
Invested customer funds	\$ 4,384.3	\$ 4,402.7

5. Trade and Other Receivables, Net

	September 30, 2025	December 31, 2024
	(In millions)	
Trade receivables from customers	\$ 268.0	\$ 226.9
Interest receivable from invested customer funds	15.3	16.8
Dayforce Wallet on-demand pay receivables	3.2	9.5
Other (a)	58.7	34.4
Total gross receivables	345.2	287.6
Less: reserve for sales adjustments and allowance for doubtful accounts	(20.1)	(22.8)
Trade and other receivables, net	\$ 325.1	\$ 264.8

- (a) Other includes short-term investments not classified as cash equivalents, lease receivables, receivables from government agencies, and other current receivables.

Receivables Securitization Program

We are party to a receivables securitization program (the "Receivables Securitization Program") with MUFG Bank, Ltd. ("MUFG"), under which MUFG acts as an agent to facilitate the sale of certain Dayforce receivables (the "Receivables") to certain investors unaffiliated with Dayforce (the "Purchasers"). The sale of these Receivables to the Purchasers is accounted for as a sale of assets under Accounting Standards Codification ("ASC") 860, *Transfers and Servicing*, and as such the Receivables are derecognized from our condensed consolidated balance sheets. We continue to service any Receivables sold to the Purchasers. In connection with the Receivables Securitization Program, we sell certain trade and other receivables to special purpose entities (the "SPEs"), which are wholly-owned by Dayforce, which in turn sell a portion of these receivables to the Purchasers on a monthly basis. Per the terms of the Receivables Purchase Agreement between us and MUFG entered into in connection with the Receivables Securitization Program, we may have a maximum of \$150.0 million of accounts receivable sold to the Purchasers outstanding at any point in time. The portion of the receivables held by the SPEs, but not sold to the Purchasers, serve as collateral to the Purchasers on the sold Receivables, and are considered restricted accounts receivable. Cash receipts from the sale of Receivables to the Purchasers are reflected in net cash provided by operating activities in the condensed consolidated statements of cash flows.

As of September 30, 2025, there was \$248.1 million of restricted accounts receivable held by the SPEs that is reported within trade and other receivables, net on our condensed consolidated balance sheets. Of the Receivables sold to the Purchasers since the inception of the Receivables Securitization Program, \$73.6 million remained outstanding as of September 30, 2025.

6. Goodwill and Other Intangible Assets, Net

Goodwill

Our goodwill balance was \$2,384.9 million and \$2,336.7 million as of September 30, 2025 and December 31, 2024, respectively. The change in goodwill consists of an increase of \$8.0 million due to an acquisition and an increase of \$40.2 million due to fluctuations in foreign currency exchange rates.

Other Intangible Assets, Net

September 30, 2025				
	Gross Carrying Amount	Accumulated Amortization (In millions)	Net	Weighted Average Remaining Amortization Period (In years)
Amortized - definite lived:				
Customer lists and relationships	\$ 298.2	\$ (250.6)	\$ 47.6	5.4
Trade name	177.2	(177.2)	—	—
Technology	316.2	(238.5)	77.7	4.9
Total definite lived intangible assets	\$ 791.6	\$ (666.3)	\$ 125.3	5.0
Unamortized - indefinite lived:				
Trade name	6.2	(1.9)	4.3	n/a
Total other intangible assets	\$ 797.8	\$ (668.2)	\$ 129.6	n/a
December 31, 2024				
	Gross Carrying Amount	Accumulated Amortization (In millions)	Net	Weighted Average Remaining Amortization Period (In years)
Amortized - definite lived:				
Customer lists and relationships	\$ 291.1	\$ (239.8)	\$ 51.3	6.2
Trade name	176.4	(127.3)	49.1	0.6
Technology	300.3	(215.7)	84.6	5.3
Total definite lived intangible assets	\$ 767.8	\$ (582.8)	\$ 185.0	4.2
Unamortized - indefinite lived:				
Trade name	6.0	(1.8)	4.2	n/a
Total other intangible assets	\$ 773.8	\$ (584.6)	\$ 189.2	n/a

Amortization expense related to definite lived intangible assets was \$16.1 million and \$29.6 million for the three months ended September 30, 2025, and 2024, respectively, and \$75.9 million and \$87.5 million for the nine months ended September 30, 2025, and 2024, respectively.

7. Debt

Overview

Our debt obligations consisted of the following:

	September 30, 2025	December 31, 2024
	(In millions)	
Term Debt, interest rate of 6.3% and 7.1%, respectively	\$ 641.9	\$ 646.8
Revolving Credit Facility (\$350.0 million available capacity less \$0.4 million and \$0.2 million reserved for letters of credit, respectively)	—	—
Convertible Senior Notes, interest rate of 0.25%	575.0	575.0
Line of Credit (\$0.3 million and \$0.9 million letter of credit capacity, respectively, which were fully utilized)	—	—
Financing lease liabilities	6.0	6.5
Total debt	1,222.9	1,228.3
Less unamortized debt issuance costs and discount	9.5	11.9
Less current portion of long-term debt	582.3	7.3
Long-term debt, less current portion	\$ 631.1	\$ 1,209.1

Accrued interest and fees related to the debt obligations was \$7.3 million and \$8.6 million as of September 30, 2025 and December 31, 2024, respectively, and is included within other accrued expenses in our condensed consolidated balance sheets.

Senior Secured Credit Facility

On February 29, 2024, we completed the refinancing of our debt by entering into a new credit agreement, which was subsequently amended on February 14, 2025 (the "Credit Agreement") to effect a refinancing. Pursuant to the terms of the Credit Agreement, we became the borrower of (i) a \$650.0 million senior secured term loan facility (the "Term Debt") and (ii) a \$350.0 million senior secured revolving credit facility (the "Revolving Credit Facility", and collectively, with the Term Debt, the "Senior Secured Credit Facility"). The Term Debt and the Revolving Credit Facility will mature on March 1, 2031 and March 1, 2029, respectively. Our obligations under the Senior Secured Credit Facility are secured by a lien on substantially all of our assets, as well as guarantees and pledged assets by our domestic subsidiaries, subject to certain exceptions.

The Term Debt is subject to amortization of principal, payable in equal quarterly installments on the last day of each fiscal quarter, commencing on September 30, 2024, with 0.25% of the aggregate principal amount of all initial term loans outstanding at closing to be payable each quarter prior to the maturity date of the Term Debt. The remaining initial aggregate principal amount will be payable at the maturity date of the Term Debt. The Term Debt bears interest at rates based upon, at our option, either (i) a base rate plus an applicable percentage of 1.0% or (ii) a term Secured Overnight Financing Rate ("SOFR") plus an applicable percentage of 2.0%.

The Revolving Credit Facility bears interest at rates based upon, at our option, either (i) the base rate or the Canadian prime rate, as applicable, plus an applicable percentage of between 1.0% and 1.5% per annum, depending on our consolidated first lien leverage ratio or (ii) the term SOFR or the Canadian Overnight Repo Rate Average ("CORRA") rate plus an applicable percentage of between 2.25% and 2.75% per annum, depending on our consolidated first lien leverage ratio. The February 2025 amendment to the Senior Secured Credit Facility reduced the base rate applicable percentage to between 1.0% and 1.5%, and reduced the SOFR applicable percentage to between 2.0% and 2.5%.

In connection with the refinancing of our debt in February 2024, we capitalized \$7.5 million of additional financing costs and recognized a loss on debt extinguishment of \$4.3 million within interest expense, net in our condensed consolidated statements of operations for the nine months ended September 30, 2024.

The Senior Secured Credit Facility documents contain a requirement that we maintain a ratio of first lien net leverage to Credit Facility EBITDA below specified levels on a quarterly basis; however, such requirement is applicable only if more than 35% of the Revolving Credit Facility is utilized. As of September 30, 2025, no portion of the available capacity of the Revolving Credit Facility was drawn.

Convertible Senior Notes

In March 2021, we issued \$575.0 million in aggregate principal amount of 0.25% Convertible Senior Notes due March 2026 in a private offering to qualified institutional buyers pursuant to Rule 144A promulgated under the Securities Act, and pursuant to exemptions from the prospectus requirements of applicable Canadian securities laws, including the exercise in full by the initial purchasers of their option to purchase an additional \$75.0 million in aggregate principal amount of 0.25% Convertible Senior Notes due 2026 (collectively, the "Convertible Senior Notes"). The Convertible Senior Notes bear interest at a rate of 0.25% per year and interest is payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2021. The Convertible Senior Notes mature on March 15, 2026, unless earlier converted, redeemed, or repurchased. The total net proceeds from the offering, after deducting initial purchase discounts and other debt issuance costs, were \$561.8 million.

The following table presents details of the Convertible Senior Notes:

	<u>Initial Conversion Rate per \$1,000 Principal</u>	<u>Initial Conversion Price per Share</u>
Convertible Senior Notes	7.5641 shares	\$ 132.20

The Convertible Senior Notes will be convertible at the option of the holders at any time only under certain circumstances as outlined in Part II, Item 8, Note 10, “Debt,” to our audited consolidated financial statements in our [2024 Form 10-K](#). The conditions allowing holders of the Convertible Senior Notes to convert have not been met and therefore were not convertible as of September 30, 2025.

On December 30, 2021, we notified the holders of the Convertible Senior Notes of our irrevocable election to settle the conversion obligation in connection with the Convertible Senior Notes submitted for conversion on or after January 1, 2022, or at maturity with a combination of cash and shares of our common stock. Generally, under this settlement method, the conversion value will be settled in cash in an amount no less than the principal amount being converted, and any excess of the conversion value over the principal amount will be settled, at our election, in cash or shares of common stock.

The Convertible Senior Notes are accounted for as a single liability, and the carrying amount of the Convertible Senior Notes was \$573.5 million as of September 30, 2025, with principal of \$575.0 million, net of issuance costs of \$1.5 million. The Convertible Senior Notes are included within current portion of long-term debt in our condensed consolidated balance sheets as of September 30, 2025. The issuance costs related to the Convertible Senior Notes are being amortized to interest expense over the contractual term of the Convertible Senior Notes at an effective interest rate of 5.1%.

Interest expense recognized related to the Convertible Senior Notes was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In millions)			
Contractual interest expense	\$ 0.4	\$ 0.4	\$ 1.1	\$ 1.1
Amortization of debt issuance costs	0.8	0.7	2.3	2.2
Total	<u>\$ 1.2</u>	<u>\$ 1.1</u>	<u>\$ 3.4</u>	<u>\$ 3.3</u>

Capped Calls

In March 2021, in connection with the pricing of the Convertible Senior Notes, we entered into capped call transactions with the option counterparties (the “Capped Calls”). The Capped Calls each have an initial strike price of \$132.20 per share, and an initial cap price of \$179.26 per share, both subject to certain adjustments. The capped call transactions are generally expected to reduce potential dilution to our common stock upon any conversion of the Convertible Senior Notes and/or offset any potential cash payments we would be required to make in excess of the principal amount of converted Convertible Senior Notes, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. For accounting purposes, the Capped Calls are separate transactions, and not part of the terms of the Convertible Senior Notes. As the Capped Calls qualify for a scope exception from derivative accounting for instruments that are both indexed to the issuer's own stock and classified in stockholder's equity in our condensed consolidated balance sheets, we have recorded an amount of \$33.0 million as a reduction to additional paid-in capital which will not be remeasured. This represents the premium of \$45.0 million paid for the purchase of the Capped Calls, net of the deferred tax impact of \$12.0 million.

Future Payments and Maturities of Debt

The future principal payments and maturities of our indebtedness, excluding financing lease obligations, are as follows:

Years Ending December 31,	Amount (In millions)
2025	\$ 1.6
2026	581.5
2027	6.5
2028	6.5
2029	6.5
Thereafter	614.3
	<u>\$ 1,216.9</u>

Fair Value of Debt

Our debt does not trade in active markets and was considered to be a Level 2 measurement at September 30, 2025. The fair value of the Term Debt was based on the borrowing rates currently available to us for bank loans with similar terms, maturities, and volumes as our debt. The fair value of the Convertible Senior Notes was determined based on the closing trading price per \$1,000 of the Convertible Senior Notes as of the last day of trading for the period and is primarily affected by the trading price of our common stock and market interest rates. The fair value of our debt was estimated to be \$1.20 billion as of September 30, 2025 and December 31, 2024.

8. Employee Benefit Plans

Our benefit plans include defined contribution plans for the majority of our employees.

We also maintain defined benefit pension plans covering certain of our current and former U.S. employees (the U.S. pension plan and nonqualified defined benefit plan, collectively referred to as our “defined benefit plans”), as well as a postretirement benefit plan for certain U.S. retired employees that include health care and life insurance benefits.

The U.S. defined benefit plans were terminated with an effective date of September 30, 2024. In the third quarter of 2025, we settled the majority of future obligations under our U.S. pension plan through a combination of lump sum payments to eligible, electing participants and the transfer of any remaining benefits to a third-party insurance company through a group annuity contract. The partial plan termination was funded with plan assets of approximately \$299 million. In connection with the plan termination, a non-cash loss of \$172.1 million was recorded to other expense (income), net in the condensed consolidated statements of operations for the three and nine months ended September 30, 2025. During the fourth quarter of 2025, we expect to finalize the group annuity purchase in connection with the termination of our U.S. pension plan. The transaction is expected to be funded with approximately \$14 million of plan assets and \$5 million of cash, and we anticipate incurring an additional settlement loss of approximately \$11 million.

We are in the process of finalizing the wind down of the nonqualified defined benefit plan, which includes transferring the associated liabilities to an insurance company, which we expect will be completed in 2025. These steps include settling all future obligations under our nonqualified defined benefit plan through a combination of lump sum payments to eligible, electing participants and the transfer of any remaining benefits to a third-party insurance company through a group annuity contract.

The components of net periodic cost (gain) for our defined benefit pension plans and for our postretirement benefit plan are included in the following tables:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In millions)			
Interest cost	\$ 5.8	\$ 4.0	\$ 17.2	\$ 12.2
Loss on partial settlement of plan termination	172.1	—	172.1	—
Actuarial loss amortization	5.1	3.4	15.1	10.0
Less: Expected return on plan assets	(5.5)	(4.5)	(16.5)	(13.3)
Net periodic pension cost	<u>\$ 177.5</u>	<u>\$ 2.9</u>	<u>\$ 187.9</u>	<u>\$ 8.9</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In millions)			
Interest cost	\$ 0.1	\$ 0.1	\$ 0.3	\$ 0.3
Actuarial gain amortization	(0.5)	(0.5)	(1.5)	(1.6)
Net periodic postretirement benefit gain	<u>\$ (0.4)</u>	<u>\$ (0.4)</u>	<u>\$ (1.2)</u>	<u>\$ (1.3)</u>

9. Share-Based Compensation

Our share-based compensation consists of stock options, RSUs, and PSUs, and is used to compensate certain employees and non-employee directors. We also offer an employee stock purchase plan to eligible employees.

As of September 30, 2025, there were 11.4 million stock options, RSUs, and PSUs outstanding and 7.3 million shares available for grant under approved equity compensation plans.

Total share-based compensation expense was \$44.8 million and \$39.6 million for the three months ended September 30, 2025, and 2024, respectively, and \$139.1 million and \$118.4 million for the nine months ended September 30, 2025, and 2024, respectively. As of September 30, 2025, there was \$226.5 million of share-based compensation expense related to unvested share-based equity awards not yet recognized, which is expected to be recognized over a weighted average period of 2.1 years.

Performance-Based Stock Options

	Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2024	1,729,781	\$ 65.26	5.4	\$ 12.8
Granted	—	—	—	—
Exercised	(68,829)	(65.26)	—	—
Forfeited or expired	(750,000)	(65.26)	—	—
Outstanding at September 30, 2025	910,952	\$ 65.26	4.6	\$ 3.3
Exercisable at September 30, 2025	910,952	\$ 65.26	4.6	\$ 3.3

Performance Stock Units

	Shares
Outstanding at December 31, 2024	1,091,885
Granted	586,516
Vested and released	(450,957)
Forfeited or canceled	(66,021)
Outstanding at September 30, 2025	1,161,423

Term-Based Stock Options

	Shares	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2024	4,477,645	\$ 56.53	4.7	\$ 79.7
Granted	—	—	—	—
Exercised	(177,733)	(43.74)	—	—
Forfeited or expired	(48,809)	(66.43)	—	—
Outstanding at September 30, 2025	4,251,103	\$ 56.96	4.0	\$ 60.7
Exercisable at September 30, 2025	4,249,512	\$ 56.95	4.0	\$ 60.7

For most term-based stock options, we estimated an expected term of 7.0 years, based on the vesting period and contractual life.

Restricted Stock Units

	Shares
Outstanding at December 31, 2024	4,110,131
Granted	2,669,269
Vested and released	(1,477,012)
Forfeited or canceled	(196,509)
Outstanding at September 30, 2025	5,105,879

Global Employee Stock Purchase Plan

	Shares Issued	Purchase Price (per share)
March 31, 2025	69,467	\$ 49.58
June 30, 2025	67,285	\$ 47.08
September 30, 2025	57,114	\$ 58.56

A total of 1.0 million shares of common stock were available for future issuances under the plan as of September 30, 2025. Pursuant and subject to the terms of the Merger Agreement, during the pendency of the Merger Agreement, we may not make any purchases under the global employee stock purchase plan.

10. Revenue and Revenue-Related Activity

Disaggregation of Revenue

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In millions)			
Revenue:				
Recurring services:				
Dayforce recurring	\$ 333.0	\$ 292.0	\$ 971.6	\$ 852.1
Powerpay recurring	19.7	20.2	58.6	60.6
Other recurring	8.2	18.1	31.6	55.7
Float	42.2	45.6	144.9	155.2
Total recurring services	403.1	375.9	1,206.7	1,123.6
Professional services	78.5	64.1	221.4	171.2
Total revenue	\$ 481.6	\$ 440.0	\$ 1,428.1	\$ 1,294.8

Prior year amounts presented in the table above have been reclassified to conform to the current year presentation. The presentation was changed to enhance comparability with our peers and to better align reporting with how management assesses performance.

Contract Balances

In accordance with ASC 606, a contract asset is generally recorded when revenue recognized for professional service performance obligations exceed the contractual amount of billings for implementation related professional services. Additions to contract assets generally represent increases to professional services revenues, and reductions to contract assets generally represent reductions to recurring services revenue during the initial contract term. Contract assets expected to be recognized in revenue within twelve months are included within prepaid expenses and other current assets, with the remaining contract assets included within other assets on our condensed consolidated balance sheets.

	Nine Months Ended September 30,	
	2025	2024
	(In millions)	
Contract assets, beginning of period	\$ 100.2	\$ 89.0
Additions	82.7	73.4
Reductions	(70.9)	(63.8)
Foreign currency translation	1.9	0.3
Contract assets, end of period	<u>\$ 113.9</u>	<u>\$ 98.9</u>

Deferred Revenue

Deferred revenue primarily consists of payments received in advance of revenue recognition.

	Nine Months Ended September 30,	
	2025	2024
	(In millions)	
Deferred revenue, beginning of period	\$ 42.3	\$ 40.2
New billings	1,021.8	650.6
Acquired billings	—	8.6
Revenue recognized	(1,025.6)	(656.6)
Effect of exchange rate	0.6	(0.1)
Deferred revenue, end of period	<u>\$ 39.1</u>	<u>\$ 42.7</u>

Deferred Sales Commissions

In accordance with ASC 606, sales commissions paid based on the annual contract value of a signed customer contract are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions paid based on the annual contract value are deferred and then amortized on a straight-line basis over a period of benefit that we have determined to be ten years. Amortization expense for deferred sales commissions was \$9.0 million and \$7.2 million for the three months ended September 30, 2025, and 2024, respectively, and \$25.5 million and \$20.1 million for the nine months ended September 30, 2025, and 2024, respectively.

Transaction Price for Remaining Performance Obligations

As of September 30, 2025, approximately \$1.52 billion of revenue is expected to be recognized over the next three years from remaining performance obligations, which represents contracted revenue for recurring services and fixed price professional services, primarily implementation services, that has not yet been recognized, including deferred revenue and unbilled amounts that will be recognized as revenue in future periods. Performance obligations that are billed and recognized as they are delivered, primarily professional services contracts that are on a time and materials basis, are excluded from the transaction price for remaining performance obligations disclosed above.

11. Accumulated Other Comprehensive Loss

	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) from Invested Customer Funds	Pension Liability Adjustment	Total
	(In millions)			
Balance as of December 31, 2024	\$ (297.4)	\$ (27.6)	\$ (157.7)	\$ (482.7)
Other comprehensive income before income taxes and reclassifications	57.5	43.5	15.2	116.2
Income tax expense	—	(11.3)	(48.8)	(60.1)
Reclassifications to earnings	—	—	185.7	185.7
Other comprehensive income	57.5	32.2	152.1	241.8
Balance as of September 30, 2025	\$ (239.9)	\$ 4.6	\$ (5.6)	\$ (240.9)

12. Income Taxes

Our income tax provision represents federal, state, and international taxes on our income recognized for financial statement purposes and includes the effects of temporary differences between financial statement income and income recognized for tax return purposes. Deferred tax assets and liabilities are recorded for temporary differences between the financial reporting basis and the tax basis of assets and liabilities. We record a valuation allowance to reduce our deferred tax assets to reflect the net deferred tax assets that we believe will be realized. In assessing the likelihood that we will be able to recover our deferred tax assets and the need for a valuation allowance, we consider all available evidence, both positive and negative, including historical levels of pre-tax book income, expiration of net operating losses, changes in our debt and equity structure, expectations and risks associated with estimates of future taxable income, ongoing prudent and feasible tax planning strategies, as well as current tax laws. As of September 30, 2025, we have a valuation allowance of \$39.5 million against certain deferred tax assets consisting primarily of \$27.7 million attributable to other deferred tax assets consisting largely of foreign intangible assets and \$11.8 million attributable to state and foreign net operating loss carryovers.

We recorded income tax expense of \$43.9 million during the three months ended September 30, 2025, which included tax expense of \$40.6 million attributable to non-deductible items, and \$32.4 million attributable to share-based compensation, offset by \$32.1 million attributable to current operations. As a percentage of income before income taxes as compared to the three months ended September 30, 2024, income tax expense increased due to an increase in current operations and share-based compensation.

We recorded income tax expense of \$65.1 million during the nine months ended September 30, 2025, which included tax expense of \$44.0 million attributable to non-deductible items, and \$36.4 million attributable to share-based compensation, offset by \$20.1 million attributable to current operations. As a percentage of income before income taxes as compared to the nine months ended September 30, 2024, income tax expense decreased due to a reduction in share-based compensation and the Global Intangible Low Taxed Income regime.

The total amount of unrecognized tax benefits as of September 30, 2025, and December 31, 2024, was \$3.8 million and \$2.7 million, respectively. The \$3.8 million represents the amount that, if recognized, would impact our effective income tax rate as of September 30, 2025. We adjust these reserves when facts and circumstances change, such as the closing of tax audits or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and operating results.

We file income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2020.

On July 4, 2025, the U.S. Congress enacted the One Big Beautiful Bill Act ("OBBBA"), which includes significant provisions, including tax cut extensions and modifications to the international tax framework. While we continue to evaluate the impact of these legislative changes as additional guidance becomes available, uncertainty remains regarding the timing and interpretation by tax authorities in affected jurisdictions. We will continue to monitor and evaluate the implications of the OBBBA on our condensed consolidated financial statements for future reporting periods.

13. Commitments and Contingencies

Legal Matters

We are subject to claims and a number of judicial and administrative proceedings considered normal in the course of our current and past operations, including employment-related disputes, contract disputes, disputes with our competitors, intellectual property disputes, government audits and proceedings, customer disputes, and tort claims. In some proceedings, the claimant seeks damages as well as other relief, which, if granted, would require substantial expenditures on our part.

Our general terms and conditions in customer contracts frequently include a provision indicating we will indemnify and hold our customers harmless from and against any and all claims alleging that the services and materials furnished by us violate any third party's patent, trade secret, copyright, or other intellectual property right. We are not aware of any material pending litigation concerning these indemnifications.

Some of these matters raise difficult and complex factual and legal issues and are subject to many uncertainties, including the facts and circumstances of each particular action, and the jurisdiction, forum, and law under which each action is proceeding. Because of these complexities, final disposition of some of these proceedings may not occur for several years. As such, we are not always able to estimate the amount of our possible future liabilities, if any.

There can be no certainty that we may not ultimately incur charges in excess of presently established or future financial accruals or insurance coverage. Although occasional adverse decisions or settlements may occur, it is management's opinion that the final disposition of these proceedings will not, considering the merits of the claims and available resources or reserves and insurance, and based upon the facts and circumstances currently known, have a material adverse effect on our financial position or results of operations.

Litigation Related to the Thoma Bravo Transaction

As of October 22, 2025, three lawsuits have been filed by purported Dayforce stockholders in connection with the Thoma Bravo Transaction. The complaints allege, among other things, that certain disclosures in the definitive proxy statement we filed on September 29, 2025 in connection with the Thoma Bravo Transaction were materially incomplete and misleading. The complaints are captioned: Trent Carter v. Dayforce, Inc. et al., No. 659145/2025 (N.Y. Sup. Ct. filed Oct. 15, 2025); Blake Thompson v. Dayforce, Inc. et al., No. 659159/2025 (N.Y. Sup. Ct. filed Oct. 16, 2025); Robert Lacroff v. Brent Bickett et al., No. 74131/2025 (N.Y. Sup. Ct. filed Oct. 20, 2025). The complaints name us and the current members of our Board of Directors as defendants. If plaintiffs were to obtain an injunction prohibiting the completion of the Thoma Bravo Transaction on the agreed terms, the Thoma Bravo Transaction could be delayed or prevented altogether. We believe that the allegations asserted in the complaints are without merit. As of October 22, 2025, we are not aware of the filing of other lawsuits challenging the Thoma Bravo Transaction or the proxy statement; however, additional lawsuits arising out of the Thoma Bravo Transaction or the related proxy statement may be filed in the future. No amounts related to these matters have been reflected in our condensed consolidated financial statements as of September 30, 2025.

14. Net (Loss) Income per Share

We compute net (loss) income per share of common stock using the treasury stock method.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In millions, except per share data)			
Numerator:				
Net (loss) income	\$ (196.8)	\$ 2.0	\$ (160.6)	\$ 7.3
Denominator:				
Weighted average shares outstanding - basic	159.8	158.1	159.7	157.6
Effect of dilutive equity instruments	—	1.6	—	2.3
Weighted average shares outstanding - diluted	159.8	159.7	159.7	159.9
Net (loss) income per share - basic	\$ (1.23)	\$ 0.01	\$ (1.01)	\$ 0.05
Net (loss) income per share - diluted	\$ (1.23)	\$ 0.01	\$ (1.01)	\$ 0.05

The following potentially dilutive weighted average shares were excluded from the calculation of diluted net (loss) income per share because their effect would have been anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In millions)			
Stock options	3.3	2.9	3.4	3.0
Restricted stock units	1.0	2.7	1.3	1.5
Performance stock units	0.5	0.9	0.5	0.8

The shares underlying the conversion option in the Convertible Senior Notes were not considered in the calculation of diluted net (loss) income per share as the effect would have been anti-dilutive. Based on the initial conversion price, the entire outstanding principal amount of the Convertible Senior Notes as of September 30, 2025 would have been convertible into approximately 4.3 million shares of our common stock. Since we expect to settle the principal amount of the Convertible Senior Notes in cash, we use the treasury stock method for calculating any potential dilutive effect on diluted net (loss) income per share, if applicable. As a result, only the amount by which the conversion value exceeds the aggregate principal amount of the Convertible Senior Notes (the “conversion spread”) is considered in the diluted earnings per share computation. The conversion spread has a dilutive impact on diluted net (loss) income per share when the average market price of our common stock for a given period exceeds the initial conversion price of \$132.20 per share for the Convertible Senior Notes. We excluded the potentially dilutive effect of the conversion spread of the Convertible Senior Notes as the average market price of our common stock during the three and nine months ended September 30, 2025 was less than the conversion price of the Convertible Senior Notes. In connection with the issuance of the Convertible Senior Notes, we entered into Capped Calls, which were not included for purposes of calculating the number of diluted shares outstanding, as their effect would have been anti-dilutive.

15. Share Repurchase Program

On July 31, 2024, we announced that our Board of Directors had approved a share repurchase program with authorization to purchase up to \$500 million of our common stock. Pursuant and subject to the terms of the Merger Agreement, during the pendency of the Merger Agreement, we may not make any additional repurchases of our outstanding stock.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total number of shares purchased	152,425	520,039	1,035,393	520,039
Average price paid per share (a)	\$ 56.91	\$ 57.69	\$ 57.84	\$ 57.69
Total cost of shares purchased	\$ 8,674,753	\$ 30,002,842	\$ 59,881,994	\$ 30,002,842

(a) Average price paid includes costs associated with the repurchases.

16. Subsequent Events

On October 1, 2025, we completed the acquisition of Agentnoon, a startup company that develops workforce planning and organization design software for businesses.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of our financial condition and results of operations as of, and for, the periods presented and should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included elsewhere in this report and with our audited consolidated financial statements and notes thereto in our [2024 Form 10-K](#). This discussion and analysis contains forward-looking statements, including statements about the Thoma Bravo Transaction, statements regarding industry outlook, our expectations for the future of our business, and our liquidity and capital resources as well as other non-historical statements. These statements are based on current expectations and are subject to numerous risks and uncertainties, including but not limited to the risks and uncertainties described in [Part II, Item 1A, "Risk Factors"](#) and ["Cautionary Note Regarding Forward-Looking Statements."](#) Our actual results may differ materially from those contained in or implied by these forward-looking statements. Any reference to a "Note" in this discussion relates to the accompanying notes to the unaudited condensed consolidated financial statements included elsewhere in this report unless otherwise indicated.

Overview

Dayforce, Inc. is a global human capital management ("HCM") software company. We categorize our solutions into two categories: recurring services and professional services. Recurring services are generated from HCM solutions that are primarily delivered via two offerings: Dayforce, our flagship HCM platform, and Powerpay, a human resources ("HR") and payroll solution for the Canadian small business market. Revenue from our recurring services solutions include investment income generated from holding customer funds, also referred to as float revenue or float.

Dayforce provides HR, payroll and tax, benefits, workforce management, and talent management functionality. Our platform is used by organizations of all sizes, from small businesses to global organizations, regardless of industry, to optimize management of the entire employee lifecycle, including attracting, hiring, engaging, paying, and developing their people. Dayforce was built as a single application from the ground up that combines a modern, consumer-grade user experience with proprietary application architecture, including a single employee record and a rules engine spanning all areas of HCM. Dayforce provides continuous real-time calculations across all modules to enable, for example, payroll administrators access to data through the entire pay period, and managers access to real-time data to optimize work schedules. Our platform is designed to drive efficiencies for our customers and their employees by improving HCM decision-making processes, streamlining workflows, revealing strategic organizational insights, and simplifying legislative compliance. The platform is designed to ease administrative work for both employees and managers, creating opportunities for companies to increase employee engagement. We sell Dayforce through our direct sales force on a subscription per-employee, per-month ("PEPM") basis. Our subscriptions are typically structured with an initial fixed term of between three and five years, with evergreen renewal thereafter.

Our Business Model

Our business model focuses on supporting the rapid growth of Dayforce and maximizing the lifetime value of our Dayforce customer relationships. Our ratable recognition of subscription revenues over the term of the subscription period combined with our high revenue retention rates yield a high level of visibility into our future revenues. The profitability of a customer depends, in large part, on how long they have been a customer. We estimate that it takes approximately two years before we are able to recover our implementation, customer acquisition, and other direct costs on a new Dayforce customer contract.

Over the lifetime of the customer relationship, we have the opportunity to realize additional PEPM revenue, both as the customer grows or offers the Dayforce solution to additional employees, and also by selling additional functionality to existing customers that do not currently utilize all of the modules we offer. We also incur costs to manage the account, to retain customers, and to sell additional functionality, however, these costs are significantly less than the costs initially incurred to acquire and to take customers live.

Pending Transaction with Thoma Bravo

As previously announced, on August 20, 2025, we entered into the Merger Agreement under which, on the terms and subject to the conditions thereof, certain affiliates of Thoma Bravo will acquire Dayforce for \$70.00 in cash per share of Dayforce common stock for a total enterprise value of approximately \$12.3 billion. We expect to complete the Thoma Bravo Transaction in late 2025 or early 2026, subject to fulfillment of customary closing conditions, including approval of Dayforce stockholders and receipt of required regulatory approvals.

In connection with the Thoma Bravo Transaction, we incurred non-recurring acquisition and transaction fees of \$22.2 million for the three and nine months ended September 30, 2025, which are included in general and administrative expense in the condensed consolidated statements of operations. These costs primarily include legal and advisory fees, and other acquisition-related costs. The completion of the Thoma Bravo Transaction is subject to the satisfaction or waiver of certain customary mutual closing conditions. For more information on these conditions, refer to Part II, Item 1A, "[Risk Factors](#)" of this Form 10-Q.

If the Thoma Bravo Transaction is consummated, our common stock will no longer be publicly listed and traded on the New York Stock Exchange, the common stock will be deregistered under the Exchange Act, we will no longer file periodic reports with the SEC, and Dayforce will become a privately-held company.

U.S. Defined Benefit Plans Termination

The U.S. defined benefit plans were terminated with an effective date of September 30, 2024. In the third quarter of 2025, we settled the majority of future obligations under our U.S. pension plan through a combination of lump sum payments to eligible, electing participants and the transfer of any remaining benefits to a third-party insurance company through a group annuity contract. The partial plan termination was funded with plan assets of approximately \$299 million. In connection with the plan termination, a non-cash loss of \$172.1 million was recorded to other expense (income), net in the condensed consolidated statements of operations for the three and nine months ended September 30, 2025. During the fourth quarter of 2025, we expect to finalize the group annuity purchase in connection with the termination of our U.S. pension plan. The transaction is expected to be funded with approximately \$14 million of plan assets and \$5 million of cash, and we anticipate incurring an additional settlement loss of approximately \$11 million.

We are also in the process of finalizing the wind down of the nonqualified defined benefit plan, which we expect will be completed in 2025.

Global Events

We are closely monitoring changes in international trade relations, economic policies, and legislation and regulations, which could adversely impact the global economy and our operating results. Currently, we are not experiencing any material impact to our operating results as a result of the direct impact of tariffs on goods to certain countries from which we export hardware for our time clocks. However, prolonged changes and uncertainty in interest rates and foreign exchange rates, and shifts in the overall macroeconomic demand for our services could adversely impact our operating results.

Additionally, in July 2025, U.S. Congress enacted the OBBBA, which includes significant provisions, including tax cut extensions and modifications to the international tax framework. While we continue to evaluate the impact of these legislative changes as additional guidance becomes available, uncertainty remains regarding the timing and interpretation by tax authorities in affected jurisdictions. These legislative changes are expected to impact our future cash tax remittances, resulting from changes to tax deductibility rules for domestic research and development costs.

Additional discussion of the ways in which adverse economic and market conditions could affect our business, operating results, or financial condition is referenced below and contained in [Part II, Item 1A, "Risk Factors"](#) in this Form 10-Q and in Part I, Item 1A. "Risk Factors" in our [2024 Form 10-K](#).

How We Assess Our Performance

In assessing our performance, we consider a variety of annual and quarterly performance indicators in addition to revenue and net (loss) income. Set forth below are descriptions of our quarterly key performance measures. Additional information on our annual performance measures is described in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "How We Assess Our Performance" contained in our [2024 Form 10-K](#). Please refer to the ["Non-GAAP Financial Measures"](#) and ["Results of Operations"](#) sections below for further description and definitions of certain performance indicators which are considered non-GAAP financial measures.

Live Dayforce Customers

We use the number of live Dayforce customers as an indicator of future revenue and the overall performance of the business and to assess the performance of our implementation services.

Dayforce Recurring Revenue Per Customer

We use Dayforce recurring revenue per customer, a non-GAAP financial measure, as an indicator of the average size of our Dayforce customer, which we believe is also useful to management and investors. We calculate and monitor Dayforce recurring revenue per customer on a quarterly basis. Our Dayforce recurring revenue per customer may fluctuate as a result of a number of factors, including the number of live Dayforce customers and the number of modules purchased by each customer.

Constant Currency Revenue

We present percentage change in revenue on a constant currency basis, a non-GAAP financial measure, to assess how our underlying business performed, excluding the effect of foreign currency rate fluctuations, which we believe is useful to management and investors. The average U.S. dollar to Canadian dollar, Australian dollar, and Great British pound foreign exchange rates were \$1.38, \$1.53, and \$0.74 for the three months ended September 30, 2025, respectively, compared to \$1.36, \$1.49, and \$0.77 for the three months ended September 30, 2024, respectively. The average U.S. dollar to Canadian dollar, Australian dollar, and Great British pound foreign exchange rates were \$1.40, \$1.56, and \$0.76 for the nine months ended September 30, 2025, respectively, compared to \$1.36, \$1.51, and \$0.78 for the nine months ended September 30, 2024, respectively.

Adjusted Operating Profit, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, and Free Cash Flow Margin

We believe that Adjusted operating profit, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, and free cash flow margin, non-GAAP financial measures, are useful to management and investors as supplemental measures to evaluate our overall operating performance. Adjusted operating profit, free cash flow, and free cash flow margin are components of certain management compensation plans, and these metrics are used by management to assess performance and to compare our operating performance to our competitors. Management believes that these non-GAAP financial measures are helpful in highlighting management performance trends because these metrics exclude the results of decisions that are outside the normal course of our business operations. Additionally, we believe that the non-GAAP financial measure free cash flow and free cash flow margin are meaningful to investors because they are measures of liquidity that provide useful information in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business. The reduction of capital expenditures facilitates comparisons of our liquidity on a period-to-period basis and excludes items that management does not consider to be indicative of our liquidity.

Results of Operations

Three Months Ended September 30, 2025 Compared With Three Months Ended September 30, 2024

	Three Months Ended September 30,		Increase/(Decrease)		Percentage of Revenue	
	2025	2024	Amount	%	2025	2024
(In millions)						
Revenue:						
Recurring services	\$ 403.1	\$ 375.9	\$ 27.2	7.2%	83.7%	85.4%
Professional services	78.5	64.1	14.4	22.5%	16.3%	14.6%
Total revenue	481.6	440.0	41.6	9.5%	100.0%	100.0%
Costs and expenses:						
Costs of recurring services	95.6	87.4	8.2	9.4%	19.9%	19.9%
Costs of professional services	83.9	75.1	8.8	11.7%	17.4%	17.1%
Product development and management	59.3	55.4	3.9	7.0%	12.3%	12.6%
Selling and marketing	86.8	85.8	1.0	1.2%	18.0%	19.5%
General and administrative	81.2	63.4	17.8	28.1%	16.9%	14.4%
Depreciation and amortization	44.3	52.1	(7.8)	(15.0)%	9.2%	11.8%
Total costs and expenses	451.1	419.2	31.9	7.6%	93.7%	95.3%
Operating profit	30.5	20.8	9.7	46.6%	6.3%	4.7%
Interest income	(5.1)	(4.8)	(0.3)	(6.3)%	(1.1)%	(1.1)%
Interest expense	11.8	13.6	(1.8)	(13.2)%	2.5%	3.1%
Other expense (income), net	176.7	(6.3)	183.0	2904.8%	36.7%	(1.4)%
(Loss) income before income taxes	(152.9)	18.3	(171.2)	(935.5)%	(31.7)%	4.2%
Income tax expense	43.9	16.3	27.6	169.3%	9.1%	3.7%
Net (loss) income	\$ (196.8)	\$ 2.0	\$ (198.8)	(9940.0)%	(40.9)%	0.5%

Revenue. The following table sets forth certain information regarding our revenues for the periods presented:

	Three Months Ended September 30,		Percentage change in revenue	Impact of changes in foreign currency (a)	Percentage change in revenue on a constant currency basis (a)
	2025	2024	2025 vs. 2024		2025 vs. 2024
	(In millions)				
Revenue:					
Recurring services:					
Dayforce recurring	\$ 333.0	\$ 292.0	14.0%	(0.1)%	14.1%
Powerpay recurring	19.7	20.2	(2.5)%	(1.0)%	(1.5)%
Other recurring	8.2	18.1	(54.7)%	(0.6)%	(54.1)%
Float	42.2	45.6	(7.5)%	(0.3)%	(7.2)%
Total recurring services	403.1	375.9	7.2%	(0.2)%	7.4%
Professional services	78.5	64.1	22.5%	(0.4)%	22.9%
Total revenue	\$ 481.6	\$ 440.0	9.5%	(0.1)%	9.6%
Total revenue, excluding float	\$ 439.4	\$ 394.4	11.4%	(0.2)%	11.6%

- (a) We have calculated the percentage change in revenue on a constant currency basis by applying the average foreign exchange rate in effect during the comparable prior period. Please refer to the [“Non-GAAP Financial Measures”](#) section for discussion of percentage change in revenue on a constant currency basis.

Total revenue increased \$41.6 million, or 9.5%, to \$481.6 million for the three months ended September 30, 2025, compared to \$440.0 million for the three months ended September 30, 2024. This increase was primarily attributable to the increase in the number of live Dayforce customers and the increase in Dayforce recurring revenue per customer. The number of live Dayforce customers increased 4.4% to 7,025 at September 30, 2025 from 6,730 at September 30, 2024. Additionally, for the trailing twelve months ended September 30, 2025, Dayforce recurring revenue per customer grew to \$175,172 compared to \$159,496 for the comparable period in 2024. Please refer to the ["How We Assess Our Performance"](#) and ["Non-GAAP Financial Measures"](#) section for discussion of and the definition of Dayforce recurring revenue per customer.

The increase in total revenue was partially offset by a decrease in float revenue, which was driven by a decrease in average yield of 36 basis points compared to the three months ended September 30, 2024. This was partially offset by a 1.3% increase in average float balance for our customer funds for the three months ended September 30, 2025, which increased to \$4.54 billion, compared to \$4.48 billion for the three months ended September 30, 2024.

Costs of recurring services. The increase of \$8.2 million, or 9.4%, for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to a \$3.8 million increase in consulting and contract labor and a \$5.1 million increase in costs of hosting our applications and software fees to support the continued global growth of the Dayforce customer base. These increases were partially offset by a \$0.7 million decrease in employee labor and benefits.

Costs of professional services. The increase of \$8.8 million, or 11.7%, for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to a \$8.0 million increase in consulting and contract labor as well as employee labor and benefits incurred to implement new customers and additional modules.

Product development and management expense. The increase of \$3.9 million, or 7.0%, for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to a \$3.2 million increase in labor and benefit related expenses, including share-based compensation, consulting and contract labor, and severance, as well as a \$0.8 million increase in costs associated with hosting development applications.

For the three months ended September 30, 2025, and 2024, our investment in software development was \$58.1 million and \$52.4 million, respectively, consisting of \$33.8 million and \$29.5 million of research and development expense, and \$24.3 million and \$22.9 million in capitalized software development costs, respectively.

Selling and marketing expense. The increase of \$1.0 million, or 1.2%, for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to a \$2.5 million increase in labor and benefit related expenses, including commissions, share-based compensation, and incentives. These increases are partially offset by a \$1.7 million decrease in consulting and contract labor and severance.

General and administrative expense. The increase of \$17.8 million, or 28.1%, for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to \$22.2 million in non-recurring acquisition and transactions fees associated with the Thoma Bravo Transaction, as well as increases of \$3.1 million in bad debt expense, and \$1.2 million in software fees. These increases were partially offset by a \$9.0 million decrease related to the remeasurement of the DataFuzion contingent consideration in 2024, that did not recur in 2025.

Depreciation and amortization expense. The decrease of \$7.8 million, or 15.0%, for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was driven by a \$13.5 million reduction in amortization of intangible assets primarily resulting from the Ceridian trade name reaching the end of its amortization period in August 2025. This decrease was partially offset by our continued capitalization and subsequent amortization of Dayforce related and other development costs.

Operating profit. For the three months ended September 30, 2025, operating profit was \$30.5 million, compared to \$20.8 million for the three months ended September 30, 2024. Operating profit increased as a result of higher revenue and lower depreciation and amortization expense, partially offset by non-recurring acquisition and transaction fees associated with the Thoma Bravo Transaction.

Interest income. The increase of \$0.3 million for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to higher invested balances.

Interest expense. The decrease of \$1.8 million for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to lower applicable reference rates on our Term Debt, which resulted from the debt refinancing completed in February 2025.

Other expense (income), net. We incurred other expense, net of \$176.7 million for the three months ended September 30, 2025 and we realized other income, net of \$6.3 million for the three months ended September 30, 2024. The change was primarily due to a \$172.1 million non-cash loss on the partial settlement related to the pension plan termination in the three months ended September 30, 2025.

Income tax expense. The increase of \$27.6 million for the three months ended September 30, 2025, compared to the three months ended September 30, 2024, was primarily due to increases of \$38.8 million of non-deductible items, and \$25.7 million of share-based compensation and a decrease of \$36.0 million related to current operations.

Net (loss) income. We realized net loss of \$196.8 million for the three months ended September 30, 2025, compared to net income of \$2.0 million for the three months ended September 30, 2024. The change was primarily due to the non-cash loss on the partial settlement related to the pension plan termination, partially offset by an increase in revenue.

Nine Months Ended September 30, 2025 Compared With Nine Months Ended September 30, 2024

	Nine Months Ended September 30,		Increase/(Decrease)		Percentage of Revenue	
	2025	2024	Amount	%	2025	2024
	(In millions)					
Revenue:						
Recurring services	\$ 1,206.7	\$ 1,123.6	\$ 83.1	7.4%	84.5%	86.8%
Professional services	221.4	171.2	50.2	29.3%	15.5%	13.2%
Total revenue	1,428.1	1,294.8	133.3	10.3%	100.0%	100.0%
Costs and expenses:						
Costs of recurring services	286.7	265.1	21.6	8.1%	20.1%	20.5%
Costs of professional services	241.8	210.8	31.0	14.7%	16.9%	16.3%
Product development and management	175.9	166.8	9.1	5.5%	12.3%	12.9%
Selling and marketing	257.3	246.6	10.7	4.3%	18.0%	19.0%
General and administrative	211.2	178.4	32.8	18.4%	14.8%	13.8%
Depreciation and amortization	151.4	151.5	(0.1)	(0.1)%	10.6%	11.7%
Total costs and expenses	1,324.3	1,219.2	105.1	8.6%	92.7%	94.2%
Operating profit	103.8	75.6	28.2	37.3%	7.3%	5.8%
Interest income	(14.7)	(13.3)	(1.4)	(10.5)%	(1.0)%	(1.0)%
Interest expense	36.4	46.5	(10.1)	(21.7)%	2.5%	3.6%
Other expense, net	177.6	5.7	171.9	3015.8%	12.4%	0.4%
(Loss) income before income taxes	(95.5)	36.7	(132.2)	(360.2)%	(6.7)%	2.8%
Income tax expense	65.1	29.4	35.7	121.4%	4.6%	2.3%
Net (loss) income	\$ (160.6)	\$ 7.3	\$ (167.9)	(2300.0)%	(11.2)%	0.6%

Revenue. The following table sets forth certain information regarding our revenues for the periods presented:

	Nine Months Ended September 30,		Percentage change in revenue	Impact of changes in foreign currency (a)	Percentage change in revenue on a constant currency basis (a)
	2025	2024	2025 vs. 2024		2025 vs. 2024
	(In millions)				
Revenue:					
Recurring revenue:					
Dayforce recurring	\$ 971.6	\$ 852.1	14.0%	(0.5)%	14.5%
Powerpay recurring	58.6	60.6	(3.3)%	(2.8)%	(0.5)%
Other recurring	31.6	55.7	(43.3)%	(2.5)%	(40.8)%
Float	144.9	155.2	(6.6)%	(0.7)%	(5.9)%
Total recurring revenue	1,206.7	1,123.6	7.4%	(0.7)%	8.1%
Professional services	221.4	171.2	29.3%	(1.3)%	30.6%
Total revenue	\$ 1,428.1	\$ 1,294.8	10.3%	(0.7)%	11.0%
Total revenue, excluding float	\$ 1,283.2	\$ 1,139.6	12.6%	(0.7)%	13.3%

- a) We have calculated the percentage change in revenue on a constant currency basis by applying the average foreign exchange rate in effect during the comparable prior period. Please refer to the ["Non-GAAP Financial Measures"](#) section for discussion of percentage change in revenue on a constant currency basis.

Total revenue increased \$133.3 million, or 10.3%, to \$1,428.1 million for the nine months ended September 30, 2025, compared to \$1,294.8 million for the nine months ended September 30, 2024. This increase was primarily attributable to the increase in live Dayforce customers and the increase in Dayforce recurring revenue per customer. The number of live Dayforce customers increased 4.4% to 7,025 at September 30, 2025 from 6,730 at September 30, 2024. Additionally, for the trailing twelve months ended September 30, 2025, Dayforce recurring revenue per customer grew to \$175,172 compared to \$159,496 for the comparable period in 2024. Please refer to the ["How We Assess Performance"](#) and ["Non-GAAP Financial Measures"](#) section for discussion of and the definition of Dayforce recurring revenue per customer.

The increase in revenue was partially offset by a decrease in float revenue. The decrease in float revenue was driven by a decrease in average yield of 43 basis points compared to the nine months ended September 30, 2024, partially offset by a 4.3% increase in average float balance for our customer funds for the nine months ended September 30, 2025, which increased to \$5.15 billion, compared to \$4.94 billion for the nine months ended September 30, 2024.

Costs of recurring services. The increase of \$21.6 million, or 8.1%, for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was due to a \$13.6 million increase in labor and benefit related expenses, including consulting and contract labor and severance as well as a \$6.6 million increase in costs related to hosting our applications and product partnerships.

Costs of professional services. The increase of \$31.0 million, or 14.7%, for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was primarily due to a \$30.5 million increase in labor and benefit related expenses, including consulting and contract labor, severance, employee labor and benefits, and share-based compensation.

Product development and management expense. The increase of \$9.1 million, or 5.5%, for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was primarily due to an \$8.9 million increase in labor and benefit related expenses, including share-based compensation, severance, and consulting and contract labor.

For the nine months ended September 30, 2025, and 2024, our investment in software development was \$171.4 million and \$158.3 million, respectively, consisting of \$98.9 million and \$90.2 million of research and development expense, and \$72.5 million and \$68.1 million in capitalized software development costs, respectively.

Selling and marketing expense. The increase of \$10.7 million, or 4.3%, for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was primarily due to a \$15.6 million increase in labor and benefit related expenses, including increases in share-based compensation, commissions, severance, employee labor and benefits, and incentives. These increases were partially offset by a reduction of \$4.8 million in consulting and contract labor expenses.

General and administrative expense. The increase of \$32.8 million, or 18.4%, for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was primarily due to \$22.2 million in non-recurring acquisition and transactions fees associated with the Thoma Bravo Transaction, as well as increases of \$18.8 million in labor and benefit related expenses, including share-based compensation, severance, employee labor and benefits, and incentives, and \$3.8 million in bad debt expense. These increases were partially offset by a \$9.0 million decrease related to the remeasurement of the DataFuzion contingent consideration in 2024 that did not recur in 2025 and a reduction of \$4.6 million in consulting and contract labor expenses.

Depreciation and amortization expense. Expense for the nine months ended September 30, 2025 was consistent with the nine months ended September 30, 2024, as a \$11.6 million reduction in amortization of intangible assets primarily resulting from the Ceridian trade name reaching the end of its amortization period in August 2025, was essentially offset by increases related to our continued capitalization and subsequent amortization of Dayforce related and other development costs.

Operating profit. For the nine months ended September 30, 2025, operating profit was \$103.8 million, compared to \$75.6 million for the nine months ended September 30, 2024. Operating profit increased as a result of the higher revenue, partially offset by increased labor and benefits expenses, primarily consulting and contract labor, share-based compensation, and severance, as well as non-recurring acquisition and transaction fees associated with the Thoma Bravo Transaction.

Interest income. The increase of \$1.4 million for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was primarily due to higher invested balances during the period.

Interest expense. The decrease of \$10.1 million for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was primarily due to a \$4.3 million loss on debt extinguishment recognized during the nine months ended September 30, 2024 related to the refinancing of certain credit agreements and due to lower applicable reference rates on our Term Debt, which resulted from the debt refinancing completed in February 2025. Please refer to [Part I, Item 1. Note 7, "Debt"](#) for additional information.

Other expense, net. We incurred other expense, net of \$177.6 million for the nine months ended September 30, 2025 and we incurred other expense, net of \$5.7 million for the nine months ended September 30, 2024. The change was primarily due to a \$172.1 million non-cash loss on the partial settlement related to the pension plan termination in the nine months ended September 30, 2025.

Income tax expense. The increase of \$35.7 million for the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024, was primarily due to increases of \$40.8 million related to non-deductible items, and \$25.0 related to share-based compensation and a decrease of \$27.8 million related to current operations.

Net (loss) income. We incurred a net loss of \$160.6 million for the nine months ended September 30, 2025, compared to net income of \$7.3 million for the nine months ended September 30, 2024. The change was primarily due to the non-cash loss on the partial settlement related to the pension plan termination and higher total costs and expenses, partially offset by an increase in revenue.

Liquidity and Capital Resources

On August 20, 2025, we entered into the Merger Agreement pursuant to which affiliates of Thoma Bravo have agreed to acquire us for \$70.00 per share of Dayforce common stock. In connection with the Merger Agreement, we have agreed to various operating covenants, including, among others, agreements to conduct our business in the ordinary course during the period between the execution of the Merger Agreement and the Effective Time. In addition, without the consent of Thoma Bravo, we may not take, authorize, agree or commit to do certain actions outside of the ordinary course of business, including making capital expenditures above specified thresholds and incurring additional debt in excess of specified amounts. If the Merger Agreement is terminated in certain circumstances, including by us in order to enter into a superior proposal, we are required to pay Parent a cash termination fee of \$351 million. We do not believe these covenants or restrictions will prevent us from meeting our debt obligations, ongoing costs of operations, working capital needs or capital expenditure requirements.

Our primary sources of liquidity are our existing cash and equivalents, cash provided by operating activities, availability under our Revolving Credit Facility and the Receivables Securitization Program, and proceeds from debt issuances and equity offerings. As of September 30, 2025, we had cash and equivalents of \$627.6 million and our total debt was \$1,222.9 million.

Our primary liquidity needs are related to funding of general business requirements, including the payment of interest and principal on our debt, capital expenditures, fulfilling our contractual commitments, product development, and funding Dayforce Wallet on-demand pay requests on behalf of our customers. From time to time, we have made investments in businesses or acquisitions of companies, which are also liquidity needs.

We believe that our cash flow from operations, available cash and equivalents, and availability under our Revolving Credit Facility and the Receivables Securitization Program will be sufficient to meet our liquidity needs for the next twelve months and for the foreseeable future. Our liquidity and our ability to meet our obligations to fund our capital requirements and Dayforce Wallet on-demand pay requests are also dependent on our future financial performance, which is subject to general economic, financial, and other factors that are beyond our control. Accordingly, we cannot provide assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available from additional indebtedness or otherwise to meet our liquidity needs. If we decide to pursue one or more significant acquisitions, we may incur additional debt or raise additional equity to finance such acquisitions, which would result in additional expenses and/or dilution.

Our customer funds are held and invested with the primary objectives being to protect the principal balance and to ensure adequate liquidity to meet cash flow requirements. Our cash flows can vary significantly due to purchases of and proceeds from the sale and maturity of customer fund marketable securities, as well as the carrying value of customer fund accounts as of period end dates due to several factors, including the specific day of the week the period ends, which impacts the timing of funds collected from customers and payments made to satisfy customer obligations to employees, taxing authorities, and others. The customer assets are held in segregated accounts intended for the specific purpose of satisfying customer funding obligations and therefore are not freely available for our general business use, however, are evaluated and tracked separately by management. Please refer to [Part 1, Item 1, Note 4, "Customer Funds"](#) for further discussion of these funds.

Cash Flows

The table below summarizes the activity within the condensed consolidated statements of cash flows:

	Nine Months Ended September 30,	
	2025	2024
	(In millions)	
Net cash provided by operating activities	\$ 193.5	\$ 200.1
Net cash used in investing activities	(292.6)	(458.1)
Net cash used in financing activities	(722.7)	(1,067.6)
Effect of exchange rate changes on cash, restricted cash, and equivalents	12.6	(18.2)
Net decrease in cash, restricted cash, and equivalents	(809.2)	(1,343.8)
Cash, restricted cash, and equivalents at beginning of period	3,253.9	3,421.4
Cash, restricted cash, and equivalents at end of period	2,444.7	2,077.6
Cash and equivalents	627.6	494.1
Restricted cash and equivalents	1,817.1	1,583.5
Total cash, restricted cash, and equivalents	<u>\$ 2,444.7</u>	<u>\$ 2,077.6</u>

Operating Activities

Net cash provided by operating activities was \$193.5 million for the nine months ended September 30, 2025 compared to \$200.1 million for the nine months ended September 30, 2024. For both periods, cash inflows from operating activities are primarily generated from the subscriptions of our solutions. Cash outflows from operating activities for both periods are primarily comprised of personnel-related expenditures, including the payout of year-end employee compensation, and the renewals of prepaid annual contracts that are integral to our business operations. The positive cash inflows in both periods is primarily due to our growing revenue, partially offset by our operating costs, mainly, investment in our sales force to support our growth initiatives and those product development and management costs which are not eligible for capitalization as well as \$22.2 million in non-recurring acquisition and transaction related fees in 2025 related to the Thoma Bravo transaction.

Investing Activities

During the nine months ended September 30, 2025, net cash used in investing activities was \$292.6 million, consisting of purchases of customer funds marketable securities of \$555.8 million, capital expenditures of \$81.9 million, acquisition costs, net of cash acquired of \$5.5 million, and purchases of marketable securities of \$3.7 million, partially offset by proceeds from the sale and maturity of customer funds marketable securities of \$342.8 million and proceeds from the sale and maturity of marketable securities of \$11.5 million. Our capital expenditures included \$72.0 million for software and technology and \$9.9 million for property, plant, and equipment.

During the nine months ended September 30, 2024, net cash used in investing activities was \$458.1 million, consisting of purchases of customer funds marketable securities of \$483.2 million, acquisition costs, net of cash acquired, of \$173.1 million, capital expenditures of \$82.8 million, and purchases of marketable securities of \$10.0 million, partially offset by proceeds from the sale and maturity of customer funds marketable securities of \$283.4 million, and proceeds from the sale and maturity of marketable securities of \$7.6 million. Our capital expenditures included \$74.1 million for software and technology and \$8.7 million for property, plant, and equipment.

Financing Activities

Net cash used in financing activities was \$722.7 million during the nine months ended September 30, 2025. This cash outflow is primarily attributable to a decrease in net customer fund obligations of \$659.6 million, repurchases of common stock of \$59.9 million, taxes paid related to the net share settlement of equity awards of \$19.0 million, payments on our long-term debt obligations of \$5.5 million, and payment of debt refinancing costs of \$1.2 million, partially offset by proceeds from issuance of common stock under our share-based compensation plans of \$22.5 million.

Net cash used in financing activities was \$1,067.6 million during the nine months ended September 30, 2024. This cash outflow is primarily attributable to a decrease in net customer fund obligations of \$1,049.9 million, payments on our long-term debt obligations of \$646.5 million, repurchases of common stock of \$28.8 million, payment of debt refinancing costs of \$11.4 million, taxes paid related to the net share settlement of equity awards of \$10.7 million, and payment of contingent consideration of \$3.0 million, partially offset by an increase in proceeds from our debt issuance of \$650.0 million and proceeds from issuance of common stock under our share-based compensation plans of \$32.7 million.

Backlog

Backlog is equivalent to our remaining performance obligations, which represents contracted revenue for recurring services and fixed price professional services, primarily implementation services, that has not yet been recognized, including deferred revenue and unbilled amounts that will be recognized as revenue in future periods. As of September 30, 2025, our remaining performance obligations were approximately \$1.52 billion. Please refer to [Part 1, Item 1, Note 10, "Revenue and Revenue-Related Activities"](#) for further discussion of our remaining performance obligations.

Off-Balance Sheet Arrangements

As of September 30, 2025, we did not have any "off-balance sheet arrangements" (as such term is defined in Item 303 of Regulation S-K).

Contractual Obligations

During the nine months ended September 30, 2025, there were no significant changes to our contractual obligations as described in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Contractual Obligations" contained in our [2024 Form 10-K](#).

Critical Accounting Policies and Estimates

During the nine months ended September 30, 2025, there were no significant changes to our critical accounting policies and estimates as described in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Critical Accounting Policies and Estimates" contained in our [2024 Form 10-K](#).

Non-GAAP Financial Measures

We use certain non-GAAP financial measures in this document including:

Non-GAAP Financial Measure	GAAP Financial Measure
EBITDA	Net (loss) income
Adjusted EBITDA	Net (loss) income
Adjusted EBITDA margin	Net profit margin
Adjusted operating profit	Operating profit
Adjusted operating profit margin	Operating profit margin
Adjusted net income	Net (loss) income
Adjusted net profit margin	Net profit margin
Adjusted diluted net income per share	Diluted net (loss) income per share
Free cash flow	Net cash provided by operating activities
Free cash flow margin	Net cash provided by operating activities margin
Percentage change in revenue, including total revenue and revenue by solution, on a constant currency basis	Percentage change in revenue, including total revenue and revenue by solution
Dayforce recurring revenue per customer	No directly comparable GAAP measure

We believe that these non-GAAP financial measures are useful to management and investors as supplemental measures to evaluate our overall operating performance including comparison across periods and with competitors. Our management team uses these non-GAAP financial measures to assess operating performance because these financial measures exclude the results of decisions that are outside the normal course of our business operations, and are used for internal budgeting and forecasting purposes both for short- and long-term operating plans. Additionally, Adjusted operating profit, free cash flow, and free cash flow margin are components of certain management compensation plans. Additionally, we believe that the non-GAAP financial measures free cash flow and free cash flow margin are meaningful to investors because they are measures of liquidity that provide useful information in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business. The reduction of capital expenditures facilitates comparisons of our liquidity on a period-to-period basis and excludes items that management does not consider to be indicative of our liquidity.

These non-GAAP financial measures are not required by, defined under, or presented in accordance with, GAAP, and should not be considered as alternatives to our results as reported under GAAP, have important limitations as analytical tools, and our use of these terms may not be comparable to similarly titled measures of other companies in our industry. Our presentation of non-GAAP financial measures should not be construed to imply that our future results will be unaffected by similar items to those eliminated in this presentation.

We define our non-GAAP financial measures as follows:

- EBITDA is defined as net (loss) income before interest, taxes, depreciation, and amortization, and Adjusted EBITDA is EBITDA, as adjusted to exclude share-based compensation expense and related employer taxes, and certain other items.
- Adjusted EBITDA margin is determined by calculating the percentage Adjusted EBITDA is of total revenue.
- Adjusted operating profit is defined as operating profit, as adjusted to exclude share-based compensation expense and related employer taxes, amortization of acquisition-related intangible assets, and certain other items.
- Adjusted operating profit margin is determined by calculating the percentage Adjusted operating profit is of total revenue.
- Adjusted net income is defined as net (loss) income, as adjusted to exclude share-based compensation expense and related employer taxes, amortization of acquisition-related intangible assets, and certain other items, all of which are adjusted for the effect of income taxes.
- Adjusted net profit margin is determined by calculating the percentage Adjusted net income is of total revenue.
- Adjusted diluted net income per share is calculated by dividing adjusted net income by diluted weighted average shares outstanding. When adjusted net income is positive, diluted weighted average shares outstanding incorporate the effect of dilutive equity instruments.
- Free cash flow is defined as net cash provided by operating activities, reduced by capital expenditures.
- Free cash flow margin is determined by calculating the percentage that free cash flow is of total revenue.
- Percentage change in revenue, including total revenue and revenue by solution, on a constant currency basis is calculated by applying the average foreign exchange rate in effect during the comparable prior period.
- Dayforce recurring revenue per customer is an indicator of the average size of Dayforce recurring revenue customers. To calculate Dayforce recurring revenue per customer, we start with Dayforce recurring revenue on a constant currency basis by applying the same exchange rate to all comparable periods for the trailing twelve months and excludes float revenue, and Ascender, ADAM HCM, and eloomi revenue. This amount is divided by the number of live Dayforce customers at the end of the trailing twelve month period, excluding Ascender, ADAM HCM, and eloomi. We have not reconciled Dayforce recurring revenue per customer to a GAAP financial measure because there is no directly comparable GAAP financial measure.

The following tables reconcile our reported results to our non-GAAP financial measures:

Three Months Ended September 30, 2025

	As reported	As reported margins (a)	Share-based compensation (Dollars in millions, except per share data)	Amortization	Other (b)	As adjusted (b)	As adjusted margins (a)
Operating profit	\$ 30.5	6.3%	\$ 44.9	\$ 16.1	\$ 27.6	\$ 119.1	24.7%
Net (loss) income	\$ (196.8)	(40.9)%	\$ 44.9	\$ 16.1	\$ 196.3	\$ 60.5	12.6%
Interest expense, net	6.7		—	—	—	6.7	
Income tax benefit (c)	43.9		—	—	(8.0)	51.9	
Depreciation and amortization	44.3		—	16.1	—	28.2	
EBITDA	\$ (101.9)		\$ 44.9	\$ —	\$ 204.3	\$ 147.3	30.6%
Net (loss) income per share - diluted (d)	\$ (1.23)		\$ 0.28	\$ 0.10	\$ 1.21	\$ 0.37	

Three Months Ended September 30, 2024

	As reported	As reported margins (a)	Share-based compensation (Dollars in millions, except per share data)	Amortization	Other (b)	As adjusted (b)	As adjusted margins (a)
Operating profit	\$ 20.8	4.7%	\$ 39.6	\$ 29.6	\$ 13.2	\$ 103.2	23.5%
Net income	\$ 2.0	0.5%	\$ 39.6	\$ 29.6	\$ 3.3	\$ 74.5	16.9%
Interest expense, net	8.8		—	—	—	8.8	
Income tax expense (c)	16.3		—	—	(4.0)	20.3	
Depreciation and amortization	52.1		—	29.6	—	22.5	
EBITDA	\$ 79.2		\$ 39.6	\$ —	\$ 7.3	\$ 126.1	28.7%
Net income per share - diluted	\$ 0.01		\$ 0.25	\$ 0.19	\$ 0.02	\$ 0.47	

- (a) Operating profit margin and net profit margin are determined by calculating the percentage operating profit and net (loss) income are of total revenue. Please refer above for additional information on the as adjusted margins.
- (b) The as adjusted column is a non-GAAP financial measure, adjusted to exclude share-based compensation expense and related employer taxes, amortization of acquisition-related intangible assets, and certain other items. For the three months ended September 30, 2025, the adjustments to operating profit consist of \$27.6 million of restructuring expenses, primarily related to costs associated with the Thoma Bravo Transaction, and the adjustments to net loss also include \$177.4 million of pension costs, primarily associated with the non-cash loss on the partial settlement related to the pension plan termination, \$0.7 million of foreign exchange gain, and a \$8.0 million net adjustment for the effect of income taxes related to these items. For the three months ended September 30, 2024, the adjustments to operating profit consist of \$9.0 million related to the fair value adjustment for the DataFuzion contingent consideration, \$3.2 million of restructuring expenses, and \$1.0 million of fees associated with initiating the receivables securitization program and the adjustments to net income also include \$3.2 million of costs associated with the planned termination of its frozen U.S. pension plan, and \$9.1 million of foreign exchange gain, along with a \$4.0 million net adjustment for the effect of income taxes related to these items. Please refer below for additional information on the as adjusted metrics.
- (c) Income tax effects have been calculated based on the statutory tax rates in effect in the U.S. and foreign jurisdictions during the period.
- (d) Adjusted diluted net income per share is calculated based upon 162.0 million weighted average shares of common stock for the three months ended September 30, 2025.

Nine Months Ended September 30, 2025

	<u>As reported</u>	<u>As reported margins (a)</u>	<u>Share-based compensation (Dollars in millions, except per share data)</u>	<u>Amortization</u>	<u>Other (b)</u>	<u>As adjusted (b)</u>	<u>As adjusted margins (a)</u>
Operating profit	\$ 103.8	7.3%	\$ 139.3	\$ 75.9	\$ 57.3	\$ 376.3	26.3%
Net (loss) income	\$ (160.6)	(11.2)%	\$ 139.3	\$ 75.9	\$ 198.0	\$ 252.6	17.7%
Interest expense, net	21.7		—	—	—	21.7	
Income tax expense (c)	65.1		—	—	(36.3)	101.4	
Depreciation and amortization	151.4		—	75.9	—	75.5	
EBITDA	\$ 77.6		\$ 139.3	\$ —	\$ 234.3	\$ 451.2	31.6%
Net (loss) income per share - diluted (d)	\$ (1.01)		\$ 0.86	\$ 0.47	\$ 1.22	\$ 1.56	

Nine Months Ended September 30, 2024

	<u>As reported</u>	<u>As reported margins (a)</u>	<u>Share-based compensation (Dollars in millions, except per share data)</u>	<u>Amortization</u>	<u>Other (b)</u>	<u>As adjusted (b)</u>	<u>As adjusted margins (a)</u>
Operating profit	\$ 75.6	5.8%	\$ 118.4	\$ 87.5	\$ 25.7	\$ 307.2	23.7%
Net income	\$ 7.3	0.6%	\$ 118.4	\$ 87.5	\$ 5.5	\$ 218.7	16.9%
Interest expense, net	33.2		—	—	—	33.2	
Income tax expense (c)	29.4		—	—	(27.0)	56.4	
Depreciation and amortization	151.5		—	87.5	—	64.0	
EBITDA	\$ 221.4		\$ 118.4	\$ —	\$ 32.5	\$ 372.3	28.8%
Net income per share - diluted	\$ 0.05		\$ 0.74	\$ 0.55	\$ 0.03	\$ 1.37	

- (a) Operating profit margin and net profit margin are determined by calculating the percentage operating profit and net (loss) income are of total revenue. Please refer above for additional information on the as adjusted margins.
- (b) The as adjusted column is a non-GAAP financial measure, adjusted to exclude share-based compensation expense and related employer taxes, amortization of acquisition-related intangible assets, and certain other items. For the nine months ended September 30, 2025, the adjustments to operating profit consist of \$57.3 million of restructuring expenses, including costs associated with the Thoma Bravo Transaction, and the adjustments to net loss also include \$187.9 million of pension costs, primarily associated with the non-cash loss on the partial settlement related to the pension plan termination, \$10.9 million of foreign exchange gain, and a \$36.3 million net adjustment for the effect of income taxes related to these items. For the nine months ended September 30, 2024, the adjustments to operating profit consist of \$15.7 million of restructuring expenses, \$9.0 million related to the fair value adjustment for the DataFuzion contingent consideration, and \$1.0 million of fees associated with initiating the receivables securitization program and the adjustments to net income also include \$9.7 million of costs associated with the planned termination of its frozen U.S. pension plan, and \$2.9 million of foreign exchange gain, along with a \$27.0 million net adjustment for the effect of income taxes related to these items. Please refer below for additional information on the as adjusted metrics.
- (c) Income tax effects have been calculated based on the statutory tax rates in effect in the U.S. and foreign jurisdictions during the period.
- (d) Adjusted diluted net income per share is calculated based upon 162.0 million weighted average shares of common stock for the nine months ended September 30, 2025.

The following table reconciles our reported results to free cash flow and free cash flow margin:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(In millions)			
Net cash provided by operating activities	\$ 31.2	\$ 91.8	\$ 193.5	\$ 200.1
Capital expenditures	(26.2)	(28.4)	(81.9)	(82.8)
Free cash flow	<u>\$ 5.0</u>	<u>\$ 63.4</u>	<u>\$ 111.6</u>	<u>\$ 117.3</u>
Net cash provided by operating activities margin				
(a)	6.5%	20.9%	13.5%	15.5%
Free cash flow margin	1.0%	14.4%	7.8%	9.1%

- (a) Net cash provided by operating activities margin is determined by calculating the percentage that net cash provided by operating activities is of total revenue.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks related to foreign currency exchange rates, interest rates, and pension obligations. We seek to minimize or to manage these market risks through normal operating and financing activities. These market risks may be amplified by events and factors surrounding global events. We do not trade or use instruments with the objective of earning financial gains on market fluctuations, nor do we use instruments where there are not underlying exposures.

Foreign Currency Risk. Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Canadian Dollar. Our exposure to foreign currency exchange rates has historically been partially hedged as our foreign currency denominated inflows create a natural hedge against our foreign currency denominated expenses. Accordingly, our results of operations and cash flows were not materially affected by fluctuation in foreign currency exchange rates, and we believe that a hypothetical 10% change in foreign currency exchange rates or an inability to access foreign funds would not materially affect our ability to meet our operational needs or result in a material foreign currency loss in the future. Due to the relative size of our international operations to date, we have not instituted an active hedging program. We expect our international operations to continue to grow in the near term, and we are monitoring the foreign currency exposure to determine if we should begin a hedging program.

Interest Rate Risk. Our operating results and financial condition are subject to fluctuations due to changes in interest rates, primarily in relation to: (1) our customer funds market valuation and float revenue derived therefrom, (2) our debt and the interest paid on such, and (3) our cash and equivalents and the interest income earned on these balances. Collectively, we do not believe that a change in interest rates of 100 basis points would have a material effect on our operating results or financial condition.

In certain jurisdictions, we collect funds for payment of payroll and taxes; temporarily hold such funds in segregated accounts until payment is due; remit the funds to the customers' employees and appropriate taxing authority; file federal, state and local tax returns; and handle related regulatory correspondence and amendments. We invest the customer funds in high-quality bank deposits, money market mutual funds, commercial paper or collateralized short-term investments. We may also invest these funds in government securities, as well as highly rated asset-backed, mortgage-backed, corporate, and bank securities.

We have exposure to risks associated with changes in laws and regulations that may affect customer fund balances. For example, a change in regulations, either reducing the amount of taxes to be withheld or allowing less time to remit taxes to government authorities, would reduce our average customer fund balances and float revenue. Based on current market conditions, portfolio composition and investment practices, a 100 basis point decrease in market investment rates would result in approximately \$27 million decrease in float revenue over the ensuing twelve month period. There are no incremental costs of revenue associated with changes in float revenue.

We pay floating rates of interest on our Term Debt and Revolving Credit Facility. The interest paid on these borrowings will fluctuate up or down in relation to changes in market interest rates. A 100 basis point decrease in the applicable reference rates would result in approximately \$6 million decrease in our interest expense over the ensuing twelve month period. Please refer to [Part I, Item 1. Note 7, "Debt"](#) for additional information. In addition, certain fees related to our Receivables Securitization Program fluctuate based on changes in market interest rates.

We do not enter into investments for trading or speculative purposes. Our cash equivalents and our portfolio of marketable securities are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectation due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates.

However, because we classify our securities as "available for sale," no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be unrecoverable. Fluctuations in the value of our investment securities caused by a change in interest rates (gains or losses on the carrying value) are recorded in other comprehensive income, and are realized only if we sell the underlying securities. Please refer to [Part I, Item 1. Note 4, "Customer Funds"](#) for additional information.

Pension Obligation Risk. We provide a pension plan for certain current and former U.S. employees that closed to new participants on January 2, 1995. In 2007, the U.S. pension plan was amended (1) to exclude from further participation any participant or former participant who was not employed by us or another participating employer on January 1, 2008, (2) to discontinue participant contributions, and (3) to freeze the accrual of additional benefits as of December 31, 2007.

In the third quarter of 2025, we settled the majority of future obligations through a combination of lump sum payments to eligible, electing participants and the transfer of any remaining benefits to a third-party insurance company through a group annuity contract. We expect to settle the remaining obligations and finalize the group annuity contract in the fourth quarter of 2025. In applying relevant accounting policies, we have made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, discount rates, and health care cost trends. The cost of pension benefits in future periods will depend on actual returns on plan assets, assumptions for future periods, contributions, and benefit experience. The effective discount rate used in accounting for pension and other benefit obligations in 2024 ranged from 5.06% to 5.35%. The expected rate of return on plan assets for qualified pension benefits in 2025 is 5.10%.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on that evaluation our Chief Executive Officer and our Chief Financial Officer concluded that as of September 30, 2025, our disclosure controls and procedures were effective at the reasonable assurance level. While our disclosure controls and procedures are designed to provide reasonable assurance of their effectiveness, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting during the nine months ended September 30, 2025 that have materially affected, or that are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 13 “Commitments and Contingencies” in our notes to condensed consolidated financial statements under Part I, Item 1 of this report for information regarding legal proceedings related to the Thoma Bravo Transaction.

We are also subject to claims and a number of judicial and administrative proceedings considered normal in the course of our current and past operations, including employment-related disputes, contract disputes, disputes with our competitors, intellectual property disputes, government audits and proceedings, customer disputes, and tort claims. In some proceedings, the claimant seeks damages as well as other relief, which, if granted, would require substantial expenditures on our part.

Some of these matters raise difficult and complex factual and legal issues and are subject to many uncertainties, including the facts and circumstances of each particular action, and the jurisdiction, forum, and law under which each action is proceeding. Because of these complexities, final disposition of some of these proceedings may not occur for several years. As such, we are not always able to estimate the amount of our possible future liabilities, if any. Other than the legal proceedings related to the Thoma Bravo Transaction, we are not presently a party to any legal proceedings that, if determined adversely to us, we believe would individually or taken together have a material adverse effect on our business, financial condition or liquidity.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q, such as Part I, Item 2. "[Management's Discussion and Analysis of Financial Condition and Results of Operations](#)", the reader should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our [2024 Form 10-K](#). There have been no material changes in our risk factors from those disclosed in Part I, Item 1A. of our [2024 Form 10-K](#), with the exception of the items listed below.

Risks Related to the Proposed Thoma Bravo Transaction

The consummation of the Thoma Bravo Transaction is subject to a number of conditions outside of the parties' control, and, if these conditions are not satisfied or waived, the Merger Agreement may be terminated and the Thoma Bravo Transaction may not be completed.

On August 20, 2025, we entered into the Merger Agreement with Dawn Bidco, LLC, a Delaware limited liability company ("Parent"), and Dawn Acquisition Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Parent ("Merger Sub"). Parent and Merger Sub are affiliates of Thoma Bravo Fund XVI, L.P., Thoma Bravo Fund XVI-A, L.P., Thoma Bravo Fund XVI-B, SCSP, Thoma Bravo Executive Fund XVI, L.P., Thoma Bravo Employee Fund II, L.P., Thoma Bravo Fund XV, L.P., Thoma Bravo Fund XV-A, L.P., Thoma Bravo Executive Fund XV, L.P., Thoma Bravo Employee Fund, L.P., Thoma Bravo Fund XIV, L.P., Thoma Bravo Fund XIV-A, L.P., Thoma Bravo Executive Fund XIV, L.P. and Thoma Bravo Executive Fund XIV-a, L.P., investment funds managed by Thoma Bravo.

Pursuant to the Merger Agreement, (1) Merger Sub will merge with and into Dayforce, with Dayforce surviving the Merger as a wholly owned subsidiary of Parent, and (2) at the effective time of the Thoma Bravo Transaction (the "Effective Time"), each issued and outstanding share of Dayforce common stock, par value \$0.01 per share, as of immediately prior to the Effective Time (other than certain excluded shares) will be converted into the right to receive \$70.00 in cash, without interest. The completion of the Thoma Bravo Transaction is subject to the satisfaction or waiver of certain customary mutual closing conditions, including (1) the adoption of the Merger Agreement by the affirmative vote of holders of a majority of the voting power of the outstanding capital stock of Dayforce, (2) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (3) clearance of the transaction under the Competition Act (Canada), (4) approval by the Officer of the Comptroller of the Currency, (5) receipt of certain other regulatory approvals and (6) the absence of any law or judgment by a governmental entity of competent jurisdiction enjoining or otherwise prohibiting consummation of the Merger. The obligation of each party to consummate the Merger is also conditioned on the other party's representations and warranties being true and correct (subject to certain customary materiality exceptions) and the other party having performed in all material respects its obligations under the Merger Agreement, and the obligation of Parent to consummate the Merger is additionally conditioned on no material adverse effect on the Company having occurred since the execution of the Merger Agreement.

The governmental authorities responsible for administering antitrust and foreign investment laws, including the HSR Act, have broad discretion in administering the relevant governing laws and regulations. These authorities may initiate proceedings or take other actions to delay or prevent the consummation of the Thoma Bravo Transaction.

Failure to satisfy or obtain the required regulatory approvals and other closing conditions could significantly delay the completion of the Thoma Bravo Transaction or prevent it from occurring. Any such delay could reduce or eliminate the anticipated benefits of the Thoma Bravo Transaction. There can be no assurance that the conditions to closing will be satisfied or waived, or that the Thoma Bravo Transaction will be completed within the expected timeframe, or at all.

Failure to complete the Thoma Bravo Transaction could adversely affect our stock price and future business and financial results.

There can be no assurance that the conditions to the closing of the Thoma Bravo Transaction will be satisfied or waived, or that the Thoma Bravo Transaction will be completed within the expected timeframe, or at all. If the Thoma Bravo Transaction is not completed, our business and financial condition could be adversely affected, and we would face a number of risks and consequences, including: (i) we are required to pay Parent a termination fee of \$351 million in cash on termination of the Merger Agreement under specified circumstances, including termination by Parent in the event that the Board of Directors of Dayforce adversely changes its recommendation in favor of the Thoma Bravo Transaction or if we terminate the Merger Agreement to enter into an agreement providing for a superior proposal; (ii) we will incur significant expenses related to the proposed Thoma Bravo Transaction, such as legal, accounting, financial advisory, filing, printing, and mailing costs, regardless of whether the transaction is completed; (iii) while the Merger Agreement remains in effect, we are subject to certain restrictions on the conduct of our business which may limit our ability to pursue certain strategic initiatives or operational changes; and (iv) the proposed Thoma Bravo Transaction, whether or not completed, may divert the attention of our management and other key employees from ongoing business operations and activities.

If the Thoma Bravo Transaction is not completed, these risks could materially affect our business, financial results, and the market price of our common stock, particularly if the current market price of our common stock reflects a market assumption that the Thoma Bravo Transaction will be consummated.

While the Thoma Bravo Transaction is pending, we will be subject to business uncertainties and contractual restrictions that could adversely affect our business and operations.

In connection with the pending Thoma Bravo Transaction, some of our existing or prospective customers, vendors or other third parties may react unfavorably, including by delaying, deferring or ceasing to provide goods or services, postponing business or transactional decisions, refusing to extend credit, or otherwise seeking to change the terms on which they do business with us. These actions could adversely affect our revenues, earnings, funds from operations, cash flows and expenses, regardless of whether the Thoma Bravo Transaction is completed. The Merger Agreement also imposes restrictions on the conduct of our business prior to closing. During the pendency of the Thoma Bravo Transaction, these restrictions may limit our ability to pursue strategic transactions, significant capital projects, or financing activities, even when such actions might otherwise be beneficial. As a result, we may be required to delay, scale back, or forgo certain business initiatives and opportunities.

In addition, the pending Thoma Bravo Transaction may create uncertainty for current and prospective employees regarding their future with us. This uncertainty could make it more difficult for us to effectively retain, recruit and incentivize employees, including key management personnel, and may distract our personnel from executing our strategy and day-to-day operations.

The termination fee and restrictions on solicitation contained in the Merger Agreement may discourage other companies from trying to acquire us.

The Merger Agreement provides that, during the period from the date of the Merger Agreement until the Effective Time, we will be subject to certain restrictions on our ability to solicit certain alternative acquisition proposals from third parties, provide non-public information to third parties and engage in discussions or enter into agreements with third parties regarding certain alternative acquisition proposals, subject to customary exceptions. The Merger Agreement also contains certain termination rights for us and Parent. Upon termination of the Merger Agreement in accordance with its terms, under certain circumstances, we will be required to pay Parent a termination fee of \$351 million in cash, including if the Merger Agreement is terminated due to our acceptance of a superior proposal.

Litigation against us, the other parties to the Merger Agreement, or the members of our or their respective boards, could prevent or delay the completion of the Thoma Bravo Transaction.

Lawsuits related to the Thoma Bravo Transaction and the related proxy statement have been filed, and additional such lawsuits may be filed in the future. The outcome of such litigation cannot be predicted, including the potential costs of

defense or other liabilities that may arise. If plaintiffs were to obtain an injunction prohibiting the completion of the Thoma Bravo Transaction on the agreed terms, the Thoma Bravo Transaction could be delayed or prevented altogether. Even if such claims are unsuccessful, related litigation could result in significant costs and divert management's attention and resources from both the completion of the Thoma Bravo Transaction and the operation of our ongoing business, which could adversely affect our operations.

Subject to certain exceptions, if the Thoma Bravo Transaction is not consummated by May 21, 2026, either we or Parent may terminate the Merger Agreement.

The Merger Agreement contains termination rights for each of us and Parent, including, among others, if the consummation of the Thoma Bravo Transaction does not occur on or before May 21, 2026. In the event the Merger Agreement is terminated by either party due to a failure to close by May 21, 2026, we will have incurred significant costs and will have diverted significant management focus and resources from other strategic opportunities and ongoing business activities without our stockholders realizing the anticipated benefits of the Thoma Bravo Transaction.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The table below presents information with respect to Dayforce common stock purchases made during the three months ended September 30, 2025 by Dayforce or any "affiliated purchaser" of Dayforce, as defined in Rule 10b-18(a)(3) under the Exchange Act:

<u>Period</u>	<u>Total Number of Shares Purchased (a)</u>	<u>Average Price Paid per Share (b)</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program</u>	<u>Approximate Dollar Value of Shares that May Yet be Purchased Under the Program</u>
				(In millions)
July 1 - 31, 2025	124,190	\$ 57.57	124,190	\$ 405.5
August 1 - 31, 2025	28,235	54.02	28,235	404.0
September 1 - 30, 2025	—	—	—	404.0
Total	<u>152,425</u>	\$ 56.91	<u>152,425</u>	\$ 404.0

- (a) On July 31, 2024, we announced that our Board of Directors had approved a share repurchase program with authorization to purchase up to \$500 million of our common stock. The share repurchase program has no expiration date.
- (b) Average price paid includes costs associated with the repurchases.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Insider Adoption or Termination of Trading Arrangements

During the fiscal quarter ended September 30, 2025, none of our directors or officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS

(a) Exhibits

The following exhibits are filed or furnished as a part of this report:

Exhibit No.	Description
2.1*	<u>Agreement and Plan of Merger, dated as of August 20, 2025, by and among Dawn Bidco, LLC, Dawn Acquisition Merger Sub, Inc., and Dayforce, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by the Registrant on August 21, 2025).</u>
3.1	<u>Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q filed by the Registrant on May 7, 2025).</u>
3.2	<u>Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the Registrant on October 30, 2024).</u>
4.1	<u>Registration Rights Agreement, dated April 30, 2018, by and among the Registrant and the other parties thereto (incorporated by reference to Exhibit 4.4 to the Quarterly Report on Form 10-Q filed by the Registrant on May 24, 2018).</u>
4.2	<u>Indenture, dated as of March 5, 2021, between the Registrant and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by the Company on March 5, 2021).</u>
4.3	<u>Form of 0.25% Convertible Senior Notes due 2026 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by the Registrant on March 5, 2021).</u>
10.1**^	<u>Dayforce, Inc. 2018 Equity Incentive Plan (amended and restated as of April 1, 2022) (as amended as of July 31, 2025).</u>
10.2**^	<u>Dayforce, Inc. Global Employee Stock Purchase Plan (as amended as of July 31, 2025).</u>
31.1^	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2^	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1#	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2#	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS^	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH^	Inline XBRL Taxonomy Extension Schema with Embedded Linkbases Document.
104^	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The company agrees to furnish supplementally to the SEC a copy of any omitted schedule upon request.

** Management compensatory plan or arrangement.

^ Filed herewith.

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DAYFORCE, INC.

Date: October 29, 2025

By: /s/ David D. Ossip

Name: David D. Ossip

Title: Chief Executive Officer
(Principal Executive Officer)

Date: October 29, 2025

By: /s/ Jeremy R. Johnson

Name: Jeremy R. Johnson

Title: Executive Vice President and Chief Financial
Officer
(Principal Financial Officer)

DAYFORCE, INC.
2018 EQUITY INCENTIVE PLAN
(amended and restated as of April 1, 2022)¹

1. Purpose.

The purpose of the Dayforce, Inc. 2018 Equity Incentive Plan (amended and restated as of April 1, 2022) (the “Plan”) is to further align the interests of eligible participants with those of the Company’s stockholders by providing incentive compensation opportunities tied to the performance of the Company and its Common Stock. The Plan is intended to advance the interests of the Company and increase stockholder value by attracting, retaining and motivating key personnel upon whose judgment, initiative and effort the successful conduct of the Company’s business is largely dependent.

2. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth below:

“*Applicable Law*” means any applicable law, including without limitation: (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether U.S. or non-U.S. federal, state or local; and (c) rules of any securities exchange or automated quotation system on which the shares of Common Stock are listed, quoted or traded.

“*Award*” means an award of a Stock Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit, Cash Incentive Award or Stock Award granted under the Plan.

“*Award Agreement*” means a notice or an agreement entered into between the Company and a Participant setting forth the terms and conditions of an Award granted to a Participant as provided in Section 15.2 hereof.

“*Beneficial Owner*” shall have the meaning ascribed to such term in Rule 13d-3 under the Exchange Act.

“*Board*” means the Board of Directors of the Company.

“*Cash Incentive Award*” means an Award that is denominated by a cash amount to an Eligible Person under Section 10 hereof and payable based on or conditioned upon the attainment of business and/or individual performance goals over a specified performance period.

“*Cause*” shall have the meaning set forth in Section 13.2 hereof.

“*Change of Control*” shall have the meaning set forth in Section 12.2 hereof.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Committee*” means (i) the Compensation Committee of the Board, (ii) such other committee of the Board appointed by the Board to administer the Plan or (iii) the Board, as determined by the Board.

“*Common Stock*” means the Company’s common stock, par value \$0.01 per share.

¹ As amended as of July 31, 2025

“Company” means Dayforce, Inc., a Delaware corporation or any successor thereto.

“Date of Grant” means the date on which an Award under the Plan is granted by the Committee or such later date as the Committee may specify to be the effective date of an Award.

“Disability” means, unless otherwise provided by the Committee and set forth in an Award Agreement, the failure or inability of the Participant to perform duties with the Company or any of its Subsidiaries or affiliates for a period of at least 180 consecutive days (or 180 days during any twelve (12) month period) by reason of any physical or mental condition, as determined in good faith by the Committee in its sole discretion. Notwithstanding the foregoing, in any case in which a benefit that constitutes or includes “nonqualified deferred compensation” subject to Section 409A would be payable by reason of Disability, the term “Disability” will mean a disability described in Treasury Regulations Section 1.409A-3(i)(4)(i)(A).

“Effective Date” shall have the meaning set forth in Section 16.1 hereof.

“Eligible Person” means any person who is an officer, employee, Non-Employee Director, or any natural person who is a consultant or advisor of the Company or any of its Subsidiaries.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

“Fair Market Value” means, as applied to a specific date, the price of a share of Common Stock that is based on the opening, closing, actual, high, low or average selling prices of a share of Common Stock reported on any established stock exchange or national market system including without limitation the New York Stock Exchange and the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Committee in its discretion. Unless the Committee determines otherwise or unless otherwise specified in an Award Agreement, Fair Market Value shall be deemed to be equal to the closing price of a share of Common Stock on the most recent date on which shares of Common Stock were publicly traded. Notwithstanding the foregoing, if the Common Stock is not traded on any established stock exchange or national market system, the Fair Market Value means the price of a share of Common Stock as established by the Committee acting in good faith based on a reasonable valuation method that is consistent with the requirements of Section 409A of the Code and the regulations thereunder.

“Incentive Stock Option” means a Stock Option granted under Section 6 hereof that is intended to meet the requirements of Section 422 of the Code and the regulations thereunder.

“Non-Employee Director” means a member of the Board who is not an employee of the Company or any of its Subsidiaries.

“Nonqualified Stock Option” means a Stock Option granted under Section 6 hereof that is not an Incentive Stock Option.

“Participant” means any Eligible Person who holds an outstanding Award under the Plan.

“Plan” means the Dayforce, Inc. 2018 Equity Incentive Plan (amended and restated as of April 1, 2022) as set forth herein, effective as of the Effective Date and as may be amended from time to time, as provided herein, and includes any sub-plan or appendix that may be created and approved by the Board to allow Eligible Persons of Subsidiaries to participate in the Plan.

“Restricted Stock Award” means a grant of shares of Common Stock to an Eligible Person under Section 8 hereof that are issued subject to such vesting and transfer restrictions as the Committee shall determine, and such other conditions, as are set forth in the Plan and the applicable Award Agreement.

“Restricted Stock Unit” means a contractual right granted to an Eligible Person under Section 9 hereof representing notional unit interests equal in value to a share of Common Stock to be paid or distributed at such times, and subject to such conditions, as set forth in the Plan and the applicable Award Agreement.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

“Service” means a Participant’s employment with the Company or any Subsidiary or a Participant’s service as a Non-Employee Director, consultant or other service provider with the Company or any Subsidiary, as applicable.

“Stock Appreciation Right” means a contractual right granted to an Eligible Person under Section 7 hereof entitling such Eligible Person to receive a payment, representing the excess of the Fair Market Value of a share of Common Stock over the base price per share of the right, at such time, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

“Stock Awards” means a grant of shares of Common Stock to an Eligible Person under Section 11 hereof.

“Stock Option” means a contractual right granted to an Eligible Person under Section 6 hereof to purchase shares of Common Stock at such time and price, and subject to such conditions, as are set forth in the Plan and the applicable Award Agreement.

“Subsidiary” means an entity (whether or not a corporation) that is wholly or majority owned or controlled, directly or indirectly, by the Company or any other affiliate of the Company that is so designated, from time to time, by the Committee, during the period of such affiliated status; provided, however, that with respect to Incentive Stock Options, the term “Subsidiary” shall include only an entity that qualifies under Section 424(f) of the Code as a “subsidiary corporation” with respect to the Company.

“Treasury Regulations” means regulations promulgated by the United States Treasury Department.

3. Administration.

3.1 Committee Members. The Plan shall be administered by a Committee comprised of no fewer than two members of the Board who are appointed by the Board to administer the Plan. To the extent deemed necessary by the Board, each Committee member shall satisfy the requirements for (i) an “independent director” under rules adopted by the New York Stock Exchange or other principal exchange on which the Common Stock is then listed and (ii) a “nonemployee director” within the meaning of Rule 16b-3 under the Exchange Act. Notwithstanding the foregoing, the mere fact that a Committee member shall fail to qualify under any of the foregoing requirements shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. To the fullest extent permitted by Applicable Law and the Company’s certificate of incorporation, bylaws and other governing documents, neither the Company nor any member of the Committee shall be liable for any action or determination made in good faith by the Committee with respect to the Plan or any Award thereunder.

3.2 Committee Authority. The Committee shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (i) determine the Eligible Persons to whom Awards shall be granted under the Plan, (ii) prescribe the restrictions, terms and conditions of all Awards, (iii) interpret the Plan and terms of the Awards, (iv) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and interpret, amend or revoke any such rules, (v) make all determinations with respect to a Participant’s Service and the termination of such Service for purposes of any Award, (vi) correct any defect(s) or omission(s) or reconcile any ambiguity(ies) or inconsistency(ies) in the Plan or any Award thereunder, (vii) make all determinations it deems advisable for the administration of the Plan, (viii) decide all disputes arising in connection with the Plan and to otherwise supervise the administration of the Plan, (ix) subject to the terms of the Plan, amend the

terms of an Award in any manner that is not inconsistent with the Plan, (x) accelerate the vesting or, to the extent applicable, exercisability of any Award at any time (including, but not limited to, upon a Change of Control or upon termination of Service under certain circumstances, as set forth in the Award Agreement or otherwise), and (xi) adopt such procedures, modifications or subplans as are necessary or appropriate to permit participation in the Plan by Eligible Persons who are foreign nationals or employed outside of the United States. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among Participants and Eligible Persons, whether or not such persons are similarly situated. The Committee shall, in its discretion, consider such factors as it deems relevant in making its interpretations, determinations and actions under the Plan including, without limitation, the recommendations or advice of any officer or employee of the Company or board of directors of a Subsidiary or such attorneys, consultants, accountants or other advisors as it may select. All interpretations, determinations, and actions by the Committee shall be final, conclusive, and binding upon all parties.

3.3 *Delegation of Authority.* The Committee shall have the right, from time to time, to delegate in writing to one or more officers of the Company the authority of the Committee to grant and determine the terms and conditions of Awards granted under the Plan, subject to the requirements of Section 157(c) of the Delaware General Corporation Law (or any successor provision) or such other limitations as the Committee shall determine. In no event shall any such delegation of authority be permitted with respect to Awards granted to any member of the Board or to any Eligible Person who is subject to Rule 16b-3 under the Exchange Act. The Committee shall also be permitted to delegate, to any appropriate officer or employee of the Company, responsibility for performing certain ministerial functions under the Plan. In the event that the Committee's authority is delegated to officers or employees in accordance with the foregoing, all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to such officer or employee for such purpose. Any action undertaken in accordance with the Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by the Committee and shall be deemed for all purposes of the Plan to have been taken by the Committee.

4. Shares Subject to the Plan.

4.1 *Number of Shares Reserved.* Subject to adjustment as provided in Section 4.5 hereof, the total number of shares of Common Stock that are reserved for issuance under the Plan (the "*Share Reserve*") shall equal 13,500,000 and the total number of shares of Common Stock available for issuance as Incentive Stock Options shall be 13,500,000. Each share of Common Stock subject to an Award shall reduce the Share Reserve by one share; provided, however, that Awards that are required to be paid in cash pursuant to their terms shall not reduce the Share Reserve. Any shares of Common Stock delivered under the Plan shall consist of authorized and unissued shares or treasury shares.

4.2 *Share Replenishment.* To the extent that an Award granted under this Plan is canceled, expired, forfeited, surrendered, settled by delivery of fewer shares of Common Stock than the number underlying the Award, as applicable, or otherwise terminated without delivery of the shares of Common Stock or payment of consideration to the Participant under the Plan, the shares of Common Stock retained by or returned to the Company will (i) not be deemed to have been delivered under the Plan, as applicable, (ii) be available for future Awards under the Plan, and (iii) increase the Share Reserve by one share for each share that is retained by or returned to the Company. Notwithstanding the foregoing, shares of Common Stock that are (a) withheld from an Award in payment of the exercise, base or purchase price or taxes relating to such an Award or (b) not issued or delivered as a result of the net settlement of an outstanding Stock Option or Stock Appreciation Right under the Plan, as applicable, will be deemed to have been delivered under the Plan and will not be available for future Awards under the Plan.

4.3 *Reserved.*

4.4 *Awards Granted to Non-Employee Directors.* No Non-Employee Director may be granted, during any calendar year, Awards having a fair value (determined on the date of grant) that, when added to all cash compensation paid to the Non-Employee Director during the same calendar year, exceeds \$600,000, or for the Non-Executive Chairman of the Board, \$750,000.

4.5 *Adjustments.* If there shall occur any change with respect to the outstanding shares of Common Stock by reason of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split or other distribution with respect to the shares of Common Stock or any merger, reorganization, consolidation, combination, spin-off or other similar corporate change or any other change affecting the Common Stock (other than regular cash dividends to stockholders of the Company), the Committee shall, in the manner and to the extent it considers appropriate and equitable to the Participants and consistent with the terms of the Plan, cause an adjustment to be made to (i) the maximum number and kind of shares of Common Stock provided in Section 4.1 hereof, (ii) the number and kind of shares of Common Stock, units or other rights subject to then outstanding Awards, (iii) the exercise, base or purchase price for each share or unit or other right subject to then outstanding Awards, (iv) other value determinations applicable to the Plan and/or outstanding Awards, and/or (v) any other terms of an Award that are affected by the event. Notwithstanding the foregoing, (a) any such adjustments shall, to the extent necessary, be made in a manner consistent with the requirements of Section 409A of the Code and (b) in the case of Incentive Stock Options, any such adjustments shall, to the extent practicable, be made in a manner consistent with the requirements of Section 424(a) of the Code, unless otherwise determined by the Committee.

5. Eligibility and Awards.

5.1 *Designation of Participants.* Any Eligible Person may be selected by the Committee to receive an Award and become a Participant. The Committee has the authority, in its discretion, to determine and designate from time to time those Eligible Persons who are to be granted Awards, the types of Awards to be granted, the number of shares of Common Stock or units subject to Awards to be granted and the terms and conditions of such Awards consistent with the terms of the Plan. In selecting Eligible Persons to be Participants, and in determining the type and amount of Awards to be granted under the Plan, the Committee shall consider any and all factors that it deems relevant or appropriate. Designation of a Participant in any year shall not require the Committee to designate such person to receive an Award in any other year or, once designated, to receive the same type or amount of Award as granted to such Participant in any other year.

5.2 *Determination of Awards.* The Committee shall determine the terms and conditions of all Awards granted to Participants in accordance with its authority under Section 3.2 hereof. An Award may consist of one type of right or benefit hereunder or of two or more such rights or benefits granted in tandem.

5.3 *Award Agreements.* Each Award granted to an Eligible Person shall be represented by an Award Agreement. The terms of all Awards under the Plan, as determined by the Committee, will be set forth in each individual Award Agreements as described in Section 15.2 hereof.

6. Stock Options.

6.1 *Grant of Stock Options.* A Stock Option may be granted to any Eligible Person selected by the Committee, except that an Incentive Stock Option may only be granted to an Eligible Person satisfying the conditions of Section 6.7(a) hereof. Each Stock Option shall be designated on the Date of Grant, in the discretion of the Committee, as an Incentive Stock Option or as a Nonqualified Stock Option. All Stock Options granted under the Plan are intended to comply with or be exempt from the requirements of Section 409A of the Code, to the extent applicable.

6.2 *Exercise Price.* The exercise price per share of a Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the Date of Grant. The Committee may in its

discretion specify an exercise price per share that is higher than the Fair Market Value of a share of Common Stock on the Date of Grant.

6.3 *Vesting of Stock Options.* The Committee shall, in its discretion, prescribe in an award agreement the time or times at which or the conditions upon which, a Stock Option or portion thereof shall become vested and/or exercisable. The requirements for vesting and exercisability of a Stock Option may be based on the continued Service of the Participant with the Company or a Subsidiary for a specified time period (or periods), on the attainment of a specified performance goal(s) and/or on such other terms and conditions as approved by the Committee in its discretion. If the vesting requirements of a Stock Option are not satisfied, the Award shall be forfeited.

6.4 *Term of Stock Options.* The Committee shall in its discretion prescribe in an Award Agreement the period during which a vested Stock Option may be exercised; provided, however, that the maximum term of a Stock Option shall be ten (10) years from the Date of Grant. The Committee may provide that a Stock Option will cease to be exercisable upon or at the end of a specified time period following a termination of Service for any reason as set forth in the Award Agreement or otherwise. A Stock Option may be earlier terminated as specified by the Committee and set forth in an Award Agreement upon or following the termination of a Participant's Service with the Company or any Subsidiary, including by reason of voluntary resignation, death, Disability, termination for Cause or any other reason. Subject to Section 409A of the Code and the provisions of this Section 6, the Committee may extend at any time the period in which a Stock Option may be exercised.

6.5 *Stock Option Exercise; Tax Withholding.* Stock Options may be granted on a basis that allows for the exercise of the right by the Participant, or that requires the Stock Options to be exercised or surrendered for payment of the right upon a specified date or event. Subject to such terms and conditions as specified in an Award Agreement (including applicable vesting requirements), a Stock Option may be exercised in whole or in part at any time during the term thereof by notice in the form required by the Company, together with payment of the aggregate exercise price and applicable withholding tax. Payment of the exercise price may be made: (i) in cash or by cash equivalent acceptable to the Committee, or, (ii) to the extent permitted by the Committee in its sole discretion in an Award Agreement or otherwise (A) in shares of Common Stock valued at the Fair Market Value of such shares on the date of exercise, (B) through an open-market, broker-assisted sales transaction pursuant to which the Company is promptly delivered the amount of proceeds necessary to satisfy the exercise price, (C) by reducing the number of shares of Common Stock otherwise deliverable upon the exercise of the Stock Option by the number of shares of Common Stock having a Fair Market Value on the date of exercise equal to the exercise price, (D) by a combination of the methods described above or (E) by such other method as may be approved by the Committee and set forth in the Award Agreement. In accordance with Section 15.11 hereof, and in addition to and at the time of payment of the exercise price, the Participant shall pay to the Company the full amount of any and all applicable income tax, employment tax and other amounts required to be withheld in connection with such exercise, payable under such of the methods described above for the payment of the exercise price as may be approved by the Committee and set forth in the Award Agreement.

6.6 *Limited Transferability of Nonqualified Stock Options.* All Stock Options shall be nontransferable except (i) upon the Participant's death, in accordance with Section 15.3 hereof or (ii) in the case of Nonqualified Stock Options only, for the transfer of all or part of the Stock Option to a Participant's "family member" (as defined for purposes of the Form S-8 registration statement under the Securities Act), or as otherwise permitted by the Committee, in each case as may be approved by the Committee in its discretion at the time of proposed transfer. The transfer of a Nonqualified Stock Option may be subject to such terms and conditions as the Committee may in its discretion impose from time to time. Subsequent transfers of a Nonqualified Stock Option shall be prohibited other than in accordance with Section 15.3 hereof.

6.7 *Additional Rules for Incentive Stock Options.*

- (a) *Eligibility.* An Incentive Stock Option may only be granted to an Eligible Person who is considered an employee for purposes of Treasury Regulation Section 1.421-1(h) with respect to the Company or any Subsidiary that qualifies as a “subsidiary corporation” with respect to the Company for purposes of Section 424(f) of the Code.
- (b) *Annual Limits.* No Incentive Stock Option shall be granted to a Participant as a result of which the aggregate Fair Market Value (determined as of the Date of Grant) of the Common Stock with respect to which incentive stock options under Section 422 of the Code are exercisable for the first time in any calendar year under the Plan and any other stock option plans of the Company or any Subsidiary or parent corporation, would exceed \$100,000, determined in accordance with Section 422(d) of the Code. This limitation shall be applied by taking Stock Options into account in the order in which granted. Any Stock Option grant that exceeds such limit shall be treated as a Nonqualified Stock Option.
- (c) *Additional Limitations.* In the case of any Incentive Stock Option granted to an Eligible Person who owns, either directly or indirectly (taking into account the attribution rules contained in Section 424(d) of the Code), stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary, the exercise price shall not be less than one hundred ten percent (110%) of the Fair Market Value of a share of Common Stock on the Date of Grant and the maximum term shall be five (5) years.
- (d) *Termination of Service.* An Award of an Incentive Stock Option may provide that such Stock Option may be exercised not later than (i) three (3) months following termination of Service of the Participant with the Company and all Subsidiaries (other than as set forth in clause (ii) of this Section 6.7(d)) or (ii) one year following termination of Service of the Participant with the Company and all Subsidiaries due to death or permanent and total disability within the meaning of Section 22(e)(3) of the Code, in each case as and to the extent determined by the Committee to comply with the requirements of Section 422 of the Code.
- (e) *Other Terms and Conditions; Nontransferability.* Any Incentive Stock Option granted hereunder shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as are deemed necessary or desirable by the Committee, which terms, together with the terms of the Plan, shall be intended and interpreted to cause such Incentive Stock Option to qualify as an “incentive stock option” under Section 422 of the Code. A Stock Option that is granted as an Incentive Stock Option shall, to the extent it fails to qualify as an “incentive stock option” under the Code, be treated as a Nonqualified Stock Option. An Incentive Stock Option shall by its terms be nontransferable other than by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by such Participant.
- (f) *Disqualifying Dispositions.* If shares of Common Stock acquired by exercise of an Incentive Stock Option are disposed of within two years following the Date of Grant or one year following the transfer of such shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Company in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Company may reasonably require.

6.8 *Repricing Prohibited.* Subject to the anti-dilution adjustment provisions contained in Section 4.5 hereof, without the prior approval of the Company’s stockholders, neither the Committee nor the Board shall cancel a Stock Option when the exercise price per share exceeds the Fair Market Value of one share of Common Stock in exchange for cash or another Award (other than in connection with a Change of Control) or cause the cancellation, substitution or amendment of a Stock Option that would have the effect of reducing the exercise price of such a Stock Option previously granted under the Plan or otherwise approve any modification to such a Stock Option, that would be treated as a “repricing” under the then applicable rules, regulations or listing

requirements adopted by the New York Stock Exchange or other principal exchange on which the Common Stock is then listed.

6.9 *Dividend Equivalent Rights.* Dividends shall not be paid with respect to Stock Options. Dividend equivalent rights may be granted with respect to the shares of Common Stock subject to Stock Options to the extent permitted by the Committee and set forth in the Award Agreement.

6.10 *No Rights as Stockholder.* The Participant shall not have any rights as a stockholder with respect to the shares underlying a Stock Option until such time as shares or Common Stock are delivered to the Participant pursuant to the terms of the Award Agreement.

7. Stock Appreciation Rights.

7.1 *Grant of Stock Appreciation Rights.* Stock Appreciation Rights may be granted to any Eligible Person selected by the Committee. Stock Appreciation Rights may be granted on a basis that allows for the exercise of the right by the Participant, or that provides for the automatic exercise or payment of the right upon a specified date or event. Stock Appreciation Rights shall be non-transferable, except as provided in Section 15.3 hereof. All Stock Appreciation Rights granted under the Plan are intended to comply with or otherwise be exempt from the requirements of Section 409A of the Code, to the extent applicable.

7.2 *Stand-Alone and Tandem Stock Appreciation Rights.* A Stock Appreciation Right may be granted without any related Stock Option, or may be granted in tandem with a Stock Option, either on the Date of Grant or at any time thereafter during the term of the Stock Option. The Committee shall in its discretion provide in an Award Agreement the time or times at which or the conditions upon which, a Stock Appreciation Right or portion thereof shall become vested and/or exercisable. The requirements for vesting and exercisability of a Stock Appreciation Right may be based on the continued Service of a Participant with the Company or a Subsidiary for a specified time period (or periods), on the attainment of a specified performance goal(s) and/or on such other terms and conditions as approved by the Committee in its discretion. If the vesting requirements of a Stock Appreciation Right are not satisfied, the Award shall be forfeited. A Stock Appreciation Right will be exercisable or payable at such time or times as determined by the Committee; provided, however, that the maximum term of a Stock Appreciation Right shall be ten (10) years from the Date of Grant. The Committee may provide that a Stock Appreciation Right will cease to be exercisable upon or at the end of a period following a termination of Service for any reason. The base price of a Stock Appreciation Right granted without any related Stock Option shall be determined by the Committee in its discretion; provided, however, that the base price per share of any such stand-alone Stock Appreciation Right shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the Date of Grant.

7.3 *Payment of Stock Appreciation Rights.* A Stock Appreciation Right will entitle the holder, upon exercise or other payment of the Stock Appreciation Right, as applicable, to receive an amount determined by multiplying: (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise or payment of the Stock Appreciation Right over the base price of such Stock Appreciation Right, by (ii) the number of shares as to which such Stock Appreciation Right is exercised or paid. Payment of the amount determined under the foregoing may be made, as approved by the Committee and set forth in the Award Agreement, in shares of Common Stock valued at their Fair Market Value on the date of exercise or payment, in cash or in a combination of shares of Common Stock and cash, subject to applicable tax withholding requirements.

7.4 *Repricing Prohibited.* Subject to the anti-dilution adjustment provisions contained in Section 4.5 hereof, without the prior approval of the Company's stockholders, neither the Committee nor the Board shall cancel a Stock Appreciation Right when the base price per share exceeds the Fair Market Value of one share of Common Stock in exchange for cash or another Award (other than in connection with a Change of Control) or cause the cancellation, substitution or amendment of a Stock Appreciation Right that would have the effect of

reducing the base price of such a Stock Appreciation Right previously granted under the Plan or otherwise approve any modification to such Stock Appreciation Right that would be treated as a “repricing” under the then applicable rules, regulations or listing requirements adopted by the New York Stock Exchange or other principal exchange on which the Common Stock is then listed.

7.5 Dividend Equivalent Rights. Dividends shall not be paid with respect to Stock Appreciation Rights. Dividend equivalent rights may be granted with respect to the shares of Common Stock subject to Stock Appreciation Rights to the extent permitted by the Committee and set forth in the Award Agreement.

8. Restricted Stock Awards.

8.1 Grant of Restricted Stock Awards. A Restricted Stock Award may be granted to any Eligible Person selected by the Committee. The Committee may require the payment by the Participant of a specified purchase price in connection with any Restricted Stock Award.

8.2 Vesting Requirements. The restrictions imposed on shares granted under a Restricted Stock Award shall lapse in accordance with the vesting requirements specified by the Committee in the Award Agreement. The requirements for vesting of a Restricted Stock Award may be based on the continued Service of the Participant with the Company or a Subsidiary for a specified time period (or periods), on the attainment of a specified performance goal(s) and/or on such other terms and conditions as approved by the Committee in its discretion. If the vesting requirements of a Restricted Stock Award are not satisfied, the Award shall be forfeited and the shares of Common Stock subject to the Award shall be returned to the Company.

8.3 Transfer Restrictions. Shares granted under any Restricted Stock Award may not be transferred, assigned or subject to any encumbrance, pledge or charge until all applicable restrictions are removed or have expired, except as provided in Section 15.3 hereof. Failure to satisfy any applicable restrictions shall result in the subject shares of the Restricted Stock Award being forfeited and returned to the Company. The Committee may require in an Award Agreement that certificates (if any) representing the shares granted under a Restricted Stock Award bear a legend making appropriate reference to the restrictions imposed, and that certificates (if any) representing the shares granted or sold under a Restricted Stock Award will remain in the physical custody of an escrow holder until all restrictions are removed or have expired.

8.4 Rights as Stockholder. Subject to the foregoing provisions of this Section 8 and the applicable Award Agreement, the Participant shall have all rights of a stockholder with respect to the shares granted to the Participant under a Restricted Stock Award, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto, unless the Committee determines otherwise at the time the Restricted Stock Award is granted. Dividends and other distributions made with respect to a Restricted Stock Award shall not be paid until, and only to the extent that the Award vests, unless otherwise provided in the Award Agreement.

8.5 Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to a Restricted Stock Award, the Participant shall file, within thirty (30) days following the Date of Grant, a copy of such election with the Company and with the Internal Revenue Service, in accordance with the regulations under Section 83 of the Code. The Committee may provide in an Award Agreement that the Restricted Stock Award is conditioned upon the Participant’s making or refraining from making an election with respect to the Award under Section 83(b) of the Code.

9. Restricted Stock Units.

9.1 Grant of Restricted Stock Units. A Restricted Stock Unit may be granted to any Eligible Person selected by the Committee. The value of each Restricted Stock Unit is equal to the Fair Market Value of a share of Common Stock on the applicable date or time period of determination, as specified by the Committee. Restricted Stock Units shall be subject to such restrictions and conditions as the Committee shall determine. Restricted Stock Units shall be non-transferable, except as provided in Section 15.3 hereof.

9.2 *Vesting of Restricted Stock Units.* The Committee shall, in its discretion, determine any vesting requirements with respect to Restricted Stock Units, which shall be set forth in the Award Agreement. The requirements for vesting of a Restricted Stock Unit may be based on the continued Service of the Participant with the Company or a Subsidiary for a specified time period (or periods), on the attainment of a specified performance goal(s) and/or on such other terms and conditions as approved by the Committee in its discretion. If the vesting requirements of a Restricted Stock Unit Award are not satisfied, the Award shall be forfeited.

9.3 *Payment of Restricted Stock Units.* Restricted Stock Units shall become payable to a Participant at the time or times determined by the Committee and set forth in the Award Agreement, which may be upon or following the vesting of the Award. Payment of a Restricted Stock Unit may be made, as approved by the Committee and set forth in the Award Agreement, in cash or in shares of Common Stock or in a combination thereof, subject to applicable tax withholding requirements. Any cash payment of a Restricted Stock Unit shall be made based upon the Fair Market Value of a share of Common Stock, determined on such date or over such time period as determined by the Committee.

9.4 *Dividend Equivalent Rights.* Restricted Stock Units may be granted together with a dividend equivalent right with respect to the shares of Common Stock subject to the Award, which may be accumulated and may be satisfied in additional Restricted Stock Units that are subject to the same terms and conditions of the applicable Restricted Stock Units or may be accumulated in cash, as determined by the Committee in its discretion. Any dividend equivalent rights accumulated with respect to a Restricted Stock Unit shall not be paid until, and only to the extent that, the Award vests, unless otherwise provided in the Award Agreement. Dividend equivalent rights may be subject to forfeiture under the same conditions as apply to the underlying Restricted Stock Units.

9.5 *No Rights as Stockholder.* The Participant shall not have any rights as a stockholder with respect to the shares subject to a Restricted Stock Unit until such time as shares of Common Stock are delivered to the Participant pursuant to the terms of the Award Agreement.

10. Cash Incentive Awards.

10.1 *Grant of Cash Incentive Awards.* A Cash Incentive Award may be granted to any Eligible Person selected by the Committee. A Cash Incentive Award may be evidenced by an Award Agreement specifying the performance period and such other terms and conditions as the Committee, in its discretion, shall determine. The Committee may accelerate the vesting of a Cash Incentive Award upon a Change of Control or termination of Service under certain circumstances, as determined by the Committee. Cash Incentive Awards shall be non-transferable, except as provided in Section 15.3 hereof.

10.2 *Payment.* Payment amounts may be based on the attainment of specified levels of the performance goals, including, if applicable, specified threshold, target and maximum performance levels, and performance falling between such levels. The requirements for payment may be also based upon the continued Service of the Participant with the Company or a Subsidiary during the respective performance period and on such other conditions as determined by the Committee. The Committee shall determine the attainment of the performance goals, the level of vesting or amount of payment to the Participant pursuant to Cash Incentive Awards, if any. Notwithstanding the foregoing, Cash Incentive Awards may be paid, at the discretion of the Committee, in any combination of cash or shares of Common Stock, based upon the Fair Market Value of such shares at the time of payment.

10.3 *Adjustments.* The Committee may provide for the performance goals or the manner in which performance will be measured against the performance goals to be adjusted in such objective manner as it deems appropriate, including, without limitation, adjustments to reflect charges for restructurings, non-operating income, the impact of corporate transactions or discontinued operations, events that are unusual in nature or infrequent in occurrence and other non-recurring items, currency fluctuations, litigation or claim

judgements, settlements, and the cumulative effects of accounting or tax law changes. In addition, with respect to a Participant hired or promoted following the beginning of a performance period, the Committee may determine to prorate the performance goals and/or the amount of any payment in respect of such Participant's Cash Incentive Awards for the partial performance period.

11. Stock Awards.

11.1 *Grant of Stock Awards.* A Stock Award may be granted to any Eligible Person selected by the Committee. A Stock Award may be granted for past Services, in lieu of bonus or other cash compensation, as directors' compensation or for any other valid purpose as determined by the Committee. The Committee shall determine the terms and conditions of such Awards, and such Awards may be made without vesting requirements. In addition, the Committee may, in connection with any Stock Award, require the payment of a specified purchase price.

11.2 *Rights as Stockholder.* Subject to the foregoing provisions of this Section 11 and the applicable Award Agreement, upon the issuance of shares of Common Stock under a Stock Award the Participant shall have all rights of a stockholder with respect to the shares of Common Stock, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto.

12. Change of Control.

12.1 *Effect on Awards.* Upon the occurrence of a Change of Control, unless otherwise provided in the Award Agreement, the Committee is authorized (but not obligated) to make adjustments in the terms and conditions of outstanding Awards, including without limitation the following (or any combination thereof): (a) continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving company or corporation) or by the surviving company or corporation or its parent; (b) substitution by the surviving company or corporation or its parent of awards with substantially the same terms for outstanding Awards (with appropriate adjustments to the type of consideration payable upon settlement of the Awards); (c) acceleration of exercisability, vesting and/or payment under outstanding Awards immediately prior to the occurrence of such event or upon a termination of Service following such event; (d) upon written notice, provide that any outstanding Stock Options and Stock Appreciation Rights are exercisable during a reasonable period of time immediately prior to the scheduled consummation of the event or such other reasonable period as determined by the Committee (contingent upon the consummation of the event), and at the end of such period, such Stock Options and Stock Appreciation Rights shall terminate to the extent not so exercised within the relevant period; and (e) cancel all or any portion of outstanding Awards for fair value (in the form of cash, shares of Common Stock, other property or any combination thereof) as determined in the sole discretion of the Committee; provided, however, that, in the case of Stock Options and Stock Appreciation Rights, the fair value may equal the excess, if any, of the value or amount of the consideration to be paid in the Change of Control transaction to holders of shares of Common Stock (or, if no such consideration is paid, Fair Market Value of the shares of Common Stock) over the aggregate exercise or base price, as applicable, with respect to such Awards or portion thereof being canceled, or if no such excess, zero.

12.2 *Definition of Change of Control.* Unless otherwise defined in an Award Agreement, "*Change of Control*" shall mean the occurrence of one or more of the following events:

- (a) Any person, within the meaning of Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof ("*Person*"), becomes the Beneficial Owner, directly or indirectly, of more than fifty percent (50%) of the combined voting power, excluding Thomas H. Lee Partners, L.P., Cannae Holdings, Inc, and each of their respective affiliates (each an "*Excluded Person*") or any person that is the Beneficial Owner, directly or indirectly, of more than fifty percent (50%) of the combined voting power on the Effective Date, of the then outstanding voting securities of the Company entitled to vote generally in the election of its directors (the "*Outstanding Company Voting Securities*") including by way of merger, consolidation or otherwise; provided, however,

that for purposes of this definition, the following acquisitions shall not be taken into account in determining whether a Change of Control has occurred: (i) any acquisition of voting securities of the Company directly from the Company or (ii) any acquisition by the Company or any of its Subsidiaries of Outstanding Company Voting Securities, including an acquisition by any employee benefit plan or related trust sponsored or maintained by the Company, or any of its Subsidiaries.

(b) The following individuals (the “*Incumbent Directors*”) cease for any reason to constitute a majority of the number of directors then serving on the Board: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including, but not limited to, a consent or proxy solicitation, relating to the election of directors of the Company by or on behalf of a Person other than the Board) whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended.

(c) Consummation of a reorganization, merger, or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (a “*Business Combination*”), unless, following such Business Combination: (i) any individuals and entities that were the Beneficial Owners of Outstanding Company Voting Securities immediately prior to such Business Combination are the Beneficial Owners, directly or indirectly, of more than fifty percent (50%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors (or election of members of a comparable governing body) of the entity resulting from the Business Combination (including, without limitation, an entity which as a result of such transaction owns all or substantially all of the Company or all or substantially all of the Company’s assets either directly or through one or more Subsidiaries) (the “*Successor Entity*”) in substantially the same proportions as their ownership immediately prior to such Business Combination; (ii) no Person (excluding any Successor Entity, any Excluded Person, any person that is the Beneficial Owner, directly or indirectly, of more than thirty percent (30%) of the combined voting power on the Effective Date or any employee benefit plan or related trust of the Company, such Successor Entity, or any of their Subsidiaries) is the Beneficial Owner, directly or indirectly, of more than thirty percent (30%) of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or comparable governing body) of the Successor Entity, except to the extent that such ownership existed prior to the Business Combination; and (iii) at least a majority of the members of the board of directors (or comparable governing body) of the Successor Entity were Incumbent Directors (including persons deemed to be Incumbent Directors) at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination.

Notwithstanding the foregoing, to the extent necessary to comply with Section 409A of the Code with respect to the payment of “nonqualified deferred compensation,” “Change of Control” shall be limited to a “change in control event” as defined under Section 409A of the Code.

13. Forfeiture Events.

13.1 *General.* The Committee may specify in an Award Agreement at the time of the Award that the Participant’s rights, payments and benefits with respect to an Award are subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, without limitation, termination of Service for Cause, violation of material Company policies, breach of noncompetition, non-solicitation, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

13.2 *Termination for Cause.*

(a) *Treatment of Awards.* Unless otherwise provided by the Committee and set forth in an Award Agreement, if (i) a Participant's Service with the Company or any Subsidiary shall be terminated for Cause or (ii) after termination of Service for any other reason, the Committee determines in its discretion either that, (1) during the Participant's period of Service, the Participant engaged in an act which would have warranted termination of Service for Cause or (2) after termination, the Participant engaged in conduct that violated any continuing obligation or duty of the Participant in respect of the Company or any Subsidiary, such Participant's rights, payments and benefits with respect to an Award shall be subject to cancellation, forfeiture and/or recoupment, as provided in Section 13.3 below. The Company shall have the power to determine whether the Participant has been terminated for Cause, the date upon which such termination for Cause occurs, whether the Participant engaged an act which would have warranted termination of Service for Cause or engaged in conduct that violated any continuing obligation or duty of the Participant in respect of the Company or any Subsidiary. Any such determination shall be final, conclusive and binding upon all Persons. In addition, if the Company shall reasonably determine that a Participant has committed or may have committed any act which could constitute the basis for a termination of such Participant's Service for Cause or violates any continuing obligation or duty of the Participant in respect of the Company or any Subsidiary, the Company may suspend the Participant's rights to exercise any Stock Option or Stock Appreciation Right, receive any payment or vest in any right with respect to any Award pending a determination by the Company of whether an act or omission could constitute the basis for a termination for Cause as provided in this Section 13.2.

(b) *Definition of Cause.* Unless otherwise defined in an Award Agreement, "Cause" shall mean: (i) the Participant has committed a deliberate act against the interests of the Company including, without limitation: an act of fraud, embezzlement, misappropriation or breach of fiduciary duty against the Company, including, but not limited to, the offer, payment, solicitation or acceptance of any unlawful bribe or kickback with respect to the Company's business; or (ii) the commission by a Participant of, or the plea of nolo contendere by such Participant with respect to, a felony or a crime involving moral turpitude; or (iii) the Participant has failed to perform or neglected the material duties incident to his employment or other engagement with the Company on a regular basis, and such refusal or failure shall have continued for a period of twenty (20) days after written notice to the Participant specifying such refusal or failure in reasonable detail; or (iv) the Participant has been chronically absent from work (excluding vacations, illnesses, Disability or leaves of absence approved by the Board); or (v) the Participant has refused, after explicit written notice, to obey any lawful resolution of or direction by the Board which is consistent with the duties incident to his employment or other engagement with the Company and such refusal continues for more than twenty (20) days after written notice is given to the Participant specifying such refusal in reasonable detail; or (vi) the Participant has breached any of the material terms contained in any employment agreement, non-competition agreement, confidentiality agreement, restrictive covenants agreement or similar type of agreement to which such Participant is a party; or (vii) the Participant's misappropriation of the Company's or any of its Subsidiary's assets or business opportunities; or (viii) the Participant has engaged in (x) the unlawful use (including being under the influence) or possession of illegal drugs on the Company's premises or (y) habitual drunkenness on the Company's premises; or (ix) the Participant's breach of any material Company policy.

Any voluntary termination of Service by the Participant in anticipation of an involuntary termination of the Participant's Service for Cause shall be deemed to be a termination for "Cause." Notwithstanding the foregoing, in the event that a Participant is party to an employment, severance or similar agreement with the Company or any of its affiliates and such agreement contains a definition of "Cause," the definition of "Cause" set forth above shall be deemed replaced and superseded, with respect to such Participant, by the definition of "Cause" used in such employment, severance or similar agreement.

13.3 *Right of Recapture.*

(a) *General.* If at any time within one (1) year (or such longer time specified in an Award Agreement or other agreement with a Participant or policy applicable to the Participant) after the date on which a

Participant exercises a Stock Option or Stock Appreciation Right or on which a Stock Award, Restricted Stock Award or Restricted Stock Unit vests or becomes payable or on which a Cash Incentive Award is paid to a Participant, or on which income otherwise is realized by a Participant in connection with an Award, (i) a Participant's Service is terminated for Cause, (ii) the Committee determines in its discretion that the Participant is subject to any recoupment of benefits pursuant to the Company's compensation recovery, "clawback" or similar policy, as may be in effect from time to time, or (iii) after a Participant's Service terminates for any other reason, the Committee determines in its discretion either that, (1) during the Participant's period of Service, the Participant engaged in an act or omission which would have warranted termination of the Participant's Service for Cause or (2) after a Participant's termination of Service, the Participant engaged in conduct that materially violated any continuing obligation or duty of the Participant in respect of the Company or any Subsidiary, then, at the sole discretion of the Committee, any gain realized by the Participant from the exercise, vesting, payment or other realization of income by the Participant in connection with an Award, shall be paid by the Participant to the Company upon notice from the Company, subject to applicable law. Such gain shall be determined as of the date or dates on which the gain is realized by the Participant, without regard to any subsequent change in the Fair Market Value of a share of Common Stock. To the extent not otherwise prohibited by law, the Company shall have the right to offset such gain against any amounts otherwise owed to the Participant by the Company (whether as wages, vacation pay or pursuant to any benefit plan or other compensatory arrangement).

(b) *Accounting Restatement.* All Awards (including the gross amount of any proceeds, gains or other economic benefit the Participant actually or constructively receives upon receipt or exercise of any Award or the receipt or resale of any Shares underlying the Award) will be subject to recoupment by the Company to the extent required to comply with Applicable Law or any policy of the Company providing for the reimbursement of incentive compensation, whether or not such policy was in place at the time of grant of an Award. By accepting an Award hereunder, the Participant acknowledges and agrees that such policy, whenever adopted, shall apply to such Award, and all incentive-based compensation payable pursuant to such Award shall be subject to forfeiture and repayment pursuant to the terms of the policy.

- 14. Transfer, Leave of Absence, Etc.** For purposes of the Plan, except as otherwise determined by the Committee, the following events shall not be deemed a termination of Service: (a) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or (b) an approved leave of absence for military service or sickness, a leave of absence where the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted, a leave of absence for any other purpose approved by the Company or if the Committee otherwise so provides in writing.

15. General Provisions.

15.1 *Status of Plan.* The Committee may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver shares of Common Stock or make payments with respect to Awards.

15.2 *Award Agreement.* An Award under the Plan shall be evidenced by an Award Agreement in a written or electronic form approved by the Committee setting forth the number of shares of Common Stock or Restricted Stock Units subject to the Award, the exercise price, base price or purchase price of the Award, the time or times at which an Award will become vested, exercisable or payable and the term of the Award. The Award Agreement also may set forth the effect on an Award of a Change of Control and/or a termination of Service under certain circumstances. The Award Agreement shall be subject to and incorporate, by reference or otherwise, all of the applicable terms and conditions of the Plan, and also may set forth other terms and conditions applicable to the Award as determined by the Committee consistent with the limitations of the Plan. The grant of an Award under the Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in the Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the Award Agreement. The Committee need not require the execution of an Award Agreement by a Participant, in which case, acceptance of the

Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions and limitations set forth in the Plan and the Award Agreement as well as the administrative guidelines of the Company in effect from time to time. In the event of any conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail.

15.3 No Assignment or Transfer; Beneficiaries. Except as provided in Section 6.6 hereof or as otherwise determined by the Committee, Awards under the Plan shall not be assignable or transferable by the Participant, and shall not be subject in any manner to assignment, alienation, pledge, encumbrance or charge. Notwithstanding the foregoing, in the event of the death of a Participant, except as otherwise provided by the Committee in an Award Agreement, an outstanding Award may be exercised by or shall become payable to the Participant's beneficiary as determined under the Company 401(k) retirement plan or other applicable retirement or pension plan (the "*Retirement Plan*"). In lieu of such determination, a Participant may, from time to time, name any beneficiary or beneficiaries to receive any benefit in case of the Participant's death before the Participant receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant and will be effective only when filed by the Participant in writing (in such form or manner as may be prescribed by the Committee) with the Company during the Participant's lifetime. In the absence of a valid designation under the Retirement Plan or as provided above, if no validly designated beneficiary survives the Participant or if each surviving validly designated beneficiary is legally impaired or prohibited from receiving the benefits under an Award, the Participant's beneficiary shall be the legatee or legatees of such Award designated under the Participant's last will or by such Participant's executors, personal representatives or distributees of such Award in accordance with the Participant's will or the laws of descent and distribution. The Committee may provide in the terms of an Award Agreement or in any other manner prescribed by the Committee that the Participant shall have the right to designate a beneficiary or beneficiaries who shall be entitled to any rights, payments or other benefits specified under an Award following the Participant's death.

15.4 Deferrals of Payment. The Committee may in its discretion permit a Participant to defer the receipt of payment of cash or delivery of shares of Common Stock that would otherwise be due to the Participant by virtue of the exercise of a right or the satisfaction of vesting or other conditions with respect to an Award; provided, however, that such discretion shall not apply in the case of a Stock Option or Stock Appreciation Right that is intended to satisfy the requirements of Treasury Regulations Section 1.409A-1(b)(5)(i)(A) or (B). If any such deferral is to be permitted by the Committee, the Committee shall establish rules and procedures relating to such deferral in a manner intended to comply with the requirements of Section 409A of the Code, including, without limitation, the time when an election to defer may be made, the time period of the deferral and the events that would result in payment of the deferred amount, the interest or other earnings attributable to the deferral and the method of funding, if any, attributable to the deferred amount.

15.5 No Right to Employment or Continued Service. Nothing in the Plan, in the grant of any Award or in any Award Agreement shall confer upon any Eligible Person or any Participant any right to continue in the Service of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate the employment or other service relationship of an Eligible Person or a Participant for any reason or no reason at any time.

15.6 Rights as Stockholder. A Participant shall have no rights as a holder of shares of Common Stock with respect to any unissued securities covered by an Award until the date the Participant becomes the holder of record of such securities. Except as provided in Section 4.5 hereof, no adjustment or other provision shall be made for dividends or other stockholder rights, except to the extent that the Award Agreement provides for dividend payments or dividend equivalent rights. The Committee may determine in its discretion the manner of delivery of Common Stock to be issued under the Plan, which may be by delivery of stock certificates, electronic account entry into new or existing accounts or any other means as the Committee, in its discretion, deems appropriate. The Committee may require that the stock certificates (if any) be held in escrow by the Company for any shares of Common Stock or cause the shares to be legended in order to comply with the securities laws or other applicable restrictions or should the shares of Common Stock be represented by book

or electronic account entry rather than a certificate, the Committee may take such steps to restrict transfer of the shares of Common Stock as the Committee considers necessary or advisable.

15.7 Trading Policy and Other Restrictions. Transactions involving Awards under the Plan shall be subject to the Company's Insider Trading and Regulation FD Policy and other restrictions, terms and conditions, to the extent established by the Committee or by applicable law, including any other applicable policies set by the Committee, from time to time.

15.8 Section 409A Compliance. To the extent applicable, it is intended that the Plan and all Awards hereunder comply with, or be exempt from, the requirements of Section 409A of the Code and the Treasury Regulations and other guidance issued thereunder, and that the Plan and all Award Agreements shall be interpreted and applied by the Committee in a manner consistent with this intent in order to avoid the imposition of any additional tax under Section 409A of the Code. In the event that any (i) provision of the Plan or an Award Agreement, (ii) Award, payment, transaction or (iii) other action or arrangement contemplated by the provisions of the Plan is determined by the Committee to not comply with the applicable requirements of Section 409A of the Code and the Treasury Regulations and other guidance issued thereunder, the Committee shall have the authority to take such actions and to make such changes to the Plan or an Award Agreement as the Committee deems necessary to comply with such requirements; provided, however, that no such action shall adversely affect any outstanding Award without the consent of the affected Participant. No payment that constitutes deferred compensation under Section 409A of the Code that would otherwise be made under the Plan or an Award Agreement upon a termination of Service will be made or provided unless and until such termination is also a "separation from service," as determined in accordance with Section 409A of the Code. Notwithstanding the foregoing or anything elsewhere in the Plan or an Award Agreement to the contrary, if a Participant is a "specified employee" as defined in Section 409A of the Code at the time of termination of Service with respect to an Award, then solely to the extent necessary to avoid the imposition of any additional tax under Section 409A of the Code, the commencement of any payments or benefits under the Award shall be deferred until the date that is six (6) months plus one (1) day following the date of the Participant's termination of Service or, if earlier, the Participant's death (or such other period as required to comply with Section 409A). In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on a Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

15.9 Securities Law Compliance. No shares of Common Stock will be issued or transferred pursuant to an Award unless and until all then applicable requirements imposed by Federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any exchanges upon which the shares of Common Stock may be listed, have been fully met. As a condition precedent to the issuance of shares of Common Stock pursuant to the grant or exercise of an Award, the Company may require the Participant to take any reasonable action that the Company determines is necessary or advisable to meet such requirements. The Committee may impose such conditions on any shares of Common Stock issuable under the Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act under the requirements of any exchange upon which such shares of the same class are then listed, and under any blue sky or other securities laws applicable to such shares. The Committee may also require the Participant to represent and warrant at the time of issuance or transfer that the shares of Common Stock are being acquired solely for investment purposes and without any current intention to sell or distribute such shares.

15.10 Substitute Awards in Corporate Transactions. Nothing contained in the Plan shall be construed to limit the right of the Committee to grant Awards under the Plan in connection with the acquisition, whether by purchase, merger, consolidation or other corporate transaction, of the business or assets of any corporation or other entity. Without limiting the foregoing, the Committee may grant Awards under the Plan to an employee or director of another corporation who becomes an Eligible Person by reason of any such corporate transaction in substitution for awards previously granted by such corporation or entity to such person. The terms and conditions of the substitute Awards may vary from the terms and conditions that would otherwise be required

by the Plan solely to the extent the Committee deems necessary for such purpose. Any such substitute awards shall not reduce the Share Reserve; provided, however, that such treatment is permitted by applicable law and the listing requirements of the New York Stock Exchange or other exchange or securities market on which the Common Stock is listed.

15.11 *Tax Withholding.* The Participant shall be responsible for payment of any taxes or similar charges required by law to be paid or withheld from an Award or an amount paid in satisfaction of an Award. Any required withholdings shall be paid by the Participant on or prior to the payment or other event that results in taxable income in respect of an Award. The Award Agreement may specify the manner in which the withholding obligation shall be satisfied with respect to the particular type of Award, which may include permitting the Participant to elect to satisfy the withholding obligation by tendering shares of Common Stock to the Company or having the Company withhold a number of shares of Common Stock having a value equal to the minimum statutory tax or as otherwise specified in an Award Agreement, or similar charge required to be paid or withheld. The Company shall have the power and the right to require a Participant to remit to the Company the amount necessary to satisfy federal, state, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld, and to deduct or withhold from any shares of Common Stock deliverable under an Award to satisfy such withholding obligation. The Award Agreement may specify the manner in which the withholding obligation shall be satisfied with respect to the particular type of Award. The Award Agreement may specify the amount necessary to satisfy the a Participant's tax liability up to the maximum expected tax liability, provided that such withholding does not result in adverse tax or accounting consequences to the Company. The Award Agreement may specify that the Participant has the right to elect to satisfy the tax withholding obligation by tendering shares of Common Stock to the Company or having the Company withhold a number of shares of Common Stock having a value equal to the withholding obligation specified in an Award Agreement.

15.12 *Unfunded Plan.* The adoption of the Plan and any reservation of shares of Common Stock or cash amounts by the Company to discharge its obligations hereunder shall not be deemed to create a trust or other funded arrangement. Except upon the issuance of shares of Common Stock pursuant to an Award, any rights of a Participant under the Plan shall be those of a general unsecured creditor of the Company, and neither a Participant nor the Participant's permitted transferees or estate shall have any other interest in any assets of the Company by virtue of the Plan. Notwithstanding the foregoing, the Company shall have the right to implement or set aside funds in a grantor trust, subject to the claims of the Company's creditors or otherwise, to discharge its obligations under the Plan.

15.13 *Other Compensation and Benefit Plans.* The adoption of the Plan shall not affect any other share incentive or other compensation plans in effect for the Company or any Subsidiary, nor shall the Plan preclude the Company from establishing any other forms of share incentive or other compensation or benefit program for employees of the Company or any Subsidiary. The amount of any compensation deemed to be received by a Participant pursuant to an Award shall not constitute includable compensation for purposes of determining the amount of benefits to which a Participant is entitled under any other compensation or benefit plan or program of the Company or a Subsidiary, including, without limitation, under any pension or severance benefits plan, except to the extent specifically provided by the terms of any such plan.

15.14 *Plan Binding on Transferees.* The Plan shall be binding upon the Company, its transferees and assigns, and the Participant, the Participant's executor, administrator and permitted transferees and beneficiaries.

15.15 *Severability.* If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

15.16 *Governing Law; Jurisdiction.* The Plan and all rights hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without reference to the principles of conflicts of laws, and to applicable federal laws.

15.17 *No Fractional Shares.* No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional shares of Common Stock or whether such fractional shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

15.18 *No Guarantees Regarding Tax Treatment.* Neither the Company nor the Committee make any guarantees to any person regarding the tax treatment of Awards or payments made under the Plan. Neither the Company nor the Committee has any obligation to take any action to prevent the assessment of any tax on any person with respect to any Award under Section 409A of the Code, Section 4999 of the Code or otherwise and neither the Company nor the Committee shall have any liability to a person with respect thereto.

15.19 *Data Protection.* By participating in the Plan, each Participant consents to the collection, processing, transmission and storage by the Company, its Subsidiaries and any third party administrators of any data of a professional or personal nature for the purposes of administering the Plan.

15.20 *Awards to Non-U.S. Participants.* To comply with the laws in countries other than the United States in which the Company or any of its Subsidiaries or affiliates operates or has employees, Non-Employee Directors or consultants, the Committee, in its sole discretion, shall have the power and authority to (i) modify the terms and conditions of any Award granted to Participants outside the United States to comply with applicable foreign laws, (ii) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local government regulatory exemptions or approvals and (iii) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable. Any subplans and modifications to Plan terms and procedures established under this Section 15.20 by the Committee shall be attached to this Plan document as appendices.

15.21 *Conformity to Applicable Law.* Notwithstanding anything herein to the contrary, the Plan and all Awards will be administered only in a manner intended to conform with Applicable Law. To the extent Applicable Law permits, the Plan and all Award Agreements will be deemed amended as necessary to conform to Applicable Law.

16. Term; Amendment and Termination; Stockholder Approval.

16.1 *Term.* The Plan, as amended and restated as of April 1, 2022, became effective as of April 24, 2018 (the “Effective Date”). Subject to Section 16.2 hereof, the Plan shall terminate on the tenth anniversary of the Effective Date.

16.2 *Amendment and Termination.* The Board may from time to time and in any respect, amend, modify, suspend or terminate the Plan; provided, however, that no amendment, modification, suspension or termination of the Plan shall materially and adversely affect any Award theretofore granted without the consent of the Participant or the permitted transferee of the Award. The Board may seek the approval of any amendment, modification, suspension or termination by the Company’s stockholders to the extent it deems necessary in its discretion for purposes of compliance with Section 422 of the Code or for any other purpose, and shall seek such approval to the extent it deems necessary in its discretion to comply with applicable law or listing requirements of the New York Stock Exchange or other exchange or securities market. Notwithstanding the foregoing, the Board shall have broad authority to amend the Plan or any Award under the Plan without the consent of a Participant to the extent it deems necessary or desirable in its discretion to comply with, take into account changes in, or interpretations of, applicable tax laws, securities laws, employment laws, accounting rules and other applicable laws, rules and regulations.

**DAYFORCE, INC.
GLOBAL EMPLOYEE STOCK PURCHASE PLAN**

DAYFORCE, INC.
GLOBAL EMPLOYEE STOCK PURCHASE PLAN

As amended as of July 31, 2025

SECTION 1

- 1.1 **Purpose.** The Dayforce, Inc. Global Employee Stock Purchase Plan (the "GESPP") provides Eligible Employees an opportunity to become an owner of Dayforce, Inc. (the "Company") and play a role in our future. The Company intends for the GESPP to have two components: a component that is intended to qualify as an "employee stock purchase plan" under Code Section 423 (the "Code Section 423 Component"), and a component that is not intended to qualify as an "employee stock purchase plan" under Code Section 423 (the "Non-Code Section 423 Component"). The provisions of the Code Section 423 Component shall be construed so as to extend and limit participation in a uniform and non-discriminatory basis consistent with the requirements of Code Section 423. A right to purchase shares of Common Stock under the Non-Code Section 423 Component shall be effectuated via separate offerings under one or more sub-plans of the Non-Code Section 423 Component of the GESPP for Employees of Participating Non-423 Subsidiaries in countries outside of the United States in order to achieve tax, employment, securities law or other purposes and objectives, and to conform the terms of the sub-plans with the laws and requirements of such countries. Except as otherwise provided herein or in the applicable sub-plan, the Non-Code Section 423 Component of the GESPP shall be operated and administered in the same manner as the Code Section 423 Component.
- 1.2 **Term of the GESPP; Stockholder Approval.** The GESPP shall commence operation on the Effective Date and shall continue in effect through the tenth (10th) anniversary of the Effective Date, unless terminated sooner under Section 12.1. Notwithstanding anything to the contrary contained herein, an Offering Period may commence after the Board has adopted the GESPP but prior to the Company's stockholders approving the GESPP; provided, that any Purchase Rights granted pursuant to such Offering Period shall be contingent upon receipt of the approval of the GESPP by Company stockholders within 12 months of the date the Board adopted the GESPP. If Company stockholders do not approve the GESPP, all Contributions made under the GESPP for the applicable Offering Period shall be refunded to Participants, without interest, as soon as reasonably practicable and no shares of Common Stock shall be issued under the GESPP.

SECTION 2
DEFINITIONS

2.1 **Definitions.**

Any term not expressly defined in the GESPP shall have the same definition as set forth in Code Section 423. Whenever the following words and phrases are used in the GESPP, they shall have the respective meanings set forth below:

- (a) "**Acquiring Company**" means, in the event of a Change of Control, the surviving, continuing, successor, or purchasing corporation or parent corporation thereof, as the case may be.
- (b) "**Act**" means the Securities Exchange Act of 1934, as amended from time to time.

- (c) "**Affiliate**" means each of the following: (i) any Subsidiary; (ii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) that is directly or indirectly controlled fifty percent (50%) or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company; (iii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) that directly or indirectly controls fifty percent (50%) or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) of the Company; and (iv) any other entity in which the Company has, either directly or indirectly, a material equity interest and that is designated as an "Affiliate" by resolution of the Board.
- (d) "**Applicable Law**" means any applicable law, including without limitation: (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether U.S. or non-U.S. federal, state or local; and (c) rules of any securities exchange or automated quotation system on which the shares of Common Stock are listed, quoted or traded.
- (e) "**Board**" means the Board of Directors of the Company.
- (f) "**Change of Control**" means "Change of Control" as defined in the Dayforce, Inc. 2018 Equity Incentive Plan, as amended and restated, or any successor plan that the Company may establish.
- (g) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.
- (h) "**Code Section 423 Component**" means the Offerings under the GESPP that are intended to meet the requirements of Code Section 423(b).
- (i) "**Committee**" means the Compensation Committee of the Board or another committee of the Board duly appointed to administer the GESPP and having such powers as shall be specified by the Board as described in Section 9.
- (j) "**Common Stock**" means the common stock, \$0.01 par value per share, of the Company.
- (k) "**Company**" means Dayforce, Inc., a Delaware corporation.
- (l) "**Compensation**" means, with respect to each payroll period in any Purchase Period, the actual gross wages or salary paid to a Participant for services at the Participant's base rate of pay prior to any salary reductions, along with holiday pay and other eligible approved paid time away from work, but excluding overtime pay and any other amounts of pay or other allowances.
- (m) "**Contributions**" means the payroll deductions and such other amounts contributed to the GESPP via cash, check, wire transfer or other means for the purpose of purchasing shares of Common Stock under the GESPP, as determined by the Committee.
- (n) "**Effective Date**" means the earlier of (i) the date on which the Board approves and adopts the GESPP, and (ii) the date on which the Company's stockholders approve the GESPP.

- (o) **"Eligible Employee"** means a person who, prior to the start of the Enrollment Period for an applicable Purchase Period, is an Employee of the Company, a Participating Code Section 423 Subsidiary or a Participating Non-Code Section 423 Subsidiary.
- (p) **"Employee"** means a person treated as an employee of the Company or a Participating Code Section 423 Subsidiary for purposes of the Code Section 423 Component of the GESPP or, for Participating Non-Code Section 423 Subsidiaries offering participation in the Non-Code Section 423 Component of the GESPP, persons treated as an employee as determined under local laws, rules and regulations. For purposes of the GESPP, a Participant shall cease to be an Employee either upon an actual termination of employment or upon the company employing the employee ceasing to be a Participating Code Section 423 Subsidiary or a Participating Non-Code Section 423 Subsidiary. For purposes of the GESPP, an individual shall not cease to be an Employee while such individual is on military leave, sick leave, statutory leave (as determined under local law) or another bona fide leave of absence approved by the Company. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's participation in or other rights, if any, under the GESPP as of the time of the Committee's determination, all such determinations by the Committee shall be final, binding and conclusive, notwithstanding that the Company or any governmental agency subsequently makes a contrary determination.
- (q) **"Enrollment Agreement"** means an agreement in such written or electronic form as specified by the Committee, stating an Eligible Employee's election to participate in the GESPP and authorizing Contributions from the Eligible Employee's Compensation.
- (r) **"Enrollment Period"** means, unless otherwise specified by the Committee, the period commencing on the first (1st) day of the month preceding each Purchase Period, and ending on the fifteenth (15th) day of the month preceding each Purchase Period.
- (s) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.
- (t) **"Fair Market Value"** means, unless otherwise required by any applicable provision of the Code or any regulations issued thereunder or by the rules of the TSX, the closing price for a share of Common Stock as reported on the NYSE for the applicable date, or, if no sales of Common Stock were reported on the NYSE for such date, the closing price for a share of Common Stock on the NYSE for the immediately preceding Trading Day on which sales of shares Common Stock were reported on the NYSE. If the shares of Common Stock are no longer listed or is no longer actively traded on the NYSE as of the applicable date, the Fair Market Value of the share of Common Stock shall be the value as reasonably determined by the Committee in its sole discretion for purposes of the GESPP.
- (u) **"GESPP"** means the Dayforce, Inc. Global Employee Stock Purchase Plan, which includes both the Code Section 423 Component and the Non-Code Section 423 Component, as amended from time to time.
- (v) **"GESPP Administrator"** means each individual designated by the Committee to receive Enrollment Agreements, withdrawal notices and other communications from Eligible

Employees. The GESPP Administrator shall also include any third-party vendor hired by the Company to assist with the day-to-day operation and administration of the GESPP.

- (w) **"Non-Code Section 423 Component"** means the Offerings under the GESPP that are not intended to meet the requirements of Code Section 423(b).
- (x) **"NYSE"** means the New York Stock Exchange.
- (y) **"Offering"** means the Company's grant of a Purchase Right as described in Section 5.
- (z) **"Offering Date"** means the first Trading Day of each Offering Period.
- (aa) **"Offering Period"** means, unless otherwise specified by the Committee, each calendar year commencing on January 1 and concluding on December 31.
- (bb) **"Participant"** means an Eligible Employee who has elected to participate in the GESPP by submitting an Enrollment Agreement as provided in Section 3.2.
- (cc) **"Participating Code Section 423 Subsidiary"** means any Subsidiary designated by the Committee, in its sole and absolute discretion, as a company that may offer participation in the Code Section 423 Component of the GESPP to its Eligible Employees. The Committee shall have the sole and absolute discretion to determine from time to time when and if a Subsidiary shall be classified as a Participating Code Section 423 Subsidiary.
- (dd) **"Participating NonCode Section 423 Subsidiary"** means any Subsidiary or Affiliate designated by the Committee, in its sole and absolute discretion, as a company that may offer participation in the NonCode Section 423 Component of the GESPP to its Eligible Employees. The Committee shall have the sole and absolute discretion to determine from time to time when and if a Subsidiary shall be classified as a Participating NonCode Section 423 Subsidiary.
- (ee) **"Purchase Date"** means the last Trading Day of each Purchase Period.
- (ff) **"Purchase Period"** means, unless otherwise specified by the Committee, each calendar quarter during an Offering Period commencing on January 1, April 1, July 1 and October 1 of each year; provided, the initial Purchase Period under the GESPP shall commence on January 1, 2019 and conclude on June 30, 2019.
- (gg) **"Purchase Price"** means the price at which a share of Common Stock may be purchased under the GESPP, as established from time to time by the Committee and subject to the rules of the NYSE and the TSX, as applicable. For the first Offering Period and all subsequent Offering Periods unless otherwise established by the Committee, the "Purchase Price" shall mean the lower of (i) 85% of the Fair Market Value of a share of Common Stock on the Offering Date, and (ii) 85% of the Fair Market Value of a share of Common Stock on the Purchase Date, as adjusted from time to time in accordance with Section 8.1 and provided that the Purchase Price shall not be less than the par value of the shares of Common Stock.
- (hh) **"Purchase Right"** means an option granted to a Participant pursuant to the GESPP to purchase shares of Common Stock as provided in Section 5, which the Participant may or may not exercise during the Offering Period.

- (ii) “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.
- (jj) “**Subsidiary**” means a present or future subsidiary corporation of the Company within the meaning of Code Section 424(f).
- (kk) “**Trading Day**” means a day on which the NYSE or the TSX, as applicable, is open for trading.
- (ll) “**TSX**” means the Toronto Stock Exchange.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the GESPP. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

SECTION 3 ELIGIBILITY AND PARTICIPATION

3.1 **Eligibility.** An Employee may elect to participate in the GESPP as of the first Purchase Period on which such person becomes an Eligible Employee by complying with the enrollment procedures set forth in Section 3.2.

3.2 **Participation.**

- (a) An Eligible Employee shall become a Participant by submitting a properly completed Enrollment Agreement to the GESPP Administrator. The Committee shall establish enrollment procedures for the submission of such Enrollment Agreements to the GESPP Administrator using written and/or electronic election forms and shall communicate such procedures to all Eligible Employees. An Eligible Employee who does not timely submit a properly completed Enrollment Agreement to the GESPP Administrator during an Enrollment Period for that Purchase Period shall not participate in the GESPP for that Purchase Period, but shall be eligible to elect to participate in the GESPP for any subsequent Purchase Period by timely submitting a properly completed Enrollment Agreement to the GESPP Administrator during an Enrollment Period for any future Purchase Period.
- (b) A Participant may deliver to the GESPP Administrator a new Enrollment Agreement for each Purchase Period in accordance with the procedures established in Section 4.
- (c) Subject to the limitation set forth in Section 5.3, a Participant who (i) has elected to participate in the GESPP pursuant to Section 3.2(a) for a Purchase Period, and (ii) takes no action to change or revoke such election (in accordance with such procedures as established by the Company) by the fifteenth (15th) calendar day of the month preceding the start of the subsequent Purchase Period, shall be deemed to have made the same election to participate in the GESPP, including the same Contribution authorization, for each subsequent Purchase Period. A Participant who is automatically enrolled in the GESPP for a Purchase Period pursuant to the preceding sentence shall not be required to deliver an additional Enrollment Agreement to the GESPP Administrator for the subsequent Purchase Period.

3.3 Termination of Employment or Loss of Eligibility.

- (a) In the event that the employment of a Participant is terminated prior to a Purchase Date for any reason, including resignation, termination with or without cause, or by way of retirement, disability or death, or in the event a Participant is no longer an Eligible Employee, the Participant's participation in the GESPP shall terminate immediately and thereupon, automatically and without any further act on his or her part, such Participant's Contribution authorization shall terminate. Contributions credited to the Participant's Plan account since the last Purchase Date shall, as soon as practicable, be returned to the Participant or, in the case of the Participant's death, to the Participant's legal representative. For Participants employed in the United States by the Company or a Participating Code Section 423 Subsidiary; however, the Committee may, in its sole discretion, permit such Participants to make a beneficiary designation in relation to the Participant's interests under the GESPP in such manner and at such times as determined by the Committee. Interest shall not be paid on Contributions returned unless otherwise required under applicable law. Further, all of the Participant's rights under the GESPP shall terminate.
- (b) A Participant whose participation in the GESPP has been terminated may become eligible to participate in the GESPP for any subsequent Purchase Period by again satisfying the requirements of Sections 3.1 and 3.2.

3.4 Voluntary Withdrawal from the GESPP.

A Participant may withdraw from the GESPP at any time and receive a refund of all Contributions credited to his or her Plan account that have not been applied toward the purchase of shares of Common Stock by submitting a withdrawal election to the GESPP Administrator in accordance with such procedures as established by the Company, provided such withdrawal election is submitted to the GESPP Administrator no later than the fifteenth (15th) day of the month in which the applicable Purchase Date falls. The Contributions of a Participant who has withdrawn from the GESPP shall be returned to the Participant, without interest, as soon as practicable after the withdrawal and may not be applied to the purchase of shares of Common Stock in any other Offering under the GESPP. A Participant who withdraws from the GESPP shall be prohibited from resuming participation in the GESPP for the same Offering Period, but may participate in any subsequent Offering Period by satisfying Sections 3.1 and 3.2. The Committee may from time to time establish or change limitations on the frequency of withdrawals permitted under this Section 3.4, establish a minimum amount that must be retained in the Participant's Plan account, or terminate the withdrawal right provided by this Section 3.4.

SECTION 4 CONTRIBUTIONS AND PARTICIPANT ACCOUNTS

4.1 Contributions.

- (a) An Eligible Employee who elects to enroll in the GESPP as a Participant shall designate in the Enrollment Agreement a whole percentage from one percent (1%) to ten percent (10%) of his or her Compensation to be deducted via payroll deductions each payroll period during the Purchase Period and paid into the GESPP for his or her Participant account not to exceed the maximum amount allowed under the terms of the GESPP. Notwithstanding the foregoing, the Committee may change the limits on payroll deductions effective as of any future Offering Date.

- (b) Shares of Common Stock acquired pursuant to the exercise of all or any portion of a Purchase Right may be paid for only from Participant's Contributions accumulated during the Purchase Period for which such Purchase Right was granted. If payroll deductions are prohibited or otherwise problematic under applicable local law (as determined by the Committee in its discretion), the Committee may permit Participants to contribute to the GESPP by such other means as determined by the Committee.
- (c) The Committee may, in its sole discretion, permit additional lump sum contributions on a periodic basis during the Offering Period in a form and manner as determined by the Committee; provided, the amount of any additional lump sum contributions made by a Participant, when combined with other Participant Contributions, shall not exceed the maximum amount allowed under the terms of the GESPP.
- (d) The Committee shall establish such procedures, conditions and limitations for purposes of effectuating the foregoing, in its discretion; provided that for purposes of Participants participating in the Code Section 423 Component, such procedures, conditions and limitations will be applied in a uniform and non-discriminatory basis.
- (e) Payroll deductions shall commence on the first payday following the Offering Date and shall continue through the end of each Offering Period, unless as otherwise provided herein.
- (f) Interest shall not be paid on a Participant's Contributions unless required under applicable law.
- (g) A Participant may not increase, but may elect to decrease the rate of Contributions once during each Purchase Period by submitting an amended Enrollment Agreement authorizing such change to the GESPP Administrator in accordance with such procedures established by the Committee no later than the fifteenth (15th) day of the month in which the applicable Purchase Date falls, and such change shall become effective as soon as reasonably practicable. For the sake of clarity, a Participant who elects to decrease the rate of Contributions to zero percent (0%) during a Purchase Period shall not be treated as being withdrawn from the GESPP pursuant to the terms of Section 3.4.
- (h) The Committee may, in its sole discretion, suspend a Participant's Contributions under the GESPP as the Committee deems advisable pursuant to the limitation described in Section 5.3. If the Committee suspends a Participant's Contributions under this provision, the Participant may participate in future Offering Periods by satisfying the requirements of Sections 3.1 and 3.2.

4.2 **Participant Accounts.** Individual bookkeeping accounts shall be maintained for each Participant. All Contributions to the GESPP by or on behalf of a Participant shall be credited to such Participant's Plan account and shall be deposited with the general funds of the Company. All

Contributions to the GESPP by or on behalf of a Participant may be used by the Company for any corporate purpose.

SECTION 5 GRANT OF PURCHASE RIGHT

- 5.1 **General.** On each Offering Date, the Company shall grant to each Participant a Purchase Right under the GESPP to purchase shares of Common Stock. Each Purchase Right shall be treated as an option for purposes of Code Section 423.
- 5.2 **Term of Purchase Right.** Each Purchase Right shall have a term equal to the length of the Offering Period to which the Purchase Right relates.
- 5.3 **Number of Shares of Common Stock Subject to Purchase Right.**
- (a) On the Offering Date of each Offering Period, each Participant shall be granted a Purchase Right to purchase up to a maximum number of shares of Common Stock determined by dividing such Participant's Contributions accumulated during the Offering Period by the applicable Fair Market Value of a share of Common Stock on the Offering Date; provided, however, that in no event will a Participant be permitted to purchase more than Twenty-Five Thousand U.S. Dollars (\$25,000) worth of shares of Common Stock, subject to adjustment pursuant to Section 8, for each calendar year during which such Purchase Right is outstanding. The purchase of shares of Common Stock pursuant to the Purchase Right shall occur as provided in Section 6, unless the Participant has withdrawn pursuant to Section 3. Each Purchase Right shall expire on the last business day of the Offering Period.
 - (b) In connection with each Offering Period made under the GESPP, no more than 500,000 (five hundred thousand) aggregate shares of Common Stock may be purchased by all Participants pursuant to such Offering Period. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering Period exceeds 500,000 (five hundred thousand) shares, then, in the absence of any Committee action otherwise, a pro rata (based on each Participant's accumulated Contributions for such Offering Period) allocation of the shares of Common Stock available will be made in as nearly a uniform manner as will be practicable and equitable. Thereafter, any cash balance remaining in each Participant's Plan account shall be refunded, without interest, to each Participant as soon as practicable after such Offering ends.
- 5.4 **Limitation under Code Section 423(b)(8).** Notwithstanding any provision in the GESPP to the contrary, no Participant shall be granted a Purchase Right under the Code Section 423 Component of the GESPP to the extent that it permits his or her right to purchase shares of Common Stock under the GESPP to accrue at a rate which, when aggregated with such Participant's rights to purchase shares under all other employee stock purchase plans of a Participating Code Section 423 Subsidiary intended to meet the requirements of Code Section 423, exceeds Twenty-Five Thousand U.S. Dollars (\$25,000) in Fair Market Value of shares of Common Stock (or such other limit, if any, as may be imposed by the Code) for each calendar year in which such Purchase Right is outstanding at any time. Any Contributions in excess of the amount specified in the foregoing

sentence shall be returned to the Participant as soon as administratively practicable following the next Purchase Date.

- 5.5 **No Assignment.** A Purchase Right granted under the GESPP shall not be transferable otherwise than by will or the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant. The Committee shall not recognize and shall be under no duty to recognize any assignment or purported assignment by a Participant of a Purchase Right or any rights granted under the GESPP.
- 5.6 **Rights As Stockholder and Employee.** With respect to shares of Common Stock subject to an Offering, a Participant shall not be deemed to be a stockholder and shall not have any rights or privileges of a stockholder by virtue of the Participant's participation in the GESPP until such Purchase Right has been exercised and the Company either has issued a stock certificate for such shares, transferred the shares electronically or made a book entry in favor of the Participant representing such shares. No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 8.1. Nothing herein shall confer upon a Participant any right to continue in the employ of a Participating Code Section 423 Subsidiary or a Participating Non-Code Section 423 Subsidiary, or interfere in any way with any right of a Participating Code Section 423 Subsidiary or a Participating Non-Code Section 423 Subsidiary to terminate the Participant's employment at any time, except as otherwise provided under applicable law.
- 5.7 **Notices.** All notices or other communications by a Participant to the Board, the Committee and/or Company under or in connection with the GESPP shall be deemed to have been duly given when received by the respective party.

SECTION 6 EXERCISE OF PURCHASE RIGHT

- 6.1 **Exercise of Purchase Right.** The Purchase Right for each Participant automatically shall be exercised on each Purchase Date and such Participant automatically shall acquire the number of whole shares of Common Stock determined by dividing (i) the total amount of the Participant's Contributions accumulated in his or her Plan account during the Purchase Period, by (ii) the Purchase Price, to the extent the issuance of Common Stock to such Participant upon such exercise is lawful. However, in no event shall the number of shares of Common Stock purchased by the Participant during an Offering Period exceed the number of shares of Common Stock subject to the Participant's Purchase Right, as determined under Section 5.3 above. No fractional shares of Common Stock shall be purchased under the GESPP. Any cash balance remaining in a Participant's Plan account that is insufficient to purchase a whole share of Common Stock shall be retained in the Participant's Plan account for the purchase of shares of Common Stock during the subsequent Purchase Period. Notwithstanding the foregoing, the Committee may establish alternative means for treating amounts remaining in Participant accounts following any Purchase Date to the extent consistent with applicable law.
- 6.2 **Oversubscription.** In the event, with respect to any Offering hereunder, that the number of whole shares of Common Stock that might be purchased by all Participants in the GESPP on a Purchase Date exceeds the number of shares of Common Stock available in the GESPP as provided in Section 7.1, the Committee shall make a pro rata allocation of the remaining shares in as uniform a manner as shall be practicable and as the Committee shall determine to be equitable. Thereafter, any cash

balance remaining in each Participant's Plan account shall be refunded, without interest, to each Participant as soon as practicable after such Offering ends.

- 6.3 **Delivery of Shares of Common Stock.** As soon as practicable after each Purchase Date, the Company shall arrange for the delivery of the shares of Common Stock acquired by the Participant on such Purchase Date in such manner as may be designated by the Company or the GESPP Administrator, including via (a) the issuance of stock certificates, (b) the transfer of such shares electronically to a broker that holds such shares in street name for the benefit of the Participant or the Company, or (c) the making of a book entry in favor of the Participant representing such shares of Common Stock. Shares of Common Stock to be delivered to a Participant under the GESPP shall be registered and/or recorded in the name of the Participant.
- 6.4 **Tax Withholding.** At the time a Participant's Purchase Right is exercised, in whole or in part, or at the time a Participant disposes of some or all of the shares of Common Stock he or she acquires under the GESPP, the Participant shall make adequate provision for the federal, state, local and non-U.S. tax withholding obligations of the Company, a Participating Code Section 423 Subsidiary or a Participating Non-Code Section 423 Subsidiary that arise upon exercise of the Purchase Right or upon such disposition of shares, if any, in accordance with such procedures and withholding methods as may be established by the Committee or as may be otherwise required by applicable law, as determined by the Committee in its sole discretion. The Company, a Participating Code Section 423 Subsidiary or a Participating Non-Code Section 423 Subsidiary may, but shall not be obligated to, withhold from any compensation or other amounts payable to the Participant the amount necessary to meet such withholding obligations. Notwithstanding the foregoing, the withholding obligations for any tax-related for Participants who are Section 16 officers of the Company under the U.S. Securities and Exchange Act of 1934, as amended, shall be satisfied by withholding in shares of Common Stock to be issued upon purchase under the GESPP.
- 6.5 **Expiration of Purchase Right.** Any portion of a Participant's Purchase Right remaining unexercised at the end of the Purchase Period to which the Purchase Right relates shall expire immediately upon the end of such Purchase Period.
- 6.6 **Reports to Participants.** Each Participant who has exercised all or part of his or her Purchase Right shall receive, as soon as practicable after the Purchase Date, a report of such Participant's Plan account setting forth the total Contributions accumulated prior to such exercise, the number of shares of Common Stock purchased, the Purchase Price for such shares of Common Stock, the Purchase Date and the cash balance, if any, remaining immediately after such purchase that is to be retained in the Participant's Plan pursuant to Section 6.1. The report may be delivered in such form and manner, including by electronic means, as the Company may determine.
- 6.7 **Notification of Sale of Shares of Common Stock.** Each Participant shall give the Company, the Committee and/or the GESPP Administrator prompt notice of any disposition of Common Stock acquired pursuant to the Purchase Rights granted under the GESPP in accordance with such procedures as may be established by the Committee. The Committee may require that until such time as a Participant disposes of shares of Common Stock acquired pursuant to Purchase Rights granted under the GESPP, the Participant shall hold all such shares of Common Stock in the Participant's name and with the GESPP Administrator until the lapse of any time period(s) established by the Committee. The Committee may direct that the certificates evidencing shares of

Common Stock acquired by exercise of a Purchase Right refer to such requirement to give prompt notice of disposition.

6.8 **Clawback/Recoupment Policy**

. Notwithstanding anything contained herein to the contrary, all shares of Common Stock acquired pursuant to the GESPP shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board and, in each case, as may be amended from time to time. No such policy adoption or amendment shall in any event require the prior consent of any Participant.

SECTION 7

SHARES OF COMMON STOCK SUBJECT TO PLAN

- 7.1 **Shares of Common Stock Subject to the GESPP.** The maximum aggregate number of shares of Common Stock that may be issued under the GESPP shall be 2,500,000 (two million five hundred thousand) shares, subject to adjustment in accordance with Section 8. For the sake of clarity, the aggregate share limitation set forth herein may be used to satisfy the purchase of shares of Common Stock under either the Code Section 423 Component of the GESPP or the Non-Code Section 423 Component of the GESPP. Shares of Common Stock issued under the GESPP may consist of authorized but unissued shares, reacquired shares (treasury shares), or any combination thereof. If an outstanding Purchase Right for any reason expires or is terminated or canceled, the shares of Common Stock allocable to the unexercised portion of such Purchase Right shall again be available for issuance under the GESPP.
- 7.2 **Legends.** The Company may at any time place legends or other identifying symbols referencing any applicable federal, state or foreign securities law restrictions or any provision convenient in the administration of the GESPP on some or all of the certificates representing shares of Common Stock issued under the GESPP. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares of Common Stock acquired pursuant to a Purchase Right in the possession of the Participant in order to carry out the provisions of this Section.
- 7.3 **Securities Laws.** The Company shall not be obligated to issue any shares of Common Stock pursuant to any offering under the GESPP at any time when the offer, issuance, or sale of shares covered by such Offering (i) has not been registered under the Securities Act of 1933, as amended, or does not comply with such other federal, state or non-U.S. laws, rules or regulations, or the requirements of any stock exchange upon which the shares of Common Stock may then be listed, as the Company or the Board deems applicable, and (ii) in the opinion of legal counsel for the Company, there is no exemption from the requirements of such laws, rules, regulations, or requirements available for the offer, issuance, and sale of such shares of Common Stock. Further, all shares of Common Stock acquired pursuant to the GESPP shall be subject to the Company's policies concerning compliance with securities laws and regulations, as such policies may be amended from time to time. The issuance of shares of Common Stock under the GESPP shall be subject to compliance with all applicable requirements of federal, state or non-U.S. laws, rules or regulations or the requirements of any stock exchange upon which the shares of Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares of Common Stock under the GESPP shall relieve the Company of any liability in respect of the failure to issue or sell such shares of Common Stock as to which such requisite authority shall not have been obtained. As a condition to the exercise of a

Purchase Right, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

SECTION 8

RECAPITALIZATION, REORGANIZATION AND CHANGE OF CONTROL

- 8.1 **Adjustments for Changes in Shares of Common Stock.** In the event of any stock dividend, extraordinary cash dividend, stock split, reverse stock split, recapitalization, combination, reclassification, or similar change in the capital structure of the Company, or in the event of any merger (including a merger effected for the purpose of changing the Company's domicile), sale of assets, spin-off or other reorganization in which the Company is a party, appropriate adjustments shall be made in the number and class of shares of Common Stock subject to the GESPP and each Purchase Right, and/or in the Purchase Price. If a majority of the shares of Common Stock which are of the same class as the shares of Common Stock that are subject to outstanding Purchase Rights are exchanged for, converted into, or otherwise become (whether or not pursuant to a Change of Control as described in Section 8.2) shares of another corporation, the Committee may unilaterally amend the outstanding Purchase Rights to provide that such Purchase Rights are exercisable for new shares of such other corporation. In the event of any such amendment, the number of shares of Common Stock subject to, and the Purchase Price of, the outstanding Purchase Rights shall be adjusted in a fair and equitable manner, as determined by the Committee, in its sole discretion. In no event may the Purchase Price be decreased to an amount less than the par value, if any, of the shares of Common Stock subject to the Purchase Right. Subject to applicable laws, rules or regulations or the requirements of any stock exchange upon which the shares of Common Stock may then be listed, the adjustments determined by the Committee pursuant to this Section 8.1 shall be final, binding and conclusive.
- 8.2 **Change of Control.** In the event of a Change of Control, the Acquiring Company may assume the Company's rights and obligations under the GESPP. If the Acquiring Company elects not to assume the Company's rights and obligations under outstanding Purchase Rights, the Purchase Date of the then current Offering Period shall be accelerated to a date before the date of the Change of Control specified by the Committee, but the number of shares of Common Stock subject to outstanding Purchase Rights shall not be adjusted. All Purchase Rights that are neither assumed by the Acquiring Company in connection with the Change of Control nor exercised as of the date of the Change of Control shall terminate and cease to be outstanding effective as of the date of the Change of Control.

SECTION 9

PLAN ADMINISTRATION

- 9.1 **Administration by the Committee.** The GESPP shall be administered by the Committee. All questions regarding the GESPP, including (but not limited to) (a) the interpretation of the GESPP, any form of agreement or other document employed by the Company in the administration of the GESPP, (b) any Purchase Right granted under the GESPP, and (c) the correction of any errors arising under the GESPP shall be determined by the Committee and shall be final and binding upon all persons having an interest in the GESPP or the Purchase Right. Subject to the provisions of the GESPP, the Committee shall determine all of the relevant terms and conditions of Purchase Rights granted pursuant to the GESPP; provided, however, that all Participants granted Purchase Rights pursuant to the Code Section 423 Component of the GESPP shall have the same rights and privileges within the meaning of Code Section 423(b)(5). The Committee may assign any of its administrative tasks set forth herein to the GESPP Administrator, except that the Committee may

not delegate the task of designating Participating Code Section 423 Subsidiaries under the Code Section 423 Component of the GESPP or Participating Non-Code Section 423 Subsidiaries under the Non-Code Section 423 Component of the GESPP, or its authority to make adjustments pursuant to Section 8.1. All expenses incurred in connection with the administration of the GESPP shall be paid by the Company.

- 9.2 **Authority of Officers.** Any authorized officer of the Company at the level of Vice President or above shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein. In addition, the Board and/or the Committee may delegate authority to any authorized officer of the Company at the level of Vice President or above to act on its behalf with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Board and/or the Committee, to the extent permitted under Applicable Law.
- 9.3 **Policies and Procedures Established by the Committee.** The Committee may, from time to time, consistent with the GESPP and the requirements of Code Section 423, establish, change or terminate such rules, guidelines, policies, procedures, limitations, or adjustments as deemed advisable by the Company, in its sole discretion, for the proper administration of the Code Section 423 Component of the GESPP, including, without limitation, (i) a minimum Contribution amount required for participation in an Offering, (ii) a limitation on the frequency or number of changes permitted in the rate of Contributions during an Offering, (iii) an exchange ratio applicable to amounts withheld in a currency other than United States dollars, (iv) a supplemental payment or Contributions greater than or less than the amount designated by a Participant in order to adjust for the Company's delay or mistake in processing an Enrollment Agreement or in otherwise effecting a Participant's election under the GESPP or as advisable to comply with the requirements of Code Section 423, and (v) a determination of the date and manner by which the Fair Market Value of a share of Common Stock is determined for purposes of administration of the GESPP. Similarly, the Company may, from time to time, establish, change or terminate rules, guidelines, policies, procedures, limitations, or adjustments as deemed advisable by the Company, in its sole discretion, for the proper administration of the Non-Code Section 423 Component of the GESPP.
- 9.4 **Non-Code Section 423 Component for Participation Outside of the United States.** Subject to applicable laws, rules or regulations or the requirements of any stock exchange upon which the shares of Common Stock may then be listed, the Committee may, in its sole discretion, establish sub-plans under the Non-Code Section 423 Component of the GESPP which do not satisfy the requirements of Code Section 423 for purposes of effectuating the participation of Eligible Employees employed by a Participating Non-Code Section 423 Subsidiary located in countries outside of the United States. For purposes of the Non-Code Section 423 Component, the Committee may establish one or more sub-plans to: (a) amend or vary the terms of the Non-Code Section 423 Component of the GESPP in order to conform such terms with the laws, rules and regulations of each country outside of the United States where the Participating Non-Code Section 423 Subsidiary is located; (b) amend or vary the terms of the Non-Code Section 423 Component of the GESPP in each country where the Participating Non-Code Section 423 Subsidiary is located as it considers necessary or desirable to take into account or to mitigate or reduce the burden of taxation and social insurance contributions for Participants or the Participating Non-Code Section 423 Subsidiary, or (c) amend or vary the terms of the Non-Code Section 423 Component of the GESPP in each country where the Participating Non-Code Section 423 Subsidiary is located as it considers necessary or desirable to meet the goals and objectives of the Non-Code Section 423 Component of the GESPP. Each sub-plan established pursuant to this Section 9.4 shall be reflected in a written appendix to the Non-Code Section 423 Component of the GESPP for each Participating Affiliate in such country, and shall be treated as being separate and independent from Code Section 423 Component

of the GESPP; provided, the total number of shares of Common Stock authorized to be issued under the GESPP shall include any shares of Common Stock issued under the Non-Code Section 423 Component of the GESPP (including each sub-plan). To the extent permitted under Applicable Law, the Committee may delegate its authority and responsibilities under this Section 9.4 to an appropriate sub-committee consisting of one or more officers of the Company.

SECTION 10

CODE SECTION 409A TAX QUALIFICATION

- 10.1 **Code Section 409A.** Purchase Rights granted under the GESPP are exempt from the application of Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the GESPP to the contrary, if the Committee determines that a Purchase Right granted under the GESPP may be subject to Code Section 409A or that any provision in the GESPP would cause a Purchase Right under the GESPP to be subject to Code Section 409A, the Committee may amend the terms of the GESPP and/or of an outstanding Purchase Right granted under the GESPP, or take such other action the Committee determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding Purchase Rights that may be granted under the GESPP from or to allow any such Purchase Rights to comply with Code Section 409A, but only to the extent any such amendments or action by the Committee would not violate Code Section 409A. Notwithstanding the foregoing, to the fullest extent permitted by Applicable Law, the Company will have no liability to a Participant or any other party if the Purchase Right under the GESPP that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Committee with respect thereto. The Company makes no representation that the right to purchase shares of Common Stock under the GESPP is compliant with Code Section 409A.
- 10.2 **Tax Qualification.** Although the Company may endeavor to (i) qualify a Purchase Right for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment (e.g., under Code Section 409A), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in the GESPP. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on Participant's under the GESPP.

SECTION 11

INDEMNIFICATION

To the fullest extent permitted by Applicable Law and the Company's certificate of incorporation, bylaws and other governing documents, in addition to such other rights of indemnification as they may have as members of a committee or officers or employees of a Participating Code Section 423 Subsidiary or a Participating Non-Code Section 423 Subsidiary, the Committee, the Board and any persons to whom authority to act for the Committee, the Board, or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the GESPP, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within

sixty (60) calendar days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

SECTION 12

PLAN AMENDMENT OR TERMINATION; MISCELLANEOUS

- 12.1 **Termination.** The Committee may terminate the GESPP at any time, except that such termination shall not affect Purchase Rights previously granted under the GESPP.
- 12.2 **Amendment.** Subject to applicable laws, rules or regulations or the requirements of any stock exchange upon which the shares of Common Stock may then be listed, the Board or the Committee may make such modification or amendment to the GESPP as it shall deem advisable; provided, however, that no amendment may materially adversely affect a Purchase Right previously granted under the GESPP (except to the extent permitted by the GESPP or as may be necessary to qualify the GESPP as an employee stock purchase plan pursuant to Code Section 423 or to obtain qualification or registration of the shares of Common Stock under applicable federal, state or non-U.S. securities laws).

An amendment must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if (i) such amendment would authorize the sale of more shares of Common Stock than are authorized for issuance under the GESPP or (ii) would change the definition of the corporations or companies that may be designated by the Committee as Participating Code Section 423 Subsidiaries or Participating Non-Code Section 423 Subsidiaries. In the event that the Board or the Committee approves an amendment to increase the number of shares of Common Stock authorized for issuance under the GESPP, the Board or Committee, as applicable and in its sole discretion, may specify that any such additional shares of Common Stock only may be issued pursuant to Purchase Rights granted after the date on which the stockholders of the Company approve such amendment, and such designation by the Board or Committee, as applicable, shall not be deemed to have adversely affected any Purchase Right granted prior to the date on which the stockholders approve the amendment.

- 12.3 **Death.** Unless otherwise provided in an Enrollment Agreement or procedures established by the Committee from time to time, in the event of the Participant's death, any accumulated Contributions not used to purchase shares of Common Stock shall be paid to and any shares of Common Stock credited to the deceased Participant's brokerage or Plan account shall be transferred to the Participant's heirs or estate as soon as reasonably practicable following the Participant's death in accordance with applicable law; provided, for Participants employed in the United States by the Company or a Participating Code Section 423 Subsidiary, the Committee may, in its sole discretion, permit such Participants to make a beneficiary designation in relation to the Participant's interests under the GESPP in such manner and at such times as determined by the Committee.
- 12.4 **Transferability.** Contributions credited to a Participant's Plan account and any rights with regard to the purchase of shares of Common Stock pursuant to a Purchase Right or to receive shares of Common Stock under the GESPP may not be assigned, alienated, pledged, attached, sold or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as otherwise provided in the GESPP) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from the GESPP in accordance with Section 3.
- 12.5 **Use of Funds.** All Contributions received or held by the Company under the GESPP may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate

such Contributions except as may be required by applicable local law, as determined by the Committee, and if so required by the laws of a particular jurisdiction, shall apply to all Participants in the relevant Offering except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f). Until shares of Common Stock are issued, Participants shall only have the rights of an unsecured creditor, although Participants in specified Offerings may have additional rights where required under local law, as determined by the Committee.

- 12.6 **Severability.** If any particular provision of the GESPP is found to be invalid or otherwise unenforceable, such determination shall not affect the other provisions of the GESPP and the GESPP shall be construed in all respects as if such invalid provision were omitted.
- 12.7 **Governing Law and Jurisdiction.** Except to the extent that provisions of the GESPP are governed by applicable provisions of the Code or any other substantive provision of federal law, the GESPP shall be construed in accordance with the laws of Delaware, without giving effect to the conflict of laws principles thereof. The jurisdiction and venue for any disputes arising under, or any action brought to enforce (or otherwise relating to) the GESPP shall be exclusively in the courts in the State of Minnesota, County of Hennepin, including the U.S. federal courts located therein (should federal jurisdiction exist).
- 12.8 **Currency.** Unless otherwise specified, all references to currency throughout the GESPP shall be to U.S. dollars.
- 12.9 **Headings.** Headings are given to the Sections and subsections of the GESPP solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the GESPP.

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David D. Ossip, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dayforce, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

By: /s/ David D. Ossip
David D. Ossip
Principal Executive Officer

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeremy R. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dayforce, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

By: /s/ Jeremy R. Johnson

Jeremy R. Johnson

Principal Financial Officer

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. §1350 AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned hereby certifies that he is the duly appointed and acting Chief Executive Officer of Dayforce, Inc., a Delaware corporation (the "Company"), and hereby further certifies to the best of his knowledge as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: October 29, 2025

By: /s/ David D. Ossip
David D. Ossip
Principal Executive Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Dayforce, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. §1350 AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned hereby certifies that he is the duly appointed and acting Executive Vice President and Chief Financial Officer of Dayforce, Inc., a Delaware corporation (the "Company"), and hereby further certifies as follows.

1. The periodic report containing financial statements to which this certificate is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
2. The information contained in the periodic report to which this certificate is an exhibit fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: October 29, 2025

By: /s/ Jeremy R. Johnson
Jeremy R. Johnson
Principal Financial Officer

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Dayforce, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.