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Workday, Inc.

("Workday" or the "Company")

(a Delaware corporation with registered number 4762854)

EMPLOYEE SHARE PLAN PROSPECTUS

for the Offer of Class A common stock of Workday, Inc. (upon their issuance, to be listed and admitted to trading on the New York Stock Exchange)

This prospectus is dated 28 April 2017.

*This employee share plan prospectus (the "**Prospectus**") has been prepared in accordance with Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC ("**Directive 2003/71/EC**"), the Commission Regulation EC No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards to information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the "**Prospectus Regulations**") and the Prospectus (Directive 2003/71/EC) Regulations 2005 (SI No.324 of 2005), as amended, of Ireland (the "**2005 Regulations**").*

*This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC.*

The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to Directive 2003/71/EC.

*Such approval relates only to the shares of Class A common stock of Workday, par value US\$0.001 per share (the "**Class A Shares**") which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area.*

Workday has requested the Central Bank to provide the competent authorities in the United Kingdom with a certificate of approval attesting that the Prospectus has been drawn up in accordance with Directive 2003/71/EC.

PERSONS RESPONSIBLE

Workday and its directors accept responsibility for the information contained in this Prospectus. To the best of the knowledge of Workday and its directors, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information and Workday and its directors have taken all reasonable care to ensure that such is the case.

IMPORTANT NOTICES

This Prospectus should be read and construed together with any supplements.

This Prospectus sets out the offer of the Class A Shares which is made under the Workday Employee Stock Purchase Plan, dated 28 August 2012 and amended as of 31 March 2014 (the "**ESPP**").

The offer of Class A Shares in connection with the ESPP which is made by this Prospectus is a public offer of securities pursuant to Directive 2003/71/EC in Ireland and the United Kingdom, subject to the applicable legislation in such countries. This Prospectus will be made available to employees of the Company and its Participating Corporations in Ireland and the United Kingdom.

It is expected that the offer of Class A Shares under the ESPP which is made by this Prospectus and which is described in this Prospectus, will commence on or about 28 April 2017 and that the offer, unless otherwise terminated in accordance with the terms of the ESPP, will be open for acceptance until the offer period closes at 05.00 a.m. (Irish time) on 27 April 2018. In the event of termination of the ESPP in accordance with its terms, Workday will notify ESPP Participants of the termination of the ESPP in such manner as Workday considers appropriate at the time, including by way of a notice or information made available on Workday's intranet and/or web site at www.workday.com.

Receipt of this Prospectus is neither a guarantee nor an indication that you are, or will be, eligible to participate in the ESPP.

As used in this Prospectus, "**Workday**" or "**Company**" means Workday, Inc., a Delaware incorporated company with its registered office located at 6230 Stoneridge Mall Road, Pleasanton, CA 94588, U.S.A. The "**Committee**" means the Compensation Committee of the board of directors of Workday (the "**Board**")

or any other person or committee having delegated authority over the administration of the ESPP. The Committee determines eligibility for the ESPP in conformity with the provisions of the ESPP, as described on pages 64-69 of this Prospectus.

Please read Annex I to the Prospectus describing the withholding tax consequences in your country and any adjustments or modifications to the terms and conditions or other information that may be applicable.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered a recommendation by Workday that any recipient of this Prospectus should purchase Class A Shares. Each participant should determine for himself/herself the relevance of the information contained in this Prospectus and his/her decision to participate in the ESPP should be based upon such investigation as he/she deems necessary. If you are in any doubt as to what action you should take, you are recommended to consult immediately your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser.

Share purchases will be conducted in United States dollars. In this Prospectus, unless otherwise specified, references to "**U.S. \$**", "**U.S. dollars**" or "**\$**" are to United States dollars, references to "**€**" or "**Euro**" or "**EUR**" are to the common currency of the EU and references to "**GBP**" or "**£**" are to the lawful currency of the United Kingdom.

EXCHANGE RATES

For reference purposes only, the following exchange rates were prevailing on 26 April 2017: US\$1.00 : €0.9173 and US\$1.00 : GBP £0.7777.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A—E (A.1—E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A — INTRODUCTION AND WARNINGS		
A.1	Warning to the reader	<p>THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN THE CLASS A SHARES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Class A Shares offered under the ESPP pursuant to this Prospectus.</p>
A.2	Consent to use of the prospectus	Not applicable. There is no subsequent resale or final placement of securities by financial intermediaries.

SECTION B — ISSUER		
B.1	Legal and commercial name of the issuer	Workday, Inc.
B.2	Domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation	<p>Workday's principal offices are located at 6230 Stoneridge Mall Road, Pleasanton, California 94588, U.S.A.</p> <p>The Company is a Delaware corporation with registered number 4762854 and was formed under the Delaware General Corporation Law (U.S.A.).</p>

B.3	Description of, and key factors relating to, the nature of the issuer's current operations and its principal activities, stating the main categories of products sold and/or services performed and identification of the principal markets in which the issuer competes	Not applicable. Omitted in accordance with Article 23.4 of Commission Regulation (EC) No. 809/2004.
B.4a	Description of the most significant recent trends affecting the issuer and the industries in which it operates	<p>The overall market for enterprise application software is rapidly evolving, highly competitive, and subject to changing technology, shifting customer needs and frequent introductions of new applications.</p> <p>Organizations today operate in environments that are highly complex and changing at an increasing rate. Managers and employees must quickly synthesize vast amounts of information and react to rapid changes in global business and regulatory environments. To be successful, they need highly functional and flexible software that enables informed decision-making about the enterprise-wide allocation of their resources. Additionally, managers and employees expect to interact with enterprise systems in an open, intuitive and collaborative way, including real-time access through a wide range of mobile and computing devices. Workday believes that legacy, on-premise systems make those interactions difficult, as their user interfaces are not intuitive and were not originally designed for mobility.</p> <p>Since Workday is delivered in the cloud, organizations can embrace change in their operating environments with support for new regulatory requirements, increased performance and enhancement of the user experience that Workday delivers through its rapid innovation cycle of frequent functionality-rich feature releases. Workday delivers innovation regularly, with major feature releases delivered two times per year as part of its customers' subscription agreement. When the new feature releases are delivered, the prior version is fully replaced. As a result, all Workday customers are on the same version at all times. Feature releases are not subject to an additional fee. Workday customers benefit from the most current technologies without the burden of large upgrade costs typically associated with traditional on-premise software.</p> <p>Workday delivers its cloud applications using an innovative technology foundation that leverages the most recent advances in cloud computing and data management and allows the Company to deliver applications that are highly functional, flexible and fast. Workday's use of a multi-tenant architecture in which customers are on the same version of its software enables innovations to be deployed quickly. In addition, Workday uses objects to represent real-world entities such as employees, benefits, budgets, charts of accounts and organizations, combining business logic and data in one place and</p>

		creating actionable analytics that are part of its core transactional systems of record. Workday's use of in memory data management allows rapid and efficient delivery of embedded business intelligence. Workday leverages advanced data science and machine learning in its applications to help customers make smarter financial and workforce decisions. Workday also provides open, standards-based web-services application programming interfaces and pre-built packaged integrations and connectors. This approach substantially reduces the need for its customers to buy and support a broad range of information technology infrastructure, significantly reducing costs and complexity.
B.5	Description of the group and the issuer's position within the group	Not applicable. Omitted in accordance with Article 23.4 of Commission Regulation (EC) No. 809/2004.
B.6	In so far as is known to the issuer, the name of any person who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest	Not applicable. Omitted in accordance with Article 23.4 of Commission Regulation (EC) No. 809/2004.
B.7	Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year	

The selected financial data of Workday set out in this Prospectus, which has been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”), is derived from Workday’s audited Consolidated Financial Statements in respect of the fiscal years ended 31 January 2017, 2016 and 2015.

SELECTED THREE-YEAR FINANCIAL DATA
(derived from Workday's audited Consolidated Financial Statements)

	Year Ended 31 January		
	2017	2016	2015
(in thousands, except per share data)			
Consolidated Statements of Operations Data:			
Revenues:			
Subscription services	\$ 1,287,104	\$ 929,234	\$ 613,328
Professional services	282,303	233,112	174,532
Total revenues	1,569,407	1,162,346	787,860
Costs and expenses ⁽¹⁾ :			
Costs of subscription services	213,389	149,869	102,476
Costs of professional services	270,156	224,558	162,327

Product development	680,531	469,944	316,868
Sales and marketing	583,874	434,056	315,840
General and administrative	198,122	148,578	106,051
Total costs and expenses	1,946,072	1,427,005	1,003,562
Operating loss	(376,665)	(264,659)	(215,702)
Other expense, net	(32,427)	(24,242)	(30,270)
Loss before provision for (benefit from) income taxes	(409,092)	(288,901)	(245,972)
Provision for (benefit from) income taxes	(814)	1,017	2,010
Net loss	(408,278)	(289,918)	(247,982)
Net loss attributable to Class A and Class B common stockholders	\$ (408,278)	\$ (289,918)	\$ (247,982)
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	\$ (2.06)	\$ (1.53)	\$ (1.35)
Weighted-average shares used to compute net loss per share attributable to Class A and Class B common stockholders	198,214	190,016	183,702

Costs and expenses include share-based compensation expenses as follows (in thousands):

	Year Ended 31 January		
	2017	2016	2015
Costs of subscription services	\$ 20,773	\$ 12,060	\$ 6,053
Costs of professional services	26,833	19,526	12,890
Product development	166,529	109,362	63,938
Sales and marketing	86,229	51,617	29,875
General and administrative	78,265	57,405	43,292

	As of 31 January		
	2017	2016	2015
(in thousands)			
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 539,923	\$ 300,087	\$ 298,192
Marketable securities	1,456,822	1,669,372	1,559,517
Total current assets	2,496,526	2,362,308	2,108,387
Working capital	1,200,078	1,439,629	1,467,122
Property and equipment, net	365,877	214,158	140,136
Total assets	3,166,424	2,730,094	2,350,090
Total current liabilities	1,296,448	922,679	641,265
Total unearned revenue	1,233,387	899,729	632,744
Convertible senior notes, net	534,423	507,476	481,958
Total liabilities	2,003,518	1,593,937	1,224,115
Total stockholders' equity	1,162,906	1,136,157	1,125,975

B.8	Selected key pro forma financial information	Not applicable. Workday has not produced pro forma financial information.
B.9	Profit forecast or estimate	Not applicable. This Prospectus does not contain any profit forecast or estimate.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit report on the historical financial information.
B.11	Qualified working capital	Not applicable. In the opinion of the Company, the working capital available to the Company is sufficient for the Company's present requirements and, in particular, is sufficient for at least the next 12 months from the date of the Prospectus.

SECTION C — SECURITIES		
C.1	Type and class of the securities being offered, including the security identification code	Class A Shares with par value US\$0.001. The Class A Shares will be registered book entry shares. Workday's transfer agent is American Stock Transfer & Trust Co. The CUSIP Number is 98138H101. The ISIN is US98138H1014.
C.2	Currency of the securities issue	The United States Dollar is the currency of the securities issue.
C.3	Number of shares issued and fully paid and issued but not fully paid and the par value per share	Not applicable. Omitted in accordance with Article 23.4 of Commission Regulation (EC) No. 809/2004.
C.4	Description of the rights attached to the securities	The Class A Shares will be issued credited as fully paid shares and will rank <i>pari passu</i> in all respects with each other and will rank in full for all dividends and other distributions thereafter declared, made or paid in respect of the Class A Shares and will confer on their holders one vote per Class A Share held at general meetings of the Company.
C.5	Restrictions on the free transferability of the securities	<p>ESPP Participants may sell or transfer the Class A Shares allocated to their ESPP Accounts at any time subject to any requirements imposed by Workday to the extent that Workday determines it is necessary or advisable for legal or administrative reasons.</p> <p>Where held in certificated form, the instrument of transfer of a share shall be signed by or on behalf of the transferor.</p>
C.6	Admission to trading on a regulated market	The Class A Shares will, upon their issuance, be listed and admitted to trading on the New York Stock Exchange (the "NYSE").

C.7	Dividend policy	Workday has never declared or paid cash dividends on its capital stock. Workday currently intends to retain any future earnings for use in the operation of its business and does not intend to declare or pay any cash dividends in the foreseeable future. Any further determination to pay dividends on its capital stock will be at the discretion of the Board, subject to applicable laws, and will depend on its financial condition, results of operations, capital requirements, general business conditions and other factors that the Board considers relevant.
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SECTION D — RISKS		
D.1	Key information on the key risks that are specific to the issuer or its industry	<p>Prior to investing in the Class A Shares, prospective investors should consider the key risks associated therewith. The risks relating to the Company and/or its industry include the following:</p> <p><i>Risk Factors Related to Workday's Business</i></p> <ul style="list-style-type: none"> • If Workday's security measures are breached or unauthorized access to customer data is otherwise obtained, its applications may be perceived as not being secure, customers may reduce the use of or stop using its applications and Workday may incur significant liabilities. • Workday depends on data centers and computing infrastructure operated by third parties and any disruption in these operations could adversely affect its business. • If Workday fails to manage its technical operations infrastructure, or experience service outages or delays in the deployment of its applications, Workday may be subject to liabilities and its reputation and operating results may be adversely affected. • Privacy concerns and laws or other domestic or foreign regulations may reduce the effectiveness of Workday's applications and adversely affect its business. • Workday has experienced rapid growth. If the Company fails to manage its growth effectively, it may be unable to execute its business plan, maintain high levels of service and operational controls or adequately address competitive challenges. • Workday depends on its senior management team and the loss of one or more key employees could adversely affect its business. • An inability to attract and retain highly skilled employees could adversely affect Workday's business and its future growth prospects. • If Workday cannot maintain its corporate culture, it could lose the innovation, teamwork and passion that it believes contribute to its success, and its business may be harmed.

		<ul style="list-style-type: none"> • The markets in which Workday participates are intensely competitive, and if it does not compete effectively, its operating results could be adversely affected. • If the market for enterprise cloud computing grows more slowly than in recent years, its business could be adversely affected. • If Workday is not able to provide successful enhancements, new features and modifications, its business could be adversely affected. • Workday's applications must integrate with a variety of third-party technologies, and if the Company is unable to ensure that its solutions interoperate with such technologies, demand for its applications and its operating results could be adversely affected. • If Workday's applications fail to perform properly, its reputation could be adversely affected, its market share could decline and the Company could be subject to liability claims. • Catastrophic events may disrupt Workday's business. • Because Workday sells applications to manage complex operating environments of large customers, it encounters long sales cycles, which could adversely affect its operating results in a given period. • The loss of one or more of Workday's key customers, or a failure to renew its subscription agreements with one or more of its key customers, could negatively affect its ability to market its applications. • Workday's business could be adversely affected if its customers are not satisfied with the deployment services provided by the Company or its partners. • Any failure to offer high-quality technical support services may adversely affect Workday's relationships with its customers and its financial results. • Sales to customers outside the United States or with international operations expose Workday to risks inherent in international sales and operations. • Workday has acquired, and may in the future acquire, other companies, employee teams or technologies, which could divert its management's attention, result in additional dilution to its stockholders and otherwise disrupt its operations and adversely affect its operating results. • Workday has a history of cumulative losses and it does not expect to be profitable on a U.S. GAAP basis for the foreseeable future. • Workday may not receive significant revenues from its current development efforts for several years, if at all.
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		<ul style="list-style-type: none"> • If Workday experiences significant fluctuations in its rate of anticipated growth and fail to balance its expenses with its revenue forecasts, its results could be harmed. • Workday may not be able to sustain its revenue growth rates in the future. • Workday's quarterly results may fluctuate significantly and may not fully reflect the underlying performance of its business. • Because Workday recognizes subscription services revenues over the term of the contract, downturns or upturns in new sales will not be immediately reflected in its operating results and may be difficult to discern. • Workday's ability to predict the rate of customer subscription renewals or adoptions, and the impact these renewals and adoptions will have on its revenues or operating results, is limited. • Failure to adequately expand and optimize Workday's direct sales force will impede its growth. • If Workday fails to develop widespread brand awareness cost-effectively, its business may suffer. • Workday's growth depends in part on the success of its strategic relationships with third parties. • Adverse economic conditions may negatively impact Workday's business. • Any failure to protect Workday's intellectual property rights could impair its ability to protect its proprietary technology and its brand. • Workday may be sued by third parties for alleged infringement of their proprietary rights. • Some of Workday's applications utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect its business. • Workday employs third-party licensed software for use in or with its applications, and the inability to maintain these licenses or errors in the software the Company licenses could result in increased costs, or reduced service levels, which would adversely affect its business. • Changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself may diminish the demand for Workday's applications, and could have a negative impact on its business. • Workday may discover weaknesses in its internal controls over financial reporting, which may adversely affect investor
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		<p>confidence in the accuracy and completeness of its financial reports and consequently the market price of its securities.</p> <ul style="list-style-type: none"> • Workday may not be able to utilize a portion of its net operating loss or research tax credit carryforwards, which could adversely affect its profitability. • Adverse tax laws or regulations could be enacted or existing laws could be applied to Workday or its customers, which could increase the costs of its services and adversely impact its business. • Workday's reported financial results may be adversely affected by changes in U.S. GAAP. • Workday has broad discretion in the use of its cash balances and may not use them effectively. <p><i>Quantitative and Qualitative Disclosures about Market Risk</i></p> <ul style="list-style-type: none"> • Workday transacts business globally in multiple currencies. As a result, its results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. • Workday's future investment income may fluctuate due to changes in interest rates or the Company may suffer losses in principal if it is forced to sell securities that decline in market value due to changes in interest rates. • The values of the Notes¹ are exposed to interest rate risk.
D.3	Key information on the key risks that are specific to the securities	<p>Prior to investing in the Class A Shares, prospective investors should consider the key risks associated therewith. The risks relating to the securities include the following:</p> <ul style="list-style-type: none"> • Workday's Chairman and Chief Executive Officer ("CEO") have control over key decision making as a result of their control of a majority of its voting stock. • The dual class structure of the Shares has the effect of concentrating voting control with Workday's Chairman and CEO, and also with other executive officers, directors and affiliates; this will limit or preclude the ability of non-affiliates to influence corporate matters. • Workday's stock price has been volatile in the past and may be subject to volatility in the future. • Workday has indebtedness in the form of convertible senior notes.

¹ In June 2013, Workday completed an offering of \$350 million of 0.75% convertible senior notes due July 15, 2018 ("2018 Notes"), and Workday concurrently issued an additional \$250 million of 1.50% convertible senior notes due July 15, 2020 ("2020 Notes," and together with the 2018 Notes, the "Notes").

		<ul style="list-style-type: none"> • Exercise of the warrants associated with Workday's 2018 Notes or its 2020 Notes may affect the price of the Class A Shares. • Delaware law and provisions in Workday's restated certificate of incorporation and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of the Class A Shares. • If securities or industry analysts publish inaccurate or unfavorable research about Workday's business, or discontinue publishing research about its business, the price and trading volume of its securities could decline. • Workday does not intend to pay dividends for the foreseeable future. • ESPP Participants assume the risk of any currency fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Class A Shares. In addition, ESPP Participants will also assume the risk of any currency fluctuations at the time of any dividend payments.
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SECTION E — OFFER		
E.1	Total net proceeds and an estimate of the total expenses of the issue	<p>The ESPP is not intended to raise capital in the market.</p> <p>Under the ESPP, eligible employees are granted options to purchase shares during a specified period (the "Offering Period") at the lower of eighty-five percent (85%) of the fair market value of the Class A Shares on the first day of the Offering Period or eighty-five percent (85%) of the fair market value of the Class A Shares on the last day of the Offering Period. For this purpose, fair market value is the closing price of a Class A Share on the NYSE on the applicable date. Options to purchase shares are granted twice yearly during Offering Periods determined by the Board or the Committee. As currently implemented, the Offering Periods start on or about 16 June and 16 December and are exercisable on or about the succeeding 15 December and 15 June, respectively, of each year. For fiscal 2017, 0.7 million Class A Shares were purchased under the ESPP at a weighted-average price of \$63.09 per Class A Share, resulting in cash proceeds of \$44 million.</p> <p>Pursuant to the terms of the ESPP, as of 31 January 2017, approximately 6 million Class A Shares were available for issuance under the ESPP.</p> <p>The expenses of administering the ESPP are borne by the Company. The Company estimates that the annual costs associated with administering the ESPP will be approximately \$100,000.</p>
E.2a	Reasons for the offer, use of proceeds, estimated net amount	<p>Workday's ESPP is created for the purpose of providing eligible employees of Workday and its eligible parent and subsidiary corporations ("Participating Corporations") with a means of</p>

	of the proceeds	<p>acquiring an equity interest in Workday through payroll deductions, to enhance such employees' sense of participation in the affairs of Workday and Participating Corporations.</p> <p>Any proceeds received from the ESPP shall be used for general corporate purposes of the Company.</p> <p>Assuming that each of the 899 eligible employees in Ireland and the United Kingdom would purchase the maximum number of shares in the two Offering Periods under the ESPP offered pursuant to this prospectus, that is, a total of 574 Class A Shares each with contributions of US\$42,388.752 each (based on a hypothetical purchase price of US\$73.848, which is 85% of US\$86.88, which was the actual closing price of the shares on 24 April 2017, and based on the employees not having otherwise exceeded the ESPP limitations for each of the Offering Periods), then the gross proceeds to the Company in connection with the offering of the ESPP pursuant to this Prospectus would be US\$38,107,488.048. After deducting legal expenses in connection with the offer, the net proceeds would be approximately US\$38,007,488.048.</p>
E.3	Description of the terms and conditions of the offer	<p>General. As of 31 January 2017, approximately 6 million Class A Shares were available for issuance under the ESPP. If the number of outstanding shares of Workday is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of Workday, without consideration, then the number and class of shares that may be delivered under the ESPP, the purchase price per share, the number of shares covered by each option under the ESPP which has not yet been exercised, will be adjusted appropriately.</p> <p>Administration. The Committee or its delegate(s) have oversight of the ESPP and have the full and exclusive discretionary authority to interpret, construe any provision of the ESPP and to apply the terms of the ESPP, to determine eligibility and to decide upon any and all claims filed under the ESPP.</p> <p>Participation. Any employee of Workday or a Participating Corporation is eligible to participate in the ESPP except the following (other than where prohibited by applicable law):</p> <p>(a) employees who are not employed by Workday or a Participating Corporation at least one U.S. business day prior to the beginning of such Offering Period or prior to such other time period as specified by the Committee or its delegate(s);</p> <p>(b) employees who are customarily employed for twenty (20) or less hours per week, except as are required by law to be eligible to participate;</p> <p>(c) employees who are customarily employed for five (5) months or less in a calendar year;</p> <p>(d) employees who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of</p>

		<p>Workday or any of its Participating Corporations or who, as a result of being granted an option under this ESPP with respect to such Offering Period, would own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of Workday or any of its Participating Corporations;</p> <p>(e) employees who do not meet any other eligibility requirements that the Committee may choose to impose (within the limits permitted by the Code); and</p> <p>(f) individuals who provide services to Workday or any of its Participating Corporations as independent contractors who are reclassified as common law employees for any reason except for federal income and employment tax purposes.</p> <p>Enrollment. An eligible employee may elect to become a participant in the ESPP ("ESPP Participant") by submitting the prescribed enrollment form, or electronic representation thereof ("Enrollment Form") prior to the commencement of the Offering Period to which such agreement relates in accordance with such rules as Workday may determine. Once an employee becomes an ESPP Participant in an Offering Period, then such ESPP Participant will automatically participate in the Offering Period commencing immediately following the last day of such prior Offering Period at the same contribution level as was in effect in the prior Offering Period unless the ESPP Participant withdraws or is deemed to withdraw from this ESPP or terminates further participation in the Offering Period. An ESPP Participant that is automatically enrolled in a subsequent Offering Period pursuant to this section is not required to file any additional Enrollment Form in order to continue participation in this ESPP.</p> <p>Notwithstanding the foregoing, an individual will not be eligible if his or her participation in the ESPP is prohibited by the law of any country that has jurisdiction over him or her or if he or she is subject to a collective bargaining agreement that does not provide for participation in the ESPP.</p> <p>Payroll Deductions. ESPP Participants, upon entering the ESPP, shall authorize payroll deductions to be made for the purchase of Class A Shares.</p> <p>Grant of an Option on Enrollment. Becoming an ESPP Participant with respect to an Offering Period will constitute the grant as of the first date of the Offering Period (the "Offering Date") by Workday to such ESPP Participant of an option to purchase on the Purchase Date up to that number of Class A Shares determined by a fraction, the numerator of which is the amount of the applicable contribution level for such ESPP Participant multiplied by such ESPP Participant's eligible compensation ("Compensation") during such Offering Period and the denominator of which is the lower of (i) eighty-five percent (85%) of the fair market value of a Class A Share on the Offering Date (but in no event less than the par value of a Class A Share), or (ii) eighty-five percent (85%) of the fair market value of a Class A Share on the Purchase Date (but in no event less than the par value of a Class A Share), and provided, further, that the number of Class A Shares subject to any option granted pursuant to the ESPP will not exceed the lesser of (x) the maximum number of shares provided</p>
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		<p>under the ESPP, as may be changed by the Board or Committee with respect to the applicable Purchase Date or (y) the maximum number of shares which may be purchased as provided for under the ESPP with respect to the applicable Purchase Date.</p> <p><i>Limitations on Shares to be Purchased.</i></p> <p>(a) No ESPP Participant will be entitled to purchase stock under any Offering Period at a rate which, when aggregated with such ESPP Participant's rights to purchase stock that are also outstanding in the same calendar year(s) under other Offering Periods or other employee stock purchase plans of Workday, its parent and its subsidiaries exceeds \$25,000 in fair market value, determined as of the Offering Date (or such other limit as may be imposed by the Code) for each calendar year in which such Offering Period is in effect (hereinafter the "Maximum Dollar Amount"), or such lower amount as is determined by the Board or the Committee. Workday may automatically suspend the payroll deductions of any ESPP Participant as necessary to enforce such limit; provided that when Workday automatically resumes such payroll deductions, Workday must apply the rate in effect immediately prior to such suspension.</p> <p>(b) The Board or Committee may, in its sole discretion, set a lower maximum number of shares which may be purchased by any ESPP Participant during any Offering Period than that determined as set out above, which will be the "Maximum Share Limit" for subsequent Offering Periods; provided, however, in no event will an ESPP Participant be permitted to purchase more than ten thousand (10,000) Class A Shares during any one Offering Period, irrespective of the limits set forth in (a) and (b) hereof.</p> <p>(c) The initial Maximum Share Limit is 1,500 Class A Shares during any one Offering Period. If a new Maximum Share Limit is set, then all ESPP Participants will be notified of such Maximum Share Limit prior to the commencement of the next Offering Period for which it is to be effective. The Maximum Share Limit will continue to apply with respect to all succeeding Offering Periods unless revised by the Board or Committee as set forth above.</p> <p>(d) If the number of Class A Shares to be purchased on a Purchase Date by all ESPP Participants exceeds the number of shares then available for issuance under this ESPP, then Workday will make a pro rata allocation of the remaining shares in as uniform a manner as will be reasonably practicable and as Workday determines to be equitable. In such event, Workday will give written notice of such reduction of the number of shares to be purchased under an ESPP Participant's option to each ESPP Participant affected.</p> <p>(e) Any payroll deductions accumulated on behalf of an ESPP Participant which are not used to purchase stock due to these limitations, will be returned to the ESPP Participant as soon as practicable after the end of the applicable Purchase Period, without interest (except to the extent required due to local legal requirements outside the United States).</p> <p><i>Withdrawal from the ESPP.</i> An ESPP Participant may withdraw from an Offering Period under the ESPP pursuant to a method</p>
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		<p>specified by Workday. Such withdrawal may be elected at any time prior to the last fifteen (15) days of an Offering Period, or such other time period as specified by Workday. Upon withdrawal from the ESPP, the accumulated payroll deductions will be returned to the withdrawn ESPP Participant, without interest, and his or her interest in the ESPP will terminate. In the event an ESPP Participant voluntarily elects to withdraw from the ESPP, he or she may not resume his or her participation in the ESPP during the same Offering Period, but he or she may participate in any Offering Period under the ESPP which commences on a date subsequent to such withdrawal by re-enrolling in the ESPP.</p> <p><i>Termination of Employee's Rights.</i> An ESPP Participant's rights under the ESPP terminates when he/she ceases to be an eligible employee of Workday or of a Participating Corporation or to provide services for any reason, including retirement, death or disability. In such event, accumulated payroll deductions credited to the ESPP Participant will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest (except to the extent required due to local legal requirements outside the United States). An employee will not be deemed to have ceased to provide services or failed to remain in the continuous employ of Workday or of a Participating Corporation in the case of sick leave, military leave, or any other leave of absence approved by Workday; provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or statute. Workday will have sole discretion to determine whether an ESPP Participant has terminated employment and the effective date on which the ESPP Participant terminated employment, regardless of any notice period or garden leave required under local employment law.</p> <p><i>Termination of the ESPP.</i> The ESPP may be terminated at any time and for any reason by the Board or the Committee. If the ESPP is terminated, the Board or the Committee, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of Class A Shares on the next Purchase Date (which may be sooner than originally scheduled, if determined by the Board or the Committee in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to the ESPP). If an Offering Period is terminated prior to its previously-scheduled expiration, all amounts are then credited to the ESPP Participants' accounts for such Offering Period.</p> <p><i>Sale or transfer of Shares.</i> ESPP Participants may sell or transfer the Class A Shares allocated to them at any time, subject to any requirements imposed by Workday to the extent that Workday determines it is necessary or advisable for legal or administrative reasons or any applicable law.</p>
E.4	Description of any interest that is material to the issue/offer including conflicting interests	<p>Each holder of Class A Shares has the right to one (1) vote per Class A Share held of record by such holder and each holder of Class B common stock ("Class B Shares", and with the Class A Shares, the "Shares") will have the right to ten (10) votes per Class B Share held of record by such holder.</p>

		<p>Mr. David A. Duffield, Workday's co-founder and Chairman of the Board, and Mr. Aneel Bhusri, Workday's co-founder, CEO and member of the Board, have entered into a stock voting agreement with each other and with Workday. This agreement applies to all Class B Shares owned by Workday's co-founders and each of their permitted transferees, which represents approximately 99% of the outstanding voting power of the Class B Shares.</p> <p>On the basis of Workday's internal records and in accordance with the rules of the SEC, as of the Latest Practicable Date:²</p> <ul style="list-style-type: none"> • Mr. Duffield beneficially owns 65,592 Class A Shares and Mr. Bhusri owns 121,274 Class A Shares; and • Messrs. Duffield and Bhusri, each, beneficially owns 73,619,121 Class B Shares with combined voting rights of 99%. <p>Out of the 73,619,121 Class B Shares, Mr. Duffield holds 62,884,322 Class B Shares (representing approximately 85.42% of the Class B Shares) and Mr. Bhusri holds 10,734,799 Class B Shares (representing approximately 14.58% of the Class B Shares).</p> <p>Pursuant to the stock voting agreement, Messrs. Duffield and Bhusri each granted a voting proxy with respect to the Class B Shares owned by him, effective upon his death or incapacity. Messrs. Duffield and Bhusri have each initially designated the other as their respective proxies. Accordingly, upon the death or incapacity of either Mr. Duffield or Mr. Bhusri, the other would individually continue to control a substantial majority of the voting power of Workday's outstanding capital stock.</p> <p>As a result of their beneficial ownership of Workday's Class A and Class B Shares, Messrs. Duffield and Bhusri have a total voting power, representing voting power with respect to all Shares, as a single class, of 84% of Workday's capital stock.</p> <p>Because of the ten-to-one voting ratio between the Class B Shares and Class A Shares, the holders of the Class B Shares collectively continue to control a majority of the combined voting power of Workday's common stock and therefore are able to control all matters submitted to Workday's stockholders.</p> <p>Workday's dual class common stock structure provides Messrs. Duffield and Bhusri with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the Shares of Workday's outstanding Class A and Class B Shares. Any transaction that would result in a change in control of Workday requires the approval of a majority of Workday's outstanding Class B Shares voting as a separate class.</p>
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² Applicable percentage ownership is based on 131,108,081 Class A Shares and 74,737,750 Class B Shares. In computing the number of Shares beneficially owned by a person and the percentage ownership of that person, Workday deemed to be outstanding all Shares subject to options held by that person or entity that are currently exercisable or that will become exercisable, and restricted stock units ("RSUs") that will become vested and settleable, within 60 days of 24 April 2017.

E.5	Name of the entity offering to sell the security and details of any lock-up agreements	Not applicable. Omitted in accordance with Article 23.4 of Commission Regulation (EC) No. 809/2004.
E.6	Maximum dilution	<p>Issuance of the Class A Shares pursuant to this Prospectus (that is, issuance of 516,026 Class A Shares) would result in the holders of Class A Shares being diluted by 0.997% (assuming that all 899 eligible employees in Ireland and the United Kingdom fully subscribe and that the shares are purchased at US\$73.848 (which is 85% of US\$86.88, which was the actual closing price of the shares on 24 April 2017)).</p> <p>On the same basis, an eligible employee (who is already a shareholder) who does not purchase any Shares under the Plan will also be diluted by 0.997%.</p>
E.7	Estimated expenses charged to the investor	Not applicable. No expenses will be charged to any ESPP Participants by the Company.

RISK FACTORS

1. Risk Factors Related to Workday's Business

If our security measures are breached or unauthorized access to customer data is otherwise obtained, our applications may be perceived as not being secure, customers may reduce the use of or stop using our applications and we may incur significant liabilities.

Our applications involve the storage and transmission of our customers' sensitive and proprietary information, including personal or identifying information regarding their employees, customers and suppliers, as well as their finance and payroll data. As a result, unauthorized access or use of this data could result in the loss or destruction of information, litigation, indemnity obligations and other liabilities. While we have security measures in place designed to protect the integrity of customer information and prevent data loss, misappropriation and other security breaches, if these measures are compromised as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance or otherwise, and someone obtains unauthorized access to or use of our customers' data, our reputation could be damaged, our business may suffer and we could incur significant liabilities. Cyber security challenges, including threats to our own IT infrastructure or those of our customers or third-party providers, are often targeted at companies such as ours, and may take a variety of forms ranging from individual and groups of hackers to sophisticated organizations. Key cyber security risks range from viruses, worms and other malicious software programs to "mega breaches" targeted against cloud services and other hosted software, any of which can result in disclosure of confidential information and intellectual property, defective products, production downtimes, supply shortages and compromised data. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any or all of these issues could negatively affect our ability to attract new customers, cause existing customers to elect to terminate or not renew their subscriptions, result in reputational damage, cause us to pay remediation costs and/or issue service credits or refunds to customers for prepaid and unused subscription services, or result in lawsuits, regulatory fines or other action or liabilities, which could adversely affect our operating results.

We depend on data centers and computing infrastructure operated by third parties and any disruption in these operations could adversely affect our business.

We host our applications and serve our customers from data centers located in Ashburn, Virginia; Atlanta, Georgia; Portland, Oregon; Dublin, Ireland; and Amsterdam, the Netherlands. While we control and have access to our servers and all of the components of our network that are located in our external data centers, we do not control the operation of these facilities. The owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our data center operators is acquired or ceases business, we may be required to transfer our servers and other infrastructure to new data center facilities, and we may incur significant costs and possible service interruption in connection with doing so.

In addition, we rely upon third parties, which we refer to as our hosted infrastructure partners, to operate certain aspects of our services, such as environments for development testing, training and sales demonstrations, as well as others. For example, Amazon Web Services ("AWS") provides a distributed computing infrastructure platform for business operations and we have announced our intention to make certain of our service offerings available through AWS. Given this, any disruption of or interference at our hosted infrastructure partners would impact our operations and our business could be adversely impacted.

Problems faced by our third-party data center operations or hosted infrastructure partners, with the telecommunications network providers with whom we or they contract, or with the systems by which our telecommunications providers allocate capacity among their customers, including us, could adversely affect the experience of our customers. Our third-party data center operators or hosted infrastructure partners could decide to close their facilities without adequate notice. In addition, any financial difficulties, such as bankruptcy, faced by our third-party data center operators, our hosted infrastructure partners or any of the other service providers with whom we or they contract may have negative effects on our business, the

nature and extent of which are difficult to predict. Additionally, if our data centers or hosted infrastructure partners are unable to keep up with our needs for capacity, this could have an adverse effect on our business. Any changes in third-party service levels at our data centers or at our hosted infrastructure partners or any errors, defects, disruptions, or other performance problems with our applications or the hosted infrastructure on which they run could adversely affect our reputation and may damage our customers' stored files or result in lengthy interruptions in our services. Interruptions in our services might adversely affect our reputation and operating results, cause us to issue refunds or service credits to customers for prepaid and unused subscription services, subject us to potential liabilities, result in contract terminations, or adversely affect our renewal rates.

Furthermore, our financial management application is essential to Workday's and our customers' financial projections, reporting and compliance programs, particularly customers who are public reporting companies. Any interruption in our service may affect the availability, accuracy or timeliness of such projections, reporting and compliance programs and as a result could damage our reputation, cause our customers to terminate their use of our applications, require us to issue refunds for prepaid and unused subscription services, require us to indemnify our customers against certain losses and prevent us from gaining additional business from current or future customers, as well as impact our ability to accurately and timely meet our reporting and other compliance obligations.

If we fail to manage our technical operations infrastructure, or experience service outages or delays in the deployment of our applications, we may be subject to liabilities and our reputation and operating results may be adversely affected.

We have experienced significant growth in the number of users, transactions and data that our operations infrastructure supports. We seek to maintain sufficient excess capacity in our operations infrastructure to meet the needs of all of our customers, as well as our own needs, and to ensure that our services and solutions are accessible within an acceptable load time. We also seek to maintain excess capacity to facilitate the rapid provision of new customer deployments and the expansion of existing customer deployments. In addition, we need to properly manage our technological operations infrastructure in order to support version control, changes in hardware and software parameters, updates, the evolution of our applications and to reduce infrastructure latency associated with dispersed geographic locations. However, the provision of new hosting infrastructure requires significant lead time. If we do not accurately predict our infrastructure requirements, our existing customers may experience service outages. If our operations infrastructure fails to scale, customers may experience delays as we seek to obtain additional capacity.

We have experienced, and may in the future experience, system disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks (internal and external), fraud, spikes in customer usage and denial of service issues. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Our customer agreements typically provide service level commitments on a monthly basis. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our applications, we may be contractually obligated to issue service credits or refunds to customers for prepaid and unused subscription services, or we could face contract terminations. Any extended service outages could result in customer losses, and adversely affect our reputation, revenues and operating results.

Privacy concerns and laws or other domestic or foreign regulations may reduce the effectiveness of our applications and adversely affect our business.

Our customers can use our applications to collect, use and store personal or identifying information regarding their employees, customers and suppliers. National and local governments and agencies in the countries in which our customers operate have adopted, are considering adopting, or may adopt laws and regulations regarding the collection, use, storage, processing and disclosure of personal information obtained from consumers and individuals, which could impact our ability to offer our services in certain jurisdictions or our customers' ability to deploy our solutions globally. Privacy-related laws are particularly stringent in Europe. The costs of compliance with and other burdens imposed by privacy-related laws, regulations and standards may limit the use and adoption of our services, reduce overall demand for our services, lead to significant fines, penalties or liabilities for noncompliance, or slow the pace at which we

close sales transactions, any of which could harm our business. Moreover, if Workday employees fail to adhere to adequate data protection practices around the usage of our customers' personal data, it may damage our reputation and brand.

Additionally, we expect that existing laws, regulations and standards may be interpreted in new and differing manners in the future, and may be inconsistent among jurisdictions. Future laws, regulations, standards and other obligations, and changes in the interpretation of existing laws, regulations, standards and other obligations could result in increased regulation, cost of compliance and limitations on data collection, use, disclosure and transfer for Workday and our customers. The European Union and United States recently agreed to a framework for data transferred from the European Union to the United States, called the Privacy Shield, but this new framework has been challenged by private parties and may face additional challenges by national regulators or additional private parties. In addition, the other bases on which we and our customers rely for the transfer of data, such as model contracts, continue to be subjected to regulatory and judicial scrutiny. If we or our customers are unable to transfer data between and among countries and regions in which we operate, it could decrease demand for our applications, require us to restrict our business operations, and impair our ability to maintain and grow our customer base and increase our revenue.

The costs of compliance with, and other burdens imposed by, privacy laws and regulations that are applicable to the businesses of our customers may adversely affect our customers' ability and willingness to process, handle, store, use and transmit demographic and personal information of their employees, customers and suppliers, which could limit the use, effectiveness and adoption of our applications and reduce overall demand. Even the perception of privacy concerns, whether or not valid, may inhibit the adoption, effectiveness or use of our applications.

In addition to government activity, privacy advocacy groups and the technology and other industries have established or may establish various new, additional or different self-regulatory standards that may place additional burdens on us. Our customers may expect us to meet voluntary certifications or adhere to other standards established by third parties. If we are unable to maintain these certifications or meet these standards, it could reduce demand for our applications and adversely affect our business.

We have experienced rapid growth. If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service and operational controls or adequately address competitive challenges.

We have experienced, and are continuing to experience, a period of rapid growth in our customers, headcount and operations. In particular, we grew from approximately 1,550 employees at the time of our initial public offering in October 2012 to approximately 6,600 employees as of 31 January 2017, and have also significantly increased the size of our customer base. We anticipate that we will continue to expand our operations and headcount in the near term, and to expand our customer base. This growth has placed, and future growth will place, a significant strain on our management, general and administrative resources and operational infrastructure. Our success will depend in part on our ability to manage this growth effectively and to scale our operations. To manage the expected growth of our operations and personnel, we will need to continue to improve our operational, financial and management controls and our reporting systems and procedures. As we continue to grow, we also need to ensure that our policies and procedures evolve to reflect our current operations and are appropriately communicated to and observed by employees, and that we appropriately manage our corporate information assets, including confidential and proprietary information. Failure to effectively manage growth could result in difficulty or delays in deploying customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties, and any of these difficulties could adversely impact our business performance and results of operations.

We depend on our senior management team and the loss of one or more key employees could adversely affect our business.

Our success depends largely upon the continued services of our executive officers. We also rely on our leadership team in the areas of product development, marketing, sales, services, and general and administrative functions and on mission-critical individual contributors in product development. From time

to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees and any failure to develop an appropriate succession plan for these persons could have a serious adverse effect on our business.

An inability to attract and retain highly skilled employees could adversely affect our business and our future growth prospects.

To execute our growth plan, we must attract and retain highly qualified personnel, and our managers must be successful in hiring employees who are a good cultural fit and have the competencies to succeed at Workday. Competition for these personnel is intense, especially for engineers with high levels of experience in designing and developing software and Internet-related services, and for senior sales executives. From time to time, we have experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications, and may not be able to fill positions in desired geographic areas or at all.

Many of the companies with which we compete for experienced personnel have greater resources than we have and some of these companies may offer greater compensation packages. Particularly in the San Francisco Bay Area, job candidates and existing employees carefully consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, or if the mix of equity and cash compensation that we offer is unattractive, it may adversely affect our ability to recruit and retain highly skilled employees. Job candidates may also be threatened with legal action under agreements with their existing employers if we attempt to hire them, which could have a chilling effect on hiring and result in a diversion of our time and resources. Additionally, laws and regulations, such as restrictive immigration laws, may limit our ability to recruit internationally. We must also continue to retain and motivate existing employees through our compensation practices, company culture and career development opportunities. If we fail to attract new personnel or to retain our current personnel, our business and future growth prospects could be adversely affected.

If we cannot maintain our corporate culture, we could lose the innovation, teamwork and passion that we believe contribute to our success, and our business may be harmed.

We believe that a critical component of our success has been our corporate culture, as reflected in our core values: employees, customer service, innovation, integrity, fun and profitability. We have invested substantial time and resources in building our team. As we continue to grow, both organically and through acquisitions of employee teams, and develop the infrastructure associated with being a more mature public company, we will need to maintain our corporate culture among a larger number of employees dispersed in various geographic regions. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives.

The markets in which we participate are intensely competitive, and if we do not compete effectively, our operating results could be adversely affected.

The markets for financial management and Human Capital Management ("HCM") applications are highly competitive, with relatively low barriers to entry for some applications or services. Our primary competitors are SAP and Oracle, well-established providers of financial management and HCM applications, which have long-standing relationships with many customers. Some customers may be hesitant to switch vendors or to adopt cloud applications such as ours, and prefer to maintain their existing relationships with competitors. SAP and Oracle are larger and have greater name recognition, much longer operating histories, larger marketing budgets and significantly greater resources than we do. These vendors, as well as other competitors, could offer financial management and HCM applications on a standalone basis at a low price or bundled as part of a larger product sale. In order to take advantage of customer demand for cloud applications, legacy vendors are expanding their cloud applications through acquisitions, strategic alliances and organic development. Legacy vendors may also seek to partner with other leading cloud providers, such as the alliance between Oracle and Salesforce.com. We also face competition from

custom-built software vendors and from vendors of specific applications, some of which offer cloud-based solutions. These vendors include, without limitation: The Ultimate Software Group, Inc., Automatic Data Processing and Infor Global Solutions. We also face competition from cloud-based vendors including providers of applications for HCM and payroll services such as Ceridian, Inc. and providers of financial management applications such as NetSuite, Inc., which was recently acquired by Oracle. We may also face competition from a variety of vendors of cloud-based and on-premise software applications that address only one or a portion of our applications. In addition, other companies that provide cloud applications in different target markets may develop applications or acquire companies that operate in our target markets, and some potential customers may elect to develop their own internal applications. With the introduction of new technologies and market entrants, we expect this competition to intensify in the future.

Many of our competitors are able to devote greater resources to the development, promotion and sale of their products and services. Furthermore, our current or potential competitors may be acquired by third parties with greater available resources and the ability to initiate or withstand substantial price competition. In addition, many of our competitors have established marketing relationships, access to larger customer bases and major distribution agreements with consultants, system integrators and resellers. Our competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their product offerings or resources. If our competitors' products, services or technologies become more accepted than our applications, if they are successful in bringing their products or services to market earlier than ours, or if their products or services are more technologically capable than ours, then our revenues could be adversely affected. In addition, some of our competitors may offer their products and services at a lower price. If we are unable to achieve our target pricing levels, our operating results would be negatively affected. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses or a failure to maintain or improve our competitive market position, any of which could adversely affect our business.

If the market for enterprise cloud computing grows more slowly than in recent years, our business could be adversely affected.

Our success will depend to a substantial extent on the continued growth of cloud computing in general, and of financial management and HCM services in particular. Many enterprises have invested substantial personnel and financial resources to integrate traditional enterprise software into their businesses, and therefore may be reluctant or unwilling to migrate to cloud computing. It is difficult to predict customer adoption rates and demand for our applications, the future growth rate and size of the cloud computing market or the entry of competitive applications. The continued expansion of the cloud computing market depends on a number of factors, including the cost, performance, and perceived value associated with cloud computing, as well as the ability of cloud computing companies to address security and privacy concerns. Further, the cloud computing market is less developed in many jurisdictions outside of the United States. If we or other cloud computing providers experience security incidents, loss of customer data, disruptions in delivery or other problems, the market for cloud computing applications as a whole, including our applications, may be negatively affected. If there is a reduction in demand for cloud computing caused by a lack of customer acceptance, technological challenges, weakening economic conditions, security or privacy concerns, competing technologies and products, decreases in corporate spending or otherwise, it could result in decreased revenues or growth rates and our business could be adversely affected.

If we are not able to provide successful enhancements, new features and modifications, our business could be adversely affected.

If we are unable to provide enhancements and new features for our existing applications or new applications that achieve market acceptance or that keep pace with rapid technological developments, our business could be adversely affected. For example, we are focused on enhancing the features and functionality of our applications to enhance their utility to larger customers with complex, dynamic and global operations. The success of enhancements, new features and applications depends on several factors, including the timely completion, introduction and market acceptance of the enhancements or new features or applications. Failure in this regard may significantly impair our revenue growth. In addition, because our applications are designed to operate on a variety of systems, we will need to continuously modify and enhance our applications to keep pace with changes in Internet-related hardware, iOS, Android and other mobile-related technologies and other software, communication, browser and database technologies. We

may not be successful in either developing these modifications and enhancements or in bringing them to market in a timely fashion. We must also appropriately balance the product capability demands of our current customers with the capabilities required to address the broader market. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase our product development expenses. Any failure of our applications to operate effectively with future network platforms and technologies could reduce the demand for our applications, result in customer dissatisfaction and adversely affect our business.

Our applications must integrate with a variety of third-party technologies, and if we are unable to ensure that our solutions interoperate with such technologies, demand for our applications and our operating results could be adversely affected.

Our applications must integrate with a variety of technologies and we must continuously modify and enhance our applications to adapt to changes in operating systems, hardware, software, communication, browser and database technologies. Any failure of our solutions to operate effectively with future technologies or our failure to respond to changes in a timely and effective manner could reduce the demand for our applications, result in customer dissatisfaction and harm our operating results and business.

If our applications fail to perform properly, our reputation could be adversely affected, our market share could decline and we could be subject to liability claims.

Our applications are inherently complex and may contain material defects or errors. Any defects in functionality or that cause interruptions in the availability of our applications could result in:

- loss or delayed market acceptance and sales;
- breach of warranty claims;
- issuance of refunds or service credits to customers for prepaid and unused subscription services;
- loss of customers;
- diversion of development and customer service resources; and
- injury to our reputation.

The costs incurred in correcting any material defects or errors might be substantial and could adversely affect our operating results.

Because of the large amount of data that we collect and process, it is possible that hardware failures or errors in our systems could result in data loss or corruption, or cause the information that we collect to be incomplete or contain inaccuracies that our customers regard as significant. Furthermore, the availability or performance of our applications could be adversely affected by a number of factors, including customers' inability to access the Internet, the failure of our network or software systems, security breaches or variability in user traffic for our services. For example, our customers access our applications through their Internet service providers. If a service provider fails to provide sufficient capacity to support our applications or otherwise experiences service outages, such failure could interrupt our customers' access to our applications, which could adversely affect their perception of our applications' reliability and our revenues. We may be required to issue credits or refunds for prepaid amounts related to unused services or otherwise be liable to our customers for damages they may incur resulting from certain of these events. In addition to potential liability, if we experience interruptions in the availability of our applications, our reputation could be adversely affected and we could lose customers.

Our errors and omissions insurance may be inadequate or may not be available in the future on acceptable terms, or at all. In addition, our policy may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management's attention.

Catastrophic events may disrupt our business.

Our corporate headquarters are located in Pleasanton, California and we have data centers located in Ashburn, Virginia; Atlanta, Georgia; Portland, Oregon; Sacramento, California; Dublin, Ireland; and Amsterdam, the Netherlands. We also rely on AWS's distributed computing infrastructure platform. The west coast of the United States contains active earthquake zones and the southeast is subject to seasonal hurricanes. Additionally, we rely on our network and third-party infrastructure and enterprise applications, internal technology systems and our website for our development, marketing, operational support, hosted services and sales activities. In the event of a major earthquake, hurricane or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our services, breaches of data security and loss of critical data, all of which could have an adverse effect on our operating results.

Because we sell applications to manage complex operating environments of large customers, we encounter long sales cycles, which could adversely affect our operating results in a given period.

Our ability to increase revenues and achieve and maintain profitability depends, in large part, on widespread acceptance of our applications by large businesses and other organizations. Sales efforts targeted at these large customers involve greater costs, longer sales cycles and less predictability in completing some of our sales. Our customers' deployment timeframes vary based on many factors including the number and type of applications being deployed, the complexity and scale of the customers' businesses, the configuration requirements, the number of integrations with other systems and other factors, many of which are beyond our control. In the large enterprise market, the customer's decision to use our applications may be an enterprise-wide decision and, therefore, these types of sales require us to provide greater levels of education regarding the use and benefits of our applications. In addition, our target customers may prefer to purchase applications that are critical to their business from one of our larger, more established competitors. Our typical sales cycles are six to twelve months, and we expect that this lengthy sales cycle may continue or expand as customers increasingly adopt our applications beyond HCM. Longer sales cycles could cause our operating and financial results to suffer in a given period.

The loss of one or more of our key customers, or a failure to renew our subscription agreements with one or more of our key customers, could negatively affect our ability to market our applications.

We rely on our reputation and recommendations from key customers in order to promote subscriptions to our applications. The loss of, or failure to renew by, any of our key customers could have a significant impact on our revenues, reputation and our ability to obtain new customers. In addition, acquisitions of our customers could lead to cancellation of our contracts with those customers or by the acquiring companies, thereby reducing the number of our existing and potential customers.

Our business could be adversely affected if our customers are not satisfied with the deployment services provided by us or our partners.

Our business depends on our ability to satisfy our customers, both with respect to our application offerings and the professional services that are performed to help our customers use features and functions that address their business needs. Professional services may be performed by our own staff, by a third party, or by a combination of the two. Our strategy is to work with third parties to increase the breadth of capability and depth of capacity for delivery of these services to our customers, and third parties provide a majority of our deployment services. If customers are not satisfied with the quality of work performed by us or a third party or with the type of professional services or applications delivered, then we could incur additional costs to address the situation, the revenue recognition of the contract could be impacted, and the dissatisfaction with our services could damage our ability to expand the applications subscribed to by our customers. We must also align our product development and professional services operations in order to ensure that customers' evolving needs are met. Negative publicity related to our customer relationships, regardless of its accuracy, may further damage our business by affecting our ability to compete for new business with current and prospective customers.

Any failure to offer high-quality technical support services may adversely affect our relationships with our customers and our financial results.

Our customers depend on our support organization to provision the environments used by our customers and to resolve technical issues relating to our applications. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services. We also may be unable to modify the format of our support services to compete with changes in support services provided by our competitors. Increased customer demand for these services, without corresponding revenues, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on our applications and business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality technical support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, our ability to sell our applications to existing and prospective customers, and our business, operating results and financial position.

Sales to customers outside the United States or with international operations expose us to risks inherent in international sales and operations.

A key element of our growth strategy is to expand our international operations and develop a worldwide customer base. Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks that are different from those in the United States. Our international expansion efforts may not be successful in creating demand for our applications outside of the United States or in effectively selling subscriptions to our applications in all of the international markets we enter. In addition, we will face risks in doing business internationally that could adversely affect our business, including:

- the need to localize and adapt our applications for specific countries, including translation into foreign languages, localization of contracts for different legal jurisdictions and associated expenses;
- the need for a go-to-market strategy that aligns product management efforts and the development of supporting infrastructure;
- stricter data privacy laws including requirements that customer data be stored and processed in a designated territory and obligations on us as a data processor;
- difficulties in appropriately staffing and managing foreign operations and providing appropriate compensation for local markets;
- difficulties in leveraging executive presence and company culture globally;
- different pricing environments, longer sales cycles and longer accounts receivable payment cycles, and collections issues;
- new and different sources of competition;
- potentially weaker protection for intellectual property and other legal rights than in the United States and practical difficulties in enforcing intellectual property and other rights;
- laws, customs and business practices favoring local competitors;
- restrictive governmental actions focused on cross-border trade, such as duties, quotas and tariffs;
- compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations, including employment, tax, privacy and data protection laws and regulations;
- increased financial accounting and reporting burdens and complexities;

- restrictions on the transfer of funds;
- ensuring compliance with anti-corruption laws including the Foreign Corrupt Practices Act;
- the effects of currency fluctuations on our revenues and customer demand for our services;
- adverse tax consequences and tax rulings; and
- unstable economic and political conditions.

Any of the above factors may negatively impact our ability to sell our products and offer services internationally, reduce our competitive position in foreign markets, increase our costs of international operations and reduce demand for our products from international customers. Additionally, the majority of our international costs are denominated in local currencies and we anticipate that over time, an increasing portion of our international sales contracts may be denominated in local currencies. Therefore, fluctuations in the value of the U.S. dollar and foreign currencies may impact our operating results when translated into U.S. dollars. We have a hedging program but we cannot ensure that this hedging program will be effective and we will continue to have risk of exchange rate fluctuations.

We have acquired, and may in the future acquire, other companies, employee teams or technologies, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and adversely affect our operating results.

We have acquired, and may in the future acquire, other companies, employee teams or technologies to complement or expand our applications, enhance our technical capabilities, obtain personnel or otherwise offer growth opportunities. The pursuit of acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated.

We have limited experience in acquisitions. We may not be able to integrate acquired personnel, operations and technologies successfully or effectively manage the combined operations following the acquisition. We also may not achieve the anticipated benefits from the acquisitions due to a number of factors, including:

- inability to integrate or benefit from acquisitions in a profitable manner;
- incurrence of acquisition-related costs or liabilities, some of which may be unanticipated;
- difficulty integrating the intellectual property and operations of the acquired business;
- difficulty integrating and retaining the personnel of the acquired business;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty terminating or converting the customers of the acquired business onto our applications and contract terms;
- diversion of management's attention from other business concerns;
- adverse effects on our existing business relationships with business partners and customers as a result of the acquisition;
- use of resources that are needed in other parts of our business; and
- use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations.

Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business and financial position may suffer.

We have a history of cumulative losses and we do not expect to be profitable on a U.S. GAAP basis for the foreseeable future.

We have incurred significant losses in each period since our inception in 2005. These losses and our accumulated deficit reflect the substantial investments we made to acquire new customers and develop our applications. We expect our operating expenses to increase in the future due to anticipated increases in sales and marketing expenses, product development expenses, operations costs, and general and administrative costs, and therefore we expect our losses on a U.S. GAAP basis to continue for the foreseeable future. Furthermore, to the extent we are successful in increasing our customer base, we will also incur increased losses in the acquisition period because costs associated with acquiring customers are generally incurred up front, while subscription services revenues are generally recognized ratably over the terms of the agreements, which are typically three years or more. You should not consider our recent growth in revenues as indicative of our future performance. We cannot assure you that we will achieve U.S. GAAP profitability in the future, nor that, if we do become profitable, we will sustain profitability.

We may not receive significant revenues from our current development efforts for several years, if at all.

Developing software applications is expensive and the investment in product development often involves a long return on investment cycle. We have made and expect to continue to make significant investments in development and related product opportunities. Accelerated product introductions and short product life cycles require high levels of expenditures that could adversely affect our operating results if not offset by revenue increases. We believe that we must continue to dedicate a significant amount of resources to our development efforts to maintain our competitive position. However, we may not receive significant revenues from these investments for several years, if at all.

If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.

Our ability to forecast our future rate of growth is limited and subject to a number of uncertainties, including general economic and market conditions. We plan our expense levels and investment on estimates of future revenue and future anticipated rates of growth. We may not be able to adjust our spending quickly enough if our growth rates fall short of our expectations.

Moreover, we have encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties (which we use to plan our business) are incorrect or change due to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

We may not be able to sustain our revenue growth rates in the future.

You should not consider our historical revenue growth rates as indicative of our future performance. Our revenue growth rates have declined, and may decline in future periods, as the size of our customer base increases and as we achieve higher market penetration rates. Other factors may also contribute to declines in our growth rates, including slowing demand for our services, increasing competition, a decrease in the growth of our overall market, our failure to continue to capitalize on growth opportunities, and the

maturation of our business, among others. As our growth rates decline, investors' perceptions of our business and the trading price of our securities could be adversely affected.

Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results of operations, including the levels of our revenues, gross margin, operating margin, profitability, cash flow and unearned revenue, may vary significantly in the future and period-to-period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. Fluctuation in quarterly results may negatively impact the value of our securities. Factors that may cause fluctuations in our quarterly financial results include, without limitation, those listed below:

- our ability to attract new customers;
- the addition or loss of large customers, including through acquisitions or consolidations;
- the timing of operating expenses and recognition of revenues;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure;
- network outages or security breaches;
- general economic and market conditions;
- customer renewal rates;
- increases or decreases in the number of elements of our services or pricing changes upon any renewals of customer agreements;
- changes in our pricing policies or those of our competitors;
- the mix of applications sold during a period;
- seasonal variations in sales of our applications, which have historically been highest in our fiscal fourth quarter;
- the timing and success of new application and service introductions by us or our competitors;
- changes in the competitive dynamics of our industry, including consolidation among competitors, customers or strategic partners;
- changes in laws and regulations that impact our business; and
- the timing of expenses related to acquisitions and potential future charges for impairment of goodwill.

Because we recognize subscription services revenues over the term of the contract, downturns or upturns in new sales will not be immediately reflected in our operating results and may be difficult to discern.

We generally recognize subscription services revenues from customers ratably over the terms of their contracts, which are typically three years or more. As a result, most of the subscription services revenues we report in each quarter are derived from the recognition of unearned revenue relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscription contracts in

any single quarter will likely have a minor impact on our revenue results for that quarter. However, such a decline will negatively affect our revenues in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our applications, and potential changes in our pricing policies or rate of renewals, may not be fully reflected in our results of operations until future periods. We may be unable to adjust our cost structure to reflect the changes in revenues. In addition, a significant majority of our costs are expensed as incurred, while revenues are recognized over the life of the customer agreement. As a result, increased growth in the number of our customers could result in our recognition of more costs than revenues in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenues through additional sales in any period, as subscription revenues from new customers generally are recognized over the applicable subscription term.

Our ability to predict the rate of customer subscription renewals or adoptions, and the impact these renewals and adoptions will have on our revenues or operating results, is limited.

As the markets for our applications mature, or as new competitors introduce new products or services that compete with ours, we may be unable to attract new customers at the same price or based on the same pricing model as we have used historically. Moreover, large customers, which are the focus of our sales efforts, may demand greater price concessions. As a result, in the future we may be required to reduce our prices, which could adversely affect our revenues, gross margin, profitability, financial position and cash flow.

In addition, our customers have no obligation to renew their subscriptions for our applications after the expiration of the initial subscription period. Our customers may renew for fewer elements of our applications or on different pricing terms. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their level of satisfaction with our pricing or our applications and their ability to continue their operations and spending levels. If our customers do not renew their subscriptions for our applications on similar pricing terms, our revenues may decline and our business could suffer. In addition, over time the average term of our contracts could change based on renewal rates or for other reasons.

Our future success also depends in part on our ability to sell additional features or enhanced elements of our applications to our current customers. This may require increasingly costly sales efforts that are targeted at senior management. If these efforts are not successful, our business may suffer.

Failure to adequately expand and optimize our direct sales force will impede our growth.

We will need to continue to expand and optimize our sales infrastructure, both domestically and internationally, in order to grow our customer base and our business. Identifying and recruiting qualified personnel and training them in the use of our software requires significant time, expense and attention. It can take significant time before our sales representatives are fully trained and productive. Our business may be adversely affected if our efforts to expand and train our direct sales force do not generate a corresponding increase in revenues. In particular, if we are unable to hire, develop and retain talented sales personnel or if new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, we may not be able to realize the expected benefits of this investment or increase our revenues.

If we fail to develop widespread brand awareness cost-effectively, our business may suffer.

We believe that developing and maintaining widespread positive awareness of our brand is critical to achieving widespread acceptance of our applications, attracting new customers and hiring and retaining employees. Brand promotion activities may not generate customer awareness or increase revenues, and even if they do, any increase in revenues may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building efforts, or to achieve the widespread brand awareness that is critical for broad customer adoption of our applications. In addition, if our brand is negatively impacted, it may be more difficult to hire and retain employees.

Our growth depends in part on the success of our strategic relationships with third parties.

In order to grow our business, we anticipate that we will continue to depend on relationships with third parties, such as deployment partners, technology and content providers and other key suppliers. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to our services, or in negotiating better rates or terms with key suppliers. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of our current and potential customers, as our partners may no longer facilitate the adoption of our applications by potential customers.

If we are unsuccessful in establishing or maintaining our relationships with third parties, our ability to compete in the marketplace or to grow our revenues could be impaired and our operating results may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased customer usage of our applications or increased revenues.

Adverse economic conditions may negatively impact our business.

Our business depends on the overall demand for enterprise software and on the economic health of our current and prospective customers. Any significant weakening of the economy in the United States or Europe and of the global economy, more limited availability of credit, a reduction in business confidence and activity, decreased government spending, economic uncertainty and other difficulties, such as rising interest rates and increased inflation, may affect one or more of the sectors or countries in which we sell our applications.

The vote of the United Kingdom ("UK") to leave the European Union ("EU"), known as Brexit, has created substantial economic and political uncertainty, the impact of which depends on the terms of the UK's withdrawal from the EU, which may not be determined for several years or more. This uncertainty may cause some of our customers or potential customers to curtail spending, and may ultimately result in new regulatory and cost challenges to our UK and other international operations. In addition, a strong dollar could reduce demand for our products in countries with relatively weaker currencies. Brexit has had an effect on global markets and currencies, including a decline in the value of the British pound as compared to the U.S. dollar. These adverse conditions could result in reductions in sales of our applications, longer sales cycles, reductions in subscription duration and value, slower adoption of new technologies and increased price competition. Any of these events would likely have an adverse effect on our business, operating results and financial position.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. We rely on patent, copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate.

We may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could seriously adversely affect our brand and our business.

We may be sued by third parties for alleged infringement of their proprietary rights.

There is considerable patent and other intellectual property development activity in our industry. Our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual

property relating to our industry. From time to time, third parties may claim that we are infringing upon their intellectual property rights, and we may be found to be infringing upon such rights. In the future, they may claim that our applications and underlying technology infringe or violate their intellectual property rights, even if we are unaware of the intellectual property rights that others may claim cover some or all of our technology or services. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications, or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

Some of our applications utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Some of our applications include software covered by open source licenses, which may include, by way of example, GNU General Public License and the Apache License. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our applications. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in a certain manner. In the event that portions of our proprietary software are determined to be impacted by an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and services. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated, and could negatively affect our business.

We employ third-party licensed software for use in or with our applications, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which would adversely affect our business.

Our applications incorporate certain third-party software obtained under licenses from other companies. We anticipate that we will continue to rely on such third-party software and development tools from third parties in the future. Although we believe that there are commercially reasonable alternatives to the third-party software we currently license, this may not always be the case, or it may be difficult or costly to replace. Our use of additional or alternative third-party software would require us to enter into license agreements with third parties. In addition, integration of the software used in our applications with new third-party software may require significant work and require substantial investment of our time and resources. To the extent that our applications depend upon the successful operation of third-party software in conjunction with our software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of our applications, delay new application introductions, result in a failure of our applications and injure our reputation.

Changes in laws and regulations related to the Internet or changes in the Internet infrastructure itself may diminish the demand for our applications, and could have a negative impact on our business.

Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations relating to Internet usage. Changes in these laws or regulations could require us to modify our applications in order to comply with these laws or regulations. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the Internet or commerce conducted via the Internet. These laws or charges could limit the growth of Internet-related commerce or communications, or negatively impact demand for Internet-based applications such as ours.

In addition, businesses could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease of use, accessibility, and quality of service. Businesses have been adversely affected by “viruses,” “worms” and similar malicious programs and have experienced a variety of outages and other delays as a result of damage to Internet infrastructure. These issues could negatively impact demand for our cloud-based applications.

We may discover weaknesses in our internal controls over financial reporting, which may adversely affect investor confidence in the accuracy and completeness of our financial reports and consequently the market price of our securities.

As a public company, we are required to design and maintain proper and effective internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on the internal controls over financial reporting, which must be attested to by our independent registered public accounting firm. If we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated.

The process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404 is challenging and costly. In the future, we may not be able to complete our evaluation, testing and any required remediation in a timely fashion. If we identify material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner, if we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our securities could be negatively affected, and we could become subject to investigations by the NYSE, the SEC, or other regulatory authorities, which could require additional financial and management resources. In addition, because we use Workday's financial management application, any problems that we experience with financial reporting and compliance could be negatively perceived by prospective or current customers, and negatively impact demand for our applications.

We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which could adversely affect our profitability.

As of 31 January 2017, we had federal and state net operating loss carryforwards due to prior period losses, which if not utilized will begin to expire in fiscal 2025 and 2018 for federal and state purposes, respectively. We also have federal research tax credit carryforwards, which if not utilized will begin to expire in fiscal 2026. These net operating loss and research tax credit carryforwards could expire unused and be unavailable to reduce future income tax liabilities, which could adversely affect our profitability. In addition, under Section 382 of the Code, our ability to utilize net operating loss carryforwards or other tax attributes, such as research tax credits, in any taxable year may be limited if we experience an “ownership change.” A Section 382 “ownership change” generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. It is possible that an ownership change, or any future ownership change, could have a material effect on the use of our net operating loss carryforwards or other tax attributes, which could adversely affect our profitability.

Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could increase the costs of our services and adversely impact our business.

We operate and are subject to taxes in the United States and numerous foreign jurisdictions throughout the world. Changes to federal, state, local or international tax laws on income, sales, use, indirect or other tax laws, statutes, rules, regulations or ordinances on multinational corporations are currently being considered by the United States and other countries where we do business. These contemplated legislative initiatives include, but not limited to, changes to transfer pricing policies and definitional changes to permanent

establishment could be applied solely or disproportionately to services provided over the Internet. These contemplated tax initiatives, if finalized and adopted by countries, may ultimately impact our effective tax rate and could adversely affect our sales activity resulting in a negative impact on our operating results and cash flows.

In addition, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us (possibly with retroactive effect), which could require us to pay additional tax amounts, and fines or penalties and interest for past amounts. Existing tax laws, statutes, rules, regulations or ordinances could also be interpreted, changed, modified or applied adversely to our customers (possibly with retroactive effect), which could require our customers to pay additional tax amounts with respect to services we have provided, and fines or penalties and interest for past amounts. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs, thereby adversely impacting our operating results and cash flows. If our customers must pay additional fines or penalties, it could adversely affect demand for our services.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board ("FASB"), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and may even affect the reporting of transactions completed before the announcement or effectiveness of a change.

We have broad discretion in the use of our cash balances and may not use them effectively.

We have broad discretion in the use of our cash balances and may not use them effectively. The failure by our management to apply these funds effectively could adversely affect our business and financial condition. Pending their use, we may invest our cash balances in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may negatively impact the price of our securities.

2. Risks Related to the Class A Shares

Our Chairman and CEO have control over key decision making as a result of their control of a majority of our voting stock.

As of 31 January 2017, our co-founder and Chairman David Duffield, together with his affiliates, held voting rights with respect to 64 million Class B Shares. In addition, Mr. Duffield holds 0.1 million RSUs, which will be settled in an equivalent number of Class A Shares. As of 31 January 2017, our co-founder and CEO Aneel Bhusri, together with his affiliates, held voting rights with respect to 7 million Class B Shares and 0.1 million Class A Shares. In addition, Mr. Bhusri holds exercisable options to acquire 3 million Class B Shares, 1 million shares of Class B restricted stock and 0.2 million RSUs, which will be settled in an equivalent number of Class A Shares. Further, Messrs. Duffield and Bhusri have entered into a voting agreement under which each has granted a voting proxy with respect to certain Class B Shares beneficially owned by him effective upon his death or incapacity as described in our registration statement on Form S-1 filed in connection with our initial public offering. Messrs. Duffield and Bhusri have each initially designated the other as their respective proxies. Accordingly, upon the death or incapacity of either Mr. Duffield or Mr. Bhusri, the other would individually continue to control the voting of shares subject to the voting proxy. Collectively, the shares described above represent a substantial majority of the voting power of our outstanding capital stock. As a result, Messrs. Duffield and Bhusri have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation, or sale of all or substantially all of our assets. In addition, they have the ability to control the management and affairs of our company as a result of their positions as our Chairman and CEO, respectively, and their ability to control the election of our directors. Mr. Duffield, in his capacity as a board member, and Mr. Bhusri, in his capacity as a board member and officer, each owe a fiduciary duty to our stockholders and must act in good faith in a manner they reasonably believe to be in the best interests

of our stockholders. As stockholders, even as controlling stockholders, they are entitled to vote their shares in their own interests, which may not always be in the interests of our stockholders generally.

The dual class structure of our common stock has the effect of concentrating voting control with our Chairman and CEO, and also with other executive officers, directors and affiliates; this will limit or preclude the ability of non-affiliates to influence corporate matters.

Our Class B Shares has ten votes per share and our Class A Shares, which is the stock that is publicly traded, has one vote per share. Stockholders who hold Class B Shares, including our executive officers, directors and other affiliates, together hold a substantial majority of the voting power of our outstanding capital stock as of 31 January 2017. Because of the ten-to-one voting ratio between our Class B and Class A Shares, the holders of our Class B Shares collectively will continue to control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders for approval until the conversion of all shares of all Class A and Class B Shares to a single class of common stock on the date that is the first to occur of (i) 11 October 2032, (ii) such time as the Class B Shares represent less than 9% of the outstanding Class A and Class B Shares, (iii) nine months following the death of both Mr. Duffield and Mr. Bhusri, or (iv) the date on which the holders of a majority of the Class B Shares elect to convert all Class A Shares and Class B Shares into a single class of common stock. This concentrated control will limit or preclude the ability of non-affiliates to influence corporate matters for the foreseeable future.

Future transfers by holders of Class B Shares will generally result in those shares converting to Class A Shares, subject to limited exceptions, such as certain transfers effected for estate planning purposes. The conversion of Class B Shares to Class A Shares will have the effect, over time, of increasing the relative voting power of those holders of Class B Shares who retain their shares in the long term. If, for example, our Chairman and CEO retain a significant portion of their holdings of Class B Shares for an extended period of time, they could, in the future, continue to control a majority of the combined voting power of our Class A Shares and Class B Shares.

Our stock price has been volatile in the past and may be subject to volatility in the future.

The trading price of our Class A Shares has been volatile historically, and could be subject to wide fluctuations in response to various factors described below. These factors, as well as the volatility of our Class A Shares, could also impact the price of our convertible senior notes. The factors that may affect the trading price of our securities, some of which are beyond our control, include:

- overall performance of the equity markets;
- fluctuations in the valuation of companies perceived by investors to be comparable to us, such as high-growth or cloud companies, or in valuation metrics, such as our price to revenues ratio;
- guidance as to our operating results that we provide to the public, differences between our guidance and market expectations, our failure to meet our guidance or changes in recommendations by securities analysts that follow our securities;
- announcements of technological innovations, new applications or enhancements to services, acquisitions, strategic alliances or significant agreements by us or by our competitors;
- disruptions in our services due to computer hardware, software or network problems;
- announcements of customer additions and customer cancellations or delays in customer purchases;
- recruitment or departure of key personnel;
- the economy as a whole, market conditions in our industry, and the industries of our customers;

- trading activity by directors, executive officers and significant stockholders, or the perception in the market that the holders of a large number of shares intend to sell their shares;
- the exercise of rights held by certain of our stockholders, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders;
- the size of our market float and significant option exercises;
- any future issuances of securities;
- sales and purchases of any Class A Shares issued upon conversion of our convertible senior notes or in connection with the convertible note hedge and warrant transactions related to such convertible senior notes;
- our operating performance and the performance of other similar companies; and
- the sale or availability for sale of a large number of Class A Shares in the public market.

Additionally, the stock markets have at times experienced extreme price and volume fluctuations that have affected and may in the future affect the market prices of equity securities of many companies. These fluctuations have, in some cases, been unrelated or disproportionate to the operating performance of these companies. Further, the trading prices of publicly traded shares of companies in our industry have been particularly volatile and may be very volatile in the future.

In the past, some companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

We have indebtedness in the form of convertible senior notes.

In June 2013, we completed an offering of \$350 million of 0.75% convertible senior notes due 15 July 2018 ("2018 Notes"), and we concurrently issued an additional \$250 million of 1.50% convertible senior notes due 15 July 2020 ("2020 Notes").

As a result of these convertible notes offerings, we incurred \$350 million principal amount of indebtedness, which we may be required to pay at maturity in 2018, and \$250 million principal amount of indebtedness, which we may be required to pay at maturity in 2020, or upon the occurrence of a fundamental change (as defined in the applicable indenture). There can be no assurance that we will be able to repay this indebtedness when due, or that we will be able to refinance this indebtedness on acceptable terms or at all. In addition, this indebtedness could, among other things:

- make it difficult for us to pay other obligations;
- make it difficult to obtain favorable terms for any necessary future financing for working capital, capital expenditures, debt service requirements or other purposes;
- require us to dedicate a substantial portion of our cash flow from operations to service and repay the indebtedness, reducing the amount of cash flow available for other purposes; and
- limit our flexibility in planning for and reacting to changes in our business.

Exercise of the warrants associated with our 2018 Notes or our 2020 Notes may affect the price of our Class A Shares

In connection with our offering of the 2018 Notes, we sold warrants to acquire up to approximately 4.2 million Class A Shares at an initial strike price of \$107.96, which become exercisable beginning on 15 October 2018. In connection with our offering of the 2020 Notes, we sold warrants to acquire up to approximately 3.1 million Class A Shares at an initial strike price of \$107.96, which become exercisable beginning on 15 October 2020. The warrants may be settled in shares or in cash. The exercise of the warrants could have a dilutive effect if the market price per Class A Share exceeds the strike price of the warrants. The counterparties to the warrant transactions and note hedge transactions relating to the 2018 Notes and the 2020 Notes are likely to enter into or unwind various derivative instruments with respect to our Class A Shares or purchase or sell Class A Shares or other securities linked to or referencing our Class A Shares in secondary market transactions prior to the respective maturity of the 2018 Notes and the 2020 Notes. These activities could adversely affect the trading price of our Class A Shares.

Delaware law and provisions in our restated certificate of incorporation and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our Class A Shares.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our restated certificate of incorporation and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- any transaction that would result in a change in control of the Company requires the approval of a majority of our outstanding Class B Shares voting as a separate class;
- our dual class common stock structure, which provides our chairman and CEO with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding Class A Shares and Class B Shares;
- our Board is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- when the outstanding Class B Shares represent less than a majority of the combined voting power of common stock;
- certain amendments to our restated certificate of incorporation or restated bylaws will require the approval of two-thirds of the combined vote of our then-outstanding Class A and Class B Shares;
- our stockholders will only be able to take action at a meeting of stockholders and not by written consent; and
- vacancies on our Board will be able to be filled only by our Board and not by stockholders;
- only our chairman of the board, CEO, either co-president, or a majority of our Board are authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- we will have two classes of common stock until the date that is the first to occur of (i) 11 October 2032, (ii) such time as the Class B Shares represent less than 9% of the outstanding Class A Shares and Class B Shares, (iii) nine months following the death of both Mr. Duffield and Mr. Bhusri, or (iv) the date on which the holders of a majority of the Class B Shares elect to convert all Class A Shares and Class B Shares into a single class of common stock;

- our restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established, and shares of which may be issued, without the approval of the holders of Class A Shares; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could depress the market price of our securities.

If securities or industry analysts publish inaccurate or unfavorable research about our business, or discontinue publishing research about our business, the price and trading volume of our securities could decline.

The trading market for our securities will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Class A Shares or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the price and trading volume of our securities to decline.

We do not intend to pay dividends for the foreseeable future.

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Consequently, stockholders must rely on sales of their common stock after price appreciation as the only way to realize any future gains on their investment.

The Class A Shares are priced in U.S. dollars on their primary trading market.

The Class A Shares are priced in U.S. dollars on their primary trading market. Therefore, ESPP Participants assume the risk of any currency fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Class A Shares. In addition, any dividends to be paid in respect of the Class A Shares will be denominated in U.S. dollars. ESPP Participants will also assume the risk of any currency fluctuations at the time of any dividend payments.

3. Quantitative and Qualitative Disclosures about Market Risk

3.1 Foreign Currency Exchange Risk

We transact business globally in multiple currencies. As a result, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. As of 31 January 2017 and 2016, our most significant currency exposures were the Euro, British pound and Canadian dollar.

We have a hedging program designed to identify material foreign currency exposures, manage these exposures and reduce the potential effects of currency fluctuations through the purchase of foreign currency exchange contracts. For further information, see Note 9 of the notes to Consolidated Financial Statements included in Workday's 2017 Annual Report.

3.2 Interest Rate Sensitivity

We had cash, cash equivalents and marketable securities totaling \$2.0 billion as of 31 January 2017³ and 2016. Cash equivalents and marketable securities were invested primarily in U.S. agency obligations, U.S. treasury securities, corporate bonds, commercial paper, and money market funds. The cash, cash equivalents and marketable securities are held for working capital purposes. Our investments are made for capital preservation purposes. 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 fluctuate 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 marketable 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 other-than-temporary.

An immediate increase of 100-basis points in interest rates would have resulted in a \$9 million and \$8 million market value reduction in our investment portfolio as of 31 January 2017 and 2016, respectively. The majority of our investments earn less than 100-basis points and as a result, an immediate decrease of 100-basis points in interest rates would have increased the market value by \$8 million and \$5 million as of 31 January 2017 and 2016, respectively. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur. 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.

3.3 Market Risk and Market Interest Risk

In June 2013, we issued \$350 million of 2018 Notes and \$250 million of 2020 Notes. Holders may convert the Notes prior to maturity upon the occurrence of certain circumstances. Upon conversion, holders of the 2018 Notes and 2020 Notes will receive cash, Class A Shares or a combination of cash and Class A Shares, at our election.

Concurrently with the issuance of the Notes, we entered into separate note hedge and warrant transactions. These separate transactions were completed to reduce the potential economic dilution from the conversion of the Notes.

Our Notes have fixed annual interest rates at 0.75% and 1.50% and, therefore, we do not have economic interest rate exposure on our Notes. However, the values of the Notes are exposed to interest rate risk. Generally, the fair market value of our fixed interest rate Notes will increase as interest rates fall and decrease as interest rates rise. In addition, the fair values of the 2018 Notes and the 2020 Notes are affected by our stock price. The carrying values of our 2018 Notes and 2020 Notes were \$324 million and \$211 million, respectively, as of 31 January 2017. These represent the liability component of the principal balance of our Notes as of 31 January 2017. The total estimated fair values of the 2018 Notes and 2020 Notes at 31 January 2017 were \$402 million and \$310 million, respectively, and the fair value was determined based on the quoted bid price of the Notes in an over-the-counter market as of the last day of trading for fiscal 2017, which were \$114.93 and \$124.19, respectively. For further information, see Note 10 of the notes to consolidated financial statements.

³ Please refer to the Consolidated Balance Sheets included in Workday's 2017 Annual Report.

DOCUMENTS FORMING PART OF THIS PROSPECTUS

Workday's Employee Stock Purchase Plan dated 28 August 2012, as amended on 31 March 2014 (the "**ESPP Document**") forms part of this Prospectus. The ESPP Document is attached at Annex II of this Prospectus.

This Prospectus is available on the web site of the Central Bank at www.centralbank.ie.

SUPPLEMENTS TO THIS PROSPECTUS

If, during the period that the offer of Class A Shares under the ESPP, as described in this Prospectus, is open for acceptance, there shall arise any significant new factor which is capable of affecting the assessment of securities, Workday will prepare a supplement to this Prospectus and recognize any withdrawals of acceptances in accordance with article 16 of Directive 2003/71/EC and regulation 51 of the 2005 Regulations. See further the information set out in paragraph 1.10 of the section of this Prospectus titled "Details of the ESPP".

SELECTED FINANCIAL DATA

The following tables present selected financial and other data for Workday for the periods indicated.

The selected three-year financial data of Workday set out in this Prospectus are derived from Workday's audited Consolidated Financial Statements in respect of the fiscal years ended 31 January 2017, 2016 and 2015, and should be read in conjunction with Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and notes thereto included in Item 8. "Consolidated Financial Statements and Supplementary Data" included in Workday's 2017 Annual Report, which is available on Workday's website at www.workday.com.

Selected financial information for the fiscal years ended 31 January 2017, 2016 and 2015

The selected financial data of Workday set out in this Prospectus, which has been prepared in accordance with U.S. GAAP, is derived from Workday's audited Consolidated Financial Statements in respect of the fiscal years ended 31 January 2017, 2016 and 2015.

SELECTED THREE-YEAR FINANCIAL DATA (derived from Workday's audited Consolidated Financial Statements)

	Year Ended 31 January		
	2017	2016	2015
(in thousands, except per share data)			
Consolidated Statements of Operations Data:			
Revenues:			
Subscription services	\$ 1,287,104	\$ 929,234	\$ 613,328
Professional services	282,303	233,112	174,532
Total revenues	1,569,407	1,162,346	787,860
Costs and expenses⁽¹⁾:			
Costs of subscription services	213,389	149,869	102,476
Costs of professional services	270,156	224,558	162,327
Product development	680,531	469,944	316,868
Sales and marketing	583,874	434,056	315,840
General and administrative	198,122	148,578	106,051
Total costs and expenses	1,946,072	1,427,005	1,003,562
Operating loss	(376,665)	(264,659)	(215,702)
Other expense, net	(32,427)	(24,242)	(30,270)
Loss before provision for (benefit from) income taxes	(409,092)	(288,901)	(245,972)
Provision for (benefit from) income taxes	(814)	1,017	2,010
Net loss	(408,278)	(289,918)	(247,982)
Net loss attributable to Class A and Class B common stockholders	\$ (408,278)	\$ (289,918)	\$ (247,982)
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	\$ (2.06)	\$ (1.53)	\$ (1.35)
Weighted-average shares used to compute net loss per share attributable to Class A and Class B common stockholders	198,214	190,016	183,702

(1) Costs and expenses include share-based compensation expenses as follows (in thousands):

	Year Ended 31 January		
	2017	2016	2015
Costs of subscription services	\$ 20,773	\$ 12,060	\$ 6,053
Costs of professional services	26,833	19,526	12,890
Product development	166,529	109,362	63,938
Sales and marketing	86,229	51,617	29,875
General and administrative	78,265	57,405	43,292

	As of 31 January		
	2017	2016	2015
(in thousands)			
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 539,923	\$ 300,087	\$ 298,192
Marketable securities	1,456,822	1,669,372	1,559,517
Total current assets	2,496,526	2,362,308	2,108,387
Working capital	1,200,078	1,439,629	1,467,122
Property and equipment, net	365,877	214,158	140,136
Total assets	3,166,424	2,730,094	2,350,090
Total current liabilities	1,296,448	922,679	641,265
Total unearned revenue	1,233,387	899,729	632,744
Convertible senior notes, net	534,423	507,476	481,958
Total liabilities	2,003,518	1,593,937	1,224,115
Total stockholders' equity	1,162,906	1,136,157	1,125,975

DESCRIPTION OF THE CLASS A SHARES

The Class A Shares are issued under and subject to the provisions of Delaware law and the certificate of incorporation of the Company, as amended and restated (the "**Certificate of Incorporation**") and the bylaws of the Company, as amended and restated (the "**Bylaws**"). The following sets out the material terms of the Class A Shares.

Overview of the Shares. The Class A Shares each have a par value US\$0.001. The currency of the Class A Shares is the United States Dollar. The Class A Shares will be registered book entry shares. Workday's transfer agent is American Stock Transfer & Trust Co. The CUSIP Number is 98138H101. The ISIN is US98138H1014.

Rights attaching to the Shares. No ESPP Participant shall have any voting, dividend, or other stockholder rights with respect to any offering under the ESPP until the Class A Shares have been purchased and delivered to the ESPP Participant, at which point the Class A Shares will be issued credited as fully paid shares and will rank *pari passu* in all respects with each other. Following such purchase and delivery, the ESPP Participant shall be entitled to the rights attached to the Class A Shares, as further described below:

(1) Voting Rights

Subject to the Bylaws, holders of the Class A Shares shall be entitled, on a poll, to one vote for each ordinary share held of record by such holder on the relevant record date, on all matters submitted to a vote of the holders of the ordinary shares of Workday.

For the purposes of the Certificate of Incorporation and the Bylaws, the rights attaching to any of the Class A Shares shall not, unless otherwise expressly provided in the terms of issue, be deemed to be altered by the allotment or issue by Workday of other shares ranking *pari passu* with such ordinary shares.

(2) Dividend Rights and Right to Receive Liquidation Distributions

Workday may in a general meeting declare dividends out of assets or funds of Workday legally available to be paid to the shareholders, including the holders of the Class A Shares, according to their rights and interests but no dividend shall be declared that exceeds an amount recommended by the Board.

In respect of any dividend, the Board may determine a record date on which shareholders will be entitled to the dividend, such dividend may be at such rate as determined by the Board and at a rate of frequency as determined by the Board and may be declared to be cumulative or non-cumulative.

Workday has never declared or paid cash dividends on its capital stock. Workday currently intends to retain any future earnings for use in the operation of its business and does not intend to declare or pay any cash dividends in the foreseeable future. Any further determination to pay dividends on its capital stock will be at the discretion of the Board, subject to applicable laws, and will depend on its financial condition, results of operations, capital requirements, general business conditions and other factors that the Board considers relevant.

On the dissolution, liquidation or winding-up of Workday, the holders of the Class A Shares of Workday have the right to participate pro-rata in the assets of Workday, legally available for distribution, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

(3) No Preemptive, Redemptive or Conversion Provisions

No holder of Class A Shares shall, in their capacity as such holder of stock, have any preemptive right to purchase shares of Workday and Class A Shares shall not be subject to conversion, redemption or sinking fund provisions.

(4) Transfer of Shares

Subject to the provisions of Delaware law and any other restrictions existing under the Certificate of Incorporation or Bylaws or otherwise from time to time (including the terms of the ESPP), the Shares are freely transferable. Where held in certificated form, the instrument of transfer of a share shall be signed by or on behalf of the transferor.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The business and affairs of Workday are managed by the Board.

1. Directors and Senior Managers of Workday

1.1 The Members of the Board

The following table provides certain information about Workday's directors as of 28 April 2017.

Name	Age	Position	Director Since
A. George (Skip) Battle	73	Director	2007
Aneel Bhusri	51	Director	2005
Christa Davies	45	Director	2012
David A. Duffield	76	Director	2005
Michael M. McNamara	60	Director	2011
Michael A. Stankey	58	Director	2015
George J. Still, Jr.	59	Director	2009
Lee J. Styslinger, III	56	Director	2016
Jerry Yang	48	Director	2013

In addition to their directorship of the Company, the directors have been members of the following administrative, management or supervisory bodies in the five years prior to the date of this Prospectus:

<u>Director</u>	<u>Current</u>	<u>Within the Past Five Years</u>
A. George (Skip) Battle	Expedia, Inc. Fair Isaac Corporation Netflix, Inc. The Aspen Institute	LinkedIn Corporation OpenTable, Inc. Masters Select
Aneel Bhusri (Executive Director)	Intel Corporation Greylock Partners Pure Storage, Inc.	Cloudera, Inc. Okta, Inc. Drobo Inc. Tidemark Systems Inc. Sumo Logic Tipping Point Community of San Francisco
Christa Davies	Aon plc	Museum of Science and Industry
David A. Duffield	Dave & Cheryl Duffield Foundation Maddie's Fund Workday Foundation Elementum Cayman (SCM) Ltd Nevada Pacific Development Corporation	None

<u>Director</u>	<u>Current</u>	<u>Within the Past Five Years</u>
	Nevada Pacific Consulting, LLC NPC Holdings, LLC Lake Tahoe Land Company, LLC Ponderosa Ranch, LLC TDMC, LLC Pegasus VI, LLC Tahoe Learning Center, LLC Duffield Investment Group, LLC Cascade Beach, LLC Crystal Creek Capital, LLC	
Michael M. McNamara	Flex, Ltd. Flextronics International Ltd Tsinghua University School of Economics and Management Massachusetts Institute of Technology Elementum Cayman (SCM) Ltd	Delphi Automotive LLP MEMC Electronic Materials, Inc.
Michael A. Stankey	Code 42 Software Inc. Okta, Inc. Cloudera, Inc.	None
George J. Still, Jr.	Norwest Venture Partners Tuck School of Business Tuck's Center of Private Equity and Entrepreneurship United States Golf Association Center for Private Equity and Entrepreneurship Tuck School of Business Tuck School of Business Board of Overseers The First Tee of San Francisco Knowledge Beat	Rackspace Hosting, Inc.
Lee J. Styslinger, III	Altec, Inc. (and subsidiaries) Vulcan Materials Company Regions Financial Corporation Children's Hospital of Alabama Health Services Foundation Aspen Holdings, Inc. American Assurance Co., Inc. Inverness Properties, LLC	None

<u>Director</u>	<u>Current</u>	<u>Within the Past Five Years</u>
	Heather Oaks, LLC	
	National Utility Equipment Co, LLC	
	Lake Partners, LLC	
	Oceanview Ventures, LLC	
	23rd Street Partners, Inc.	
	Bonefish Grande, LLC	
	NCR Side Car, LLC	
	Pharo Investment Group, LLC	
	BG Fulcrum Investors, LLC	
	Maki Fresh Holding Co, LLC	
	Avocet SA, LLC	
	Parc at Grande Pines, LLC	
	Red Cap Westshore, LLC	
Jerry Yang	Alibaba Group Holding Limited	Yahoo! Inc.
	Lenovo, Inc.	Yahoo Japan
	AME Cloud Ventures	Cisco Systems, Inc.

For at least the previous five years, none of the directors or senior managers of Workday has been convicted in relation to fraudulent offences, or been subject to proceedings involving bankruptcies, receiverships or liquidations, or been publicly incriminated or sanctioned by statutory or regulatory authorities, or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

The business address of each of Workday's directors is located at 6230 Stoneridge Mall Road Pleasanton, CA 94588, U.S.A.

1.2 The Executive Officers of Workday

The following table provides certain information about Workday's named executive officers (Workday's CEO and Chief Financial Officer, as well as the four most highly compensated Workday executive officers (other than the CEO and Chief Financial Officer)) as of 28 April 2017.

Named		
Executive Officers:	Age	Current Position(s) with Workday
Aneel Bhusri	51	Co-founder, CEO and Director
James J. Bozzini	50	Chief Operating Officer and Executive Vice President of Customer Operations
Mark S. Peek	59	Co-President
James P. Shaughnessy	62	Senior Vice President, General Counsel and Secretary
Robynne D. Sisco	51	Chief Financial Officer
W. Philip Wilmington	58	Co-President

In addition to their roles as executive officers of the Company, the executive officers have been members of the following administrative, management or supervisory bodies in the five years prior to the date of this Prospectus:

<u>Executive Officer</u>	<u>Current</u>	<u>Within the Past Five Years</u>
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<u>Executive Officer</u>	<u>Current</u>	<u>Within the Past Five Years</u>
Aneel Bhusri	See table under 1.1 above.	See table under 1.1 above.
James J. Bozzini	None	None
Mark S. Peek	Trimble Navigation Limited (Director)	VMware Inc. VMware Foundation
James P. Shaughnessy	Workday Foundation (Secretary)	None
Robynne D. Sisco	None	VMware
W. Philip Wilmington	None	Tidemark Systems, Inc.

For at least the previous five years, none of the executive officers of Workday has been convicted in relation to fraudulent offences, or been subject to proceedings involving bankruptcies, receiverships or liquidations, or been publicly incriminated or sanctioned by statutory or regulatory authorities, or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

The business address of each of Workday's executive officers is located at 6230 Stoneridge Mall Road Pleasanton, CA 94588, U.S.A.

2. Directors and Corporate Governance

2.1 Director Independence

Our Class A Shares are listed on the NYSE. The listing rules of this stock exchange generally require that a majority of the members of a listed company's board of directors be independent. The Board has determined that none of our directors who are not current or former employees (Messrs. Battle, McNamara, Still, Styslinger and Yang and Ms. Davies) has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the rules of the NYSE.

2.2 Leadership Structure

Mr. Aneel Bhusri serves as Workday's CEO and also as a member of the Board. Mr. David A. Duffield serves as the Chairman of the Board and Mr. Michael A. Stankey serves as a Vice Chairman of the Board. Because Workday's Chairman is a former executive officer of Workday, Mr. George J. Still, Jr. serves as Vice Chairman and Lead Independent Director of the Board. Our Board believes that the current Board leadership structure, coupled with a strong emphasis on Board independence, provides effective independent oversight of management while allowing the Board and management to benefit from Mr. Duffield's extensive executive leadership and operational experience.

2.3 Lead Independent Director

Mr. Still serves as one of our Vice Chairmen and as our Lead Independent Director. As Lead Independent Director, among other responsibilities, Mr. Still presides over regularly scheduled meetings at which only our independent directors are present, serves as a liaison between the CEO and Chairman and the independent directors, and performs such additional duties as our Board may otherwise determine and delegate.

2.4 Executive Sessions of Independent Directors

In order to promote open discussion among independent directors, the Board has a policy of conducting executive sessions of independent directors during each regularly scheduled Board meeting and at such other times if requested by an independent director. These executive sessions are chaired by its Lead Independent Director. The Lead Independent Director provides feedback to Workday's CEO, as needed,

promptly after the executive session. Neither Mr. Bhusri, Mr. Duffield, nor Mr. Stankey participates in such sessions.

2.5 Code of Conduct

Workday has adopted a Code of Conduct that applies to all of its directors, officers, and employees. The full text of Workday's Code of Conduct is posted under the "Investor Relations" section on its website at: www.workday.com/codeofconduct.

The Code of Conduct and the other materials on the Company's website are not incorporated into, and do not form a part of, this Prospectus.

2.6 Corporate Governance Guidelines

Workday has adopted Corporate Governance Guidelines that apply to the Board. The full text of its Corporate Governance Guidelines is posted under the "Investor Relations" section on its website at: www.workday.com/governanceguidelines.

The Corporate Governance Guidelines and the other materials on the Company's website are not incorporated into, and do not form a part of, this Prospectus.

3. Conflicts of Interest and Related Party Transactions

Save as set out below, there are no other:

- a) conflicts of interest between any duties to the Company of the Directors or the Executive Officers and their private interests and/or other duties; or
- b) related party transactions involving the Company or its subsidiaries.

3.1 Related Party Transactions

Below is a description of the transactions for fiscal 2017 to which we have been a participant, in which the amount involved in the transaction exceeds or will exceed \$120,000 and in which any of our directors, executive officers, or holders of more than 5% of the Class A Shares, or any immediate family member of, or person sharing the same household with, any of these individuals, had or will have a direct or indirect material interest. In addition, also disclosed below (on a voluntary basis) are certain transactions with David Duffield, Workday's co-founder, Chairman and a member of the Board, that are beneath the \$120,000 disclosure threshold.

Stock Voting Agreement

Mr. Duffield and Mr. Bhusri, our co-founders, have entered into a stock voting agreement with each other and us. This agreement applies to all Class B Shares owned from time to time by our co-founders and each of their permitted transferees, which represents approximately 84% of the outstanding voting power of our capital stock.

Employee Members of the Board

During fiscal 2017, in addition to his role as Chairman, Mr. Duffield was employed by Workday and was paid aggregate cash compensation of \$59,612, including base salary of \$31,360 and \$28,252 of other compensation, consisting of \$16,400 of guest expenses related to attendance at company sponsored events and \$11,852 of related income tax gross-ups. Mr. Duffield was also granted 14,085 RSUs.

During fiscal 2017, in addition to his role as a member of the Board, Mr. Stankey was employed by Workday and was paid aggregate compensation of \$408,560, including base salary of \$282,404 and bonus of \$126,156.

Real Estate Leases

In fiscal 2017, we leased certain office space in Pleasanton, California under various lease agreements with NPC Holdings, LLC, an affiliate of Mr. Duffield, as set forth in the table below:

<u>Location</u>	<u>Expiration</u>	<u>Base rent/square foot as of 01/01/2017</u>	<u>Tenant improvement allowance received in FY17</u>	<u>Base rent paid in FY17</u>
Building 6120	07/31/2025	\$29.40	\$ 903,912	\$ 696,044
Building 6130	03/31/2023	\$25.20-\$28.53	--	2,361,519
Building 6140	02/09/2025	\$28.20-\$32.40	1,590,952	2,025,336
Building 6150	02/28/2025	\$28.80-\$32.40	545,991	696,158
Building 6160	05/31/2024	\$28.20-\$31.80	--	2,601,332
Total:			\$ 3,040,855	\$ 8,380,389

In addition, in fiscal 2017, we made payments of \$25,300 for the lease of certain office space and related expenses in Incline Village, Nevada under a lease agreement with Nevada Pacific Development Corporation, an affiliate of Mr. Duffield.

Workday has and will continue to seek independent evaluations of current market rates at the time of lease negotiations with the goal of leasing at a rate comparable to the current market price.

Aircraft Reimbursement

In May 2012, we entered into an agreement with Mr. Duffield to reimburse him for the use of his aircraft for Workday business at a rate of twice the applicable fuel costs plus crew travel expenses. The amount paid under this agreement in fiscal 2017 was \$89,148.

Employment Arrangements with Immediate Family Members of Our Executive Officers and Directors

Michael Duffield, a son of David Duffield, was employed by us from May 2005 until January 2017, most recently as General Manager of our Education & Government business. During the fiscal year ended 31 January 2017, Mr. Duffield had total cash compensation, including base salary, bonus and sales commissions, of \$514,775.

Leah Wilmington, a daughter of W. Philip Wilmington, our co-President, has been employed by us since June 2010. She currently serves as a Manager, Presales. During the fiscal year ended 31 January 2017, Ms. Wilmington had total cash compensation, including base salary, bonus, sales commissions and other compensation, of \$274,775.

Christina Erickson, a sister-in-law to James J. Bozzini, our Chief Operating Officer and Executive Vice President of Customer Operations, has been employed by us since June 2015. She currently serves as Senior Customer Updates Analyst. During the fiscal year ended 31 January 2017, Ms. Erickson had total cash compensation, including base salary and bonus, of \$132,000.

Lien Wolfe, a sister-in-law to Mr. Bozzini, has been employed by us since February 2015. She currently serves as Senior Director, People Systems and Operations. During the fiscal year ended 31 January 2017, Ms. Wolfe had total cash compensation, including base salary, bonus and other compensation, of \$206,981.

The salary, bonus and commission levels of Mr. Duffield, Ms. Wilmington, Ms. Erickson and Ms. Wolfe were based on reference to internal pay equity when compared to the compensation paid to employees in similar positions who were not related to our executive officers and directors. They also received equity awards on the same general terms and conditions as applicable to other employees in similar positions who were not related to our executive officers and directors.

Relationship with Aon, plc

Ms. Davies, one of our directors, is the Chief Financial Officer and Executive Vice President of Global Finance of Aon, plc. Aon is a customer of Workday and made payments to Workday of \$10,798,155 in fiscal 2017.

Relationship with Flex, Ltd.

Mr. McNamara, one of our directors, is the CEO of Flex, Ltd. Flex, Ltd. is a customer of Workday and made payments to Workday of \$5,058,117 in fiscal 2017.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. The indemnification agreements and our Bylaws require us to indemnify our directors to the fullest extent not prohibited by Delaware law. Subject to certain limitations, our Bylaws also require us to advance expenses incurred by our directors and officers.

Statement of Policy Regarding Related Party Transactions

We have adopted a written related-party transactions policy which provides that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of our common stock, and any members of the immediate family member of the foregoing “related parties,” are not permitted to enter into a material related party transaction with us without the review, consideration and approval or ratification of the disinterested members of the Audit Committee. For this policy, a material related party transaction is defined as a transaction with a related party in which the amount involved exceeds \$120,000, or contributions to affiliated charities above \$50,000. In approving or rejecting any proposed related party transaction, we expect that our Audit Committee will consider the relevant facts and circumstances available and deemed relevant to the Audit Committee in determining whether such transaction is fair to Workday and in the best interest of all of our stockholders, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; the extent of the related party’s interest in the transaction; the benefits that the transaction provides to us; and whether the transaction was undertaken in the ordinary course of business.

3.2 Potential Payments upon Termination or Change in Control

In May 2012, we adopted a change in control policy applicable to our executive officers and certain other employees. Under the policy, if any executive officer is terminated for any reason other than cause, death or disability within 12 months after a change in control or the officer voluntarily resigns for good reason within 12 months following a change in control, such officer would be entitled to receive severance benefits. Upon the occurrence of such an event, we have agreed to pay to such officer an amount equal to (i) his or her then-current annual base salary, and (ii) an estimate of the aggregate monthly benefits premium under Consolidated Omnibus Budget Reconciliation Act of the United States for 12 months. In addition, 50% of the shares underlying all unvested equity awards held by such officer immediately prior to such termination will become vested and exercisable in full.

The following table sets forth quantitative estimates of the benefits that would have accrued to our named executive officers pursuant to our change in control policy if their employment had been terminated by us without cause or if they experienced a constructive termination, each within 12 months following a change in control as of 31 January 2017.

Name	Cash Severance	Benefit Continuation	Intrinsic Value of Accelerated Equity Awards		Total
			Stock Awards ⁽¹⁾⁽²⁾	Option Awards	
Aneel Bhusri	\$ 65,000	\$ -	\$ 16,730,296	\$ -	\$ 16,795,296
James J. Bozzini	200,000	21,740	5,563,249	380,200 ⁽³⁾	6,165,189
Mark S. Peek	275,000	13,739	10,013,051	1,901,000 ⁽⁴⁾	12,202,790

Name	Cash Severance	Benefit Continuation	Intrinsic Value of Accelerated Equity Awards		Total
			Stock Awards ⁽¹⁾⁽²⁾	Option Awards	
James P. Shaughnessy	200,000	21,740	2,180,780	110,835	2,513,355
Robynne D. Sisco	250,000	26,301	3,505,263	969,806 ⁽³⁾	4,751,370
W. Philip Wilmington	400,000	21,740	5,006,526	-	5,428,266

- (1) The estimated benefit amount of unvested RSUs or awards was calculated by multiplying 50% of the number of unvested RSUs or awards held by the applicable named executive officer by the closing price of our Class A Shares on 31 January 2017, the last trading day of our fiscal year, which was \$83.09.
- (2) Includes PRSUs held by the named executive officers as of 31 January 2017 which were ultimately cancelled as a result of failure to meet a performance-based condition to vesting.
- (3) The estimated benefit amount of unvested options was calculated by multiplying 50% of the number of unvested options subject to acceleration held by the applicable named executive officer by the difference between the closing price of our Class A Shares on 31 January 2017, the last trading day of our fiscal year, which was \$83.09, and the exercise price of the option.
- (4) Represents early-exercised options. The estimated benefit amount of unvested options was calculated by multiplying 50% of the number of unvested, early-exercised options subject to acceleration held by the applicable named executive officer by the difference between the closing price of our Class A Shares on 31 January 2017, the last trading day of our fiscal year, which was \$83.09, and the exercise price of the option.

4. Shareholding and Options of Workday's directors and senior managers

Specific Information Related to Messrs. Duffield and Bhusri

Each holder of Class A Shares has the right to one (1) vote per Class A Share held of record by such holder and each holder of Class B Shares will have the right to ten (10) votes per Class B Share held of record by such holder.

Mr. David A. Duffield, Workday's co-founder and Chairman of the Board, and Mr. Aneel Bhusri, Workday's co-founder, CEO and member of the Board, have entered into a stock voting agreement with each other and with Workday. This agreement applies to all Class B Shares owned by Workday's co-founders and each of their permitted transferees, which represents approximately 99% of the outstanding voting power of the Class B Shares.

On the basis of Workday's internal records and in accordance with the rules of the SEC, as of the Latest Practicable Date:⁴

- Mr. Duffield beneficially owns 65,592 Class A Shares and Mr. Bhusri owns 121,274 Class A Shares; and
- Messrs. Duffield and Bhusri, each, beneficially owns 73,619,121 Class B Shares with combined voting rights of 99%.

Out of the 73,619,121 Class B Shares, Mr. Duffield holds 62,884,322 Class B Shares (representing approximately 85.42% of the Class B Shares) and Mr. Bhusri holds 10,734,799 Class B Shares (representing approximately 14.58% of the Class B Shares).

Pursuant to the stock voting agreement, Messrs. Duffield and Bhusri each granted a voting proxy with respect to the Class B Shares owned by him, effective upon his death or incapacity. Messrs. Duffield and Bhusri have each initially designated the other as their respective proxies. Accordingly, upon the death or incapacity of either Mr. Duffield or Mr. Bhusri, the other would individually continue to control a substantial majority of the voting power of Workday's outstanding capital stock.

⁴ Applicable percentage ownership is based on 131,108,081 Class A Shares and 74,737,750 Class B Shares. In computing the number of Shares beneficially owned by a person and the percentage ownership of that person, Workday deemed to be outstanding all Shares subject to options held by that person or entity that are currently exercisable or that will become exercisable, and RSUs that will become vested and settleable, within 60 days of 24 April 2017.

As a result of their beneficial ownership of Workday's Class A and Class B Shares, Messrs. Duffield and Bhusri have a total voting power, representing voting power with respect to all Shares, as a single class, of 84% of Workday's capital stock.

Because of the ten-to-one voting ratio between the Class B Shares and Class A Shares, the holders of the Class B Shares collectively continue to control a majority of the combined voting power of Workday's common stock and therefore are able to control all matters submitted to Workday's stockholders.

Workday's dual class common stock structure provides Messrs. Duffield and Bhusri with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the Shares of Workday's outstanding Class A and Class B Shares. Any transaction that would result in a change in control of Workday requires the approval of a majority of Workday's outstanding Class B Shares voting as a separate class.

Security Ownership of Certain Beneficial Owners and Management

The following table provides information regarding shares beneficially owned by Workday's directors and senior managers as of the Latest Practicable Date.

Workday has determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, Workday believes, based on the information furnished to it, that the persons and entities named in the table below have sole voting and investment power with respect to all Shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 131,108,081 Class A Shares and 74,737,750 Class B Shares outstanding at 24 April 2017. In computing the number of Shares beneficially owned by a person and the percentage ownership of that person, Workday included all Shares subject to options held by that person or entity that are currently exercisable or that will become exercisable, and RSUs that will become vested and settleable, within 60 days of 24 April 2017. Workday did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any person. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Workday, Inc., 6230 Stoneridge Mall Road, Pleasanton, California 94588, U.S.A.

Name of Beneficial Owner	Shares Beneficially Owned				Total Voting Power ⁽¹⁾
	Class A		Class B		
	Shares	%	Shares	%	%
Named Executive Officers and Directors					
David A. Duffield ⁽²⁾	65,592	*	73,619,121	99%	84%
Aneel Bhusri ⁽³⁾	121,274	*	73,619,121	99%	84%
James J. Bozzini ⁽⁴⁾	202,409	*	94,500	*	*
Mark S. Peek ⁽⁵⁾	30,056	*	365,654	*	*
James P. Shaughnessy ⁽⁶⁾	71,891	*	18,500	*	*
Robynne D. Sisco ⁽⁷⁾	7,733		81,750	*	*
W. Philip Wilmington ⁽⁸⁾	39,452	*	0	*	*
A. George (Skip) Battle ⁽⁹⁾	90,695	*	332,857	*	*
Christa Davies ⁽¹⁰⁾	84,003	*	165,000	*	*
Michael M. McNamara ⁽¹¹⁾	64,255	*	180,000	*	*
Michael A. Stankey ⁽¹²⁾	103,568	*	199,987	*	*

Name of Beneficial Owner	Shares Beneficially Owned				Total Voting Power ⁽¹⁾
	Class A		Class B		
	Shares	%	Shares	%	%
George J. Still ⁽¹³⁾	89,943	*	370,784	*	*
Lee J. Styslinger, III ⁽¹⁴⁾	5,000	*	0	*	*
Jerry Yang ⁽¹⁵⁾	72,541	*	0	*	*
All Executive officers and directors as a group (14 persons) ⁽¹⁶⁾	1,048,412	*	75,428,153	100%	86%

* Less than 1%.

- (1) Percentage of total voting power represents voting power with respect to all our Class A and Class B Shares, as a single class. The holders of our Class B Shares are entitled to 10 votes per share, and holders of our Class A Shares are entitled to one vote per share.
- (2) Includes (i) 58,139 Class A Shares held by Mr. Duffield, (ii) 7,453 RSUs held directly by Mr. Duffield which vest within 60 days of 24 April 2017 and will be settled in Class A Shares, (iii) 62,884,322 Class B Shares held by The David A. Duffield Trust (the "Duffield Trust"), including 45,000 Class B Shares which may be repurchased by us at the original exercise price within 60 days of 24 April 2017, and (iv) 10,734,799 Class B Shares subject to a voting agreement entered into by Messrs. Duffield and Bhusri. Mr. Duffield has sole voting and dispositive power with regard to the shares held by the Duffield Trust.
- (3) Includes (i) 104,504 Class A Shares held directly by Mr. Bhusri, (ii) 16,770 RSUs held directly by Mr. Bhusri which vest within 60 days of 24 April 2017 and will be settled in Class A Shares, (iii) 7,126,443 Class B Shares held directly by Mr. Bhusri, (iv) 1,000,000 restricted Class B Shares held directly by Mr. Bhusri, (v) 2,603,356 Class B Shares issuable to Mr. Bhusri pursuant to options exercisable within 60 days of 24 April 2017, (vi) 5,000 Class B Shares held by Mr. Bhusri's minor child, and (vii) 62,884,322 Class B Shares subject to a voting agreement entered into by Messrs. Duffield and Bhusri. Mr. Bhusri has voting and dispositive power with regard to the shares held by Mr. Bhusri's minor child.
- (4) Includes (i) 52,770 Class A Shares held directly by Mr. Bozzini, (ii) 108,955 Class A Shares held by the Bozzini Revocable Trust, (iii) 7,453 RSUs held directly by Mr. Bozzini which vest within 60 days of 24 April 2017 and will be settled in Class A Shares, (iv) 11,077 Class A Shares held by the Bozzini Irrevocable Trust for the benefit of a minor child, (v) 11,077 Class A Shares held by the Bozzini Irrevocable Trust for the benefit of a minor child, (vi) 11,077 Class A Shares held by the Bozzini Irrevocable Trust for the benefit of a minor child, and (vii) 94,500 Class B Shares issuable to Mr. Bozzini pursuant to options exercisable within 60 days of 24 April 2017.
- (5) Includes (i) 18,244 Class A Shares held directly by The Omega Living Trust, (ii) 11,812 RSUs held directly by Mr. Peek which vest within 60 days of 24 April 2017 and will be settled in Class A Shares, and (iii) 365,654 Class B Shares held directly by The Omega Living Trust. Mr. Peek has sole voting and dispositive power with regard to the shares held by The Omega Living Trust.
- (6) Includes (i) 22,115 Class A Shares held directly by Mr. Shaughnessy, (ii) 3,727 RSUs held directly by Mr. Shaughnessy which vest within 60 days of 24 April 2017 and will be settled in Class A Shares, (iii) 46,049 Class A Shares held by the Shaughnessy Family Trust Agreement u/a/d 11/15/13 (the "Shaughnessy Trust"), and (iv) 18,500 Class B Shares issuable to Mr. Shaughnessy pursuant to options exercisable within 60 days of 24 April 2017. Mr. Shaughnessy has shared voting and dispositive power with regard to the shares held by the Shaughnessy Trust.
- (7) Includes (i) 4,938 Class A Shares held directly by Ms. Sisco, (ii) 2,795 RSUs held directly by Ms. Sisco which vest within 60 days of 24 April 2017 and will be settled in Class A Shares, (iii) 3,000 shares of restricted Class B common stock held directly by Ms. Sisco which are subject to forfeiture as of 24 April 2017, and (iv) 78,750 Class B Shares issuable to Ms. Sisco pursuant to options exercisable within 60 days of 24 April 2017.
- (8) Includes (i) 23,821 Class A Shares held directly by Mr. Wilmington, and (ii) 15,631 RSUs held directly by Mr. Wilmington which will vest within 60 days of 24 April 2017 and will be settled in Class A Shares.
- (9) Includes (i) 27,709 Class A shares held directly by Mr. Battle, (ii) 5,162 shares of RSUs held directly by Mr. Battle which will be settled in Class A Shares on the vesting date of 15 May 2017, (iii) 11,824 Class A Shares held by the A. George Battle 2011 Separate Property Trust, (iv) 46,000 Class A Shares held by the Battle Family Foundation, and (v) 332,857 Class B Shares held directly by Mr. Battle. Mr. Battle has voting and dispositive power with regard to the shares held by the A. George Battle 2011 Separate Property Trust and the Battle Family Foundation.
- (10) Includes (i) 79,325 Class A Shares held directly by Ms. Davies, (ii) 4,678 shares of RSUs held directly by Ms. Davies which will be settled in Class A Shares on the vesting date of 15 May 2017, and (iii) 165,000 Class B Shares issuable to Ms. Davies pursuant to options exercisable within 60 days of 24 April 2017.
- (11) Includes (i) 14,754 Class A Shares held directly by Mr. McNamara, (ii) 40,500 Class A Shares held by The McNamara Family Trust U/A DTD 10/11/2001 (iii) 5,001 shares of RSUs held directly by Mr. McNamara which will be settled in Class A Shares on the vesting date of 15 May 2017, (iv) 4,000 Class A Shares held by Mr. McNamara's child, and (v) 180,000 Class B Shares issuable to Mr. McNamara pursuant to options exercisable within 60 days of 24 April 2017. Mr. McNamara has voting and dispositive power with regard to the shares held by The McNamara Family Trust and his child.

- (12) Includes (i) 90,524 Class A Shares held directly by Mr. Stankey, (ii) 13,044 RSUs held directly by Mr. Stankey which vest within 60 days of 24 April 2017 and will be settled in Class A Shares, and (iii) 199,987 Class B Shares issuable to Mr. Stankey pursuant to options exercisable within 60 days of 24 April 2017.
- (13) Includes (i) 16,136 Class A Shares held directly by Mr. Still, (ii) 5,807 shares of RSUs held directly by Mr. Still which will be settled in Class A Shares on the vesting date of 15 May 2017, (iii) 13,000 Class A Shares held by Still Family Partners, a California limited partnership, (iv) 55,000 Class A Shares held by the Still Family Trust, (v) 150,784 Class B Shares held by Still Family Partners, and (vi) 220,000 Class B Shares issuable to Mr. Still pursuant to options exercisable within 60 days of 24 April 2017. Mr. Still has voting and dispositive power with regard to the shares held by Still Family Partners, and the Still Family Trust.
- (14) Includes 5,000 Class A Shares held directly by Mr. Styslinger.
- (15) Includes (i) 61,452 Class A Shares held directly by Mr. Yang, (ii) 2,500 Class A Shares held by the JY Trust, (iii) 4,839 shares of RSUs held directly by Mr. Yang which will be settled in Class A Shares on the vesting date of 15 May 2017, and (iv) 3,750 shares of RSUs held directly by Mr. Yang which will be settled in Class A Shares on the vesting date of 15 June 2017. Mr. Yang has voting and dispositive power with regard to the shares held by the JY Trust.
- (16) The total number of Class A Shares includes the shares described in footnotes 2 through 15 above.

5. Arrangements for Involving the Employees in Workday's Capital

5.1 Employee Equity Plans

In addition to the ESPP, the Board adopted the 2012 Equity Incentive Plan ("EIP") in August 2012 which became effective on 10 October 2012 and serves as the successor to our 2005 Stock Plan (together with the EIP, the "Stock Plans"). Pursuant to the terms of the EIP, the share reserve increased by 10 million Class A Shares on 31 March 2016. As of 31 January 2017, Workday had approximately 58 million Class A Shares available for future grants.

5.2 Stock Options

The Stock Plans provide for the issuance of incentive and nonstatutory options to employees and non-employees. Options issued under the Stock Plans generally are exercisable for periods not to exceed 10 years and generally vest over five years. A summary of information related to stock option activity during fiscal 2017 is as follows (in millions, except share and per share data):

	Outstanding Stock Options	Weighted- Average Exercise Price	Aggregate Intrinsic Value
Balance as of 31 January 2016	12,862,976	\$ 4.21	\$ 756
Stock option grants	—	—	
Stock options exercised	(3,678,415)	3.76	
Stock options canceled	(87,969)	9.47	
Balance as of 31 January 2017	9,096,592	\$ 4.34	\$ 716
Vested and expected to vest as of 31 January 2017	9,090,462	\$ 4.33	\$ 716
Exercisable as of 31 January 2017	8,875,999	\$ 4.21	\$ 700

The total grant-date fair value of stock options vested during fiscal 2017, 2016 and 2015 was \$14 million, \$17 million and \$20 million, respectively. The total intrinsic value of the options exercised during fiscal 2017, 2016 and 2015 was \$273 million, \$279 million and \$311 million, respectively. The intrinsic value is the difference between the current fair value of the stock and the exercise price of the stock option. The weighted-average remaining contractual life of vested and expected to vest options as of 31 January 2017 is approximately 4.2 years.

As of 31 January 2017, there was a total of \$4 million in unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a weighted-average period of approximately 0.6 years.

The options that are exercisable as of 31 January 2017 have a weighted-average remaining contractual life of approximately 4.2 years. The weighted-average remaining contractual life of outstanding options at 31 January 2017 is approximately 4.2 years.

5.3 Common Stock Subject to Repurchase

The Stock Plans allow for the early exercise of stock options for certain individuals as determined by the Board. We have the right to purchase at the original exercise price any unvested (but issued) common shares during the repurchase period following termination of services of an employee. The consideration received for an exercise of an option is considered to be a deposit of the exercise price and the related dollar amount is recorded as a liability. The shares and liabilities are reclassified into equity as the awards vest. As of 31 January 2017 and 2016, we had \$0.8 million and \$3 million, respectively, recorded in liabilities related to early exercises of stock options.

5.4 Restricted Stock Units

The Stock Plans provide for the issuance of RSUs to employees. RSUs generally vest over four years. A summary of information related to RSU activity during fiscal 2017 is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value
Balance as of 31 January 2016	9,211,082	\$ 81.48
RSUs granted	6,995,121	75.71
RSUs vested	(3,941,895)	80.65
RSUs forfeited	(761,587)	78.59
Balance as of 31 January 2017	11,502,721	\$ 78.45

The weighted-average grant-date fair value of RSUs granted during fiscal 2017, 2016 and 2015 was \$75.71, \$85.29 and \$81.65, respectively. The total fair value of RSUs vested as of the vesting dates during fiscal 2017, 2016 and 2015 was \$303 million, \$162 million and \$90 million, respectively.

As of 31 January 2017, there was a total of \$762 million in unrecognized compensation cost related to unvested RSUs, which is expected to be recognized over a weighted-average period of approximately 2.7 years.

5.5 Performance-based Restricted Stock Units

During the first quarter of fiscal 2017, 0.1 million shares of performance-based restricted stock units ("PRSUs") were granted to the Chairman of the Board, CEO and certain of Workday's executive management. These PRSU awards included performance conditions and service conditions, and would have generally vested over four years if the performance conditions were achieved for fiscal 2017. As of 31 January 2017, these performance conditions were not met. As a result, no compensation expense was recognized.

Additionally, during fiscal 2017, 0.3 million shares of PRSUs were granted to all employees other than executive management and included performance conditions related to company-wide goals and service conditions. These performance conditions were met and the PRSUs vested on 15 March 2017. As of 31 January 2017, there was a total of \$6 million in unrecognized compensation cost related to these PRSUs, which will be recognized over a weighted-average period of approximately 0.1 years.

CAPITALIZATION AND INDEBTEDNESS

1. Working Capital

In Workday's opinion, the working capital of the Company is sufficient for its present requirements, that is for a period of twelve months from the date of this Prospectus.

2. Capitalization and Indebtedness

The following table shows the capitalization and indebtedness of Workday as of 31 January 2017 in thousands of US\$:

Capitalization and Indebtedness as of 31 January 2017

Total Current Debt	-
- Guaranteed	-
- Secured	-
- Unguaranteed / Unsecured	-
Total Non-Current Debt (excluding current portion of long-term debt)	\$ 534,423
- Guaranteed	-
- Secured	-
- Unguaranteed / Unsecured (convertible senior notes)	\$ 534,423
Stockholders' equity	
a. Share Capital (and additional paid-in capital)	\$ 2,681,402
b. Legal Reserve	-
c. Other Reserves	\$ (1,518,496)
- Accumulated other comprehensive income	\$ 2,071
- Accumulated Deficit	\$ (1,520,567)
Total stockholders' equity	\$ 1,162,906

Net Indebtedness as of 31 January 2017

A. Cash	\$ 258,760
B. Cash equivalents (Detail)	\$ 281,163
C. Trading securities	\$ 1,456,822
D. Liquidity (A) + (B) + (C)	\$ 1,996,745
E. Current Financial Receivable	-
F. Current Bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current Financial Debt (F) + (G) + (H)	-
J. Net Current Financial Indebtedness (I) – (E) – (D)	\$ (1,996,745)
K. Non-current Bank loans	-
L. Bonds Issued (convertible senior notes)	\$ 534,423
M. Other non-current loans	-
N. Non-current Financial Indebtedness (K) + (L) + (M)	\$ 534,423
O. Net Financial Indebtedness (J) + (N)	\$ (1,462,322)

Commitments and Contingencies

Facility and Computing Infrastructure-related Commitments

We have entered into non-cancelable agreements for certain of our offices and data centers with various expiration dates. Certain of our office leases are with an affiliate of our Chairman, Mr. Duffield, who is also a significant stockholder (see "Real Estate Leases" under section 3. "Conflicts of Interest and Related Party Transactions" above). Our operating lease agreements generally provide for rental payments on a graduated basis and for options to renew, which could increase future minimum lease payments if exercised. This includes payments for office and data center square footage, as well as data center power capacity for certain data centers. We generally recognize these expenses on a straight-line basis over the period in which we benefit from the lease and we have accrued for rent expense incurred but not paid. Total rent expense was \$72 million, \$46 million and \$30 million for fiscal 2017, 2016 and 2015, respectively.

In January 2014, we entered into a 95-year lease for a 6.9-acre parcel of vacant land in Pleasanton, California, under which we paid \$2 million for base rent from commencement through December 31, 2020. Annual rent payments of \$0.2 million plus increases based on increases in the consumer price index begin on January 1, 2021 and continue through the end of the lease.

Additionally, we have entered into a non-cancelable agreement with a computing infrastructure vendor that expires on October, 31, 2024.

As of 31 January 2017, the future minimum payments by year for our non-cancelable leases and computing infrastructure platforms are as follows (in thousands):

	Operating Leases, not including Related Party	Operating Leases with Related Party	Computing Infrastructure Platforms
2018	\$ 42,686	\$ 8,489	\$ 6,000
2019	29,048	9,467	7,000
2020	23,100	9,661	10,000
2021	18,060	9,856	11,000
2022	10,611	10,050	14,000
Thereafter	31,683	24,711	49,500
	<u>\$ 155,188</u>	<u>\$ 72,234</u>	<u>\$ 97,500</u>

Legal Matters

Workday is a party to various legal proceedings and claims which arise in the ordinary course of business. Workday makes a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter. In our opinion, as of 31 January 2017, there was not at least a reasonable possibility that Workday had incurred a material loss, or a material loss in excess of a recorded accrual, with respect to such loss contingencies.

For information concerning litigation, arbitration and disputes in respect of Workday, please refer to paragraph 6. entitled "*Litigation, Arbitration and Disputes*" in the section entitled General Information.

GOAL OF THE PLANS, EXPENSES AND USE OF PROCEEDS

1. Overview of the ESPP

Under the ESPP, eligible employees are granted options to purchase shares during the Offering Period at the lower of eighty-five percent (85%) of the fair market value of the Class A Shares on the first day of the Offering Period or eighty-five percent (85%) of the fair market value of the Class A Shares on the last day of the Offering Period. For this purpose, fair market value is the closing price of a Class A Share on the NYSE on the applicable date. Options to purchase shares are granted twice yearly during Offering Periods determined by the Board or the Committee. As currently implemented, the Offering Periods start on or about 16 June and 16 December and are exercisable on or about the succeeding 15 December and 15 June, respectively, of each year. For fiscal 2017, 0.7 million Class A Shares were purchased under the ESPP at a weighted-average price of \$63.09 per Class A Share, resulting in cash proceeds of \$44 million.

Pursuant to the terms of the ESPP, as of 31 January 2017, approximately 6 million Class A Shares were available for issuance under the ESPP.

2. Reasons for the ESPP

Shares offered under the ESPP are intended to provide eligible employees of Workday and Participating Corporations with a means of acquiring an equity interest in Workday through payroll deductions, to enhance such employees' sense of participation in the affairs of Workday and Participating Corporations.

The ESPP is not intended to raise capital in the market.

3. Number of Shares Offered under the ESPP

Pursuant to the terms of the ESPP, as of 31 January 2017, approximately 6 million Class A Shares were available for issuance under the ESPP.

4. Net Proceeds

Assuming that each of the 899 eligible employees in Ireland and the United Kingdom would purchase the maximum number of shares in the two Offering Periods under the ESPP offered pursuant to this prospectus, that is, a total of 574 Class A Shares each with contributions of US\$42,388.752 each (based on a hypothetical purchase price of US\$73.848, which is 85% of US\$86.88, which was the actual closing price of the shares on 24 April 2017, and based on the employees not having otherwise exceeded the ESPP limitations for each of the Offering Periods), then the gross proceeds to the Company in connection with the offering of the ESPP pursuant to this Prospectus would be US\$38,107,488.048. After deducting legal expenses in connection with the offer, the net proceeds would be approximately US\$38,007,488.048.

5. Total Expenses

The expenses of administering the ESPP are borne by the Company. The Company estimates that the annual costs associated with administering the ESPP will be approximately \$100,000.

6. Use of Proceeds

Any proceeds received from the ESPP shall be used for general corporate purposes of the Company.

7. Maximum Dilution

Issuance of the Class A Shares pursuant to this Prospectus (that is, issuance of 516,026 Class A Shares) would result in the holders of Class A Shares being diluted by 0.997% (assuming that all 899 eligible employees in Ireland and the United Kingdom fully subscribe and that the shares are purchased at US\$73.848 (which is 85% of US\$86.88, which was the actual closing price of the shares on 24 April 2017)).

On the same basis, an eligible employee (who is already a shareholder) who does not purchase any Shares under the Plan will also be diluted by 0.997%

DETAILS OF THE ESPP

Class A Shares may be offered under the ESPP to employees of Workday or employees of a Participating Corporation. As of 31 January 2017, approximately 6 million Class A Shares were available for issuance under the ESPP. If the number of outstanding shares of Workday is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of Workday, without consideration, then the number and class of shares that may be delivered under the ESPP, the purchase price per share, the number of shares covered by each option under the ESPP which has not yet been exercised, will be adjusted appropriately.

1. OFFER OF SHARES UNDER THE ESPP

1.1. Purpose of the Offer Made under the ESPP

Workday's ESPP is created for the purpose of providing eligible employees of Workday and Participating Corporations with a means of acquiring an equity interest in Workday through payroll deductions, to enhance such employees' sense of participation in the affairs of Workday and Participating Corporations.

1.2. Authorization of the Offer Made under the ESPP

Class A Shares offered under the ESPP will be issued in accordance with the resolutions adopted by the Board on 28 August 2012, 28 March 2014, 24 March 2015, 15 November 2015 and 22 March 2016, and approved by the shareholders on 17 September 2012. The Class A Shares will, upon their issuance be, listed and admitted to trading on the NYSE.

1.3. Administration of the Offer Made under the ESPP and the Committee

The ESPP is administered by the Committee. The Committee may delegate its authority and responsibility for the ESPP administration to a committee or an officer or group of officers, as it deems advisable. The interpretation and construction by the Committee, or its delegate, of any provision of the ESPP shall be final and binding on all parties. The Committee, or its delegate, may adopt, from time to time, such rules and regulations, as it deems appropriate for carrying out the ESPP. No member of the Board or the Committee, or its delegate, shall be liable for any action or determination made in good faith with respect to the ESPP.

1.4. Participation by Eligible Employees

Any employee of Workday or a Participating Corporation is eligible to participate in an Offering Period under this ESPP except the following (other than where prohibited by applicable law):

- (a) employees who are not employed by Workday or a Participating Corporation at least one U.S. business day prior to the beginning of such Offering Period or prior to such other time period as specified by the Committee or its delegate(s);
- (b) employees who are customarily employed for twenty (20) or less hours per week, except as are required by law to be eligible to participate;
- (c) employees who are customarily employed for five (5) months or less in a calendar year;
- (d) employees who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the Code, own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of Workday or any of its Participating Corporations or who, as a result of being granted an option under this ESPP with respect to such Offering Period, would own stock or hold options to purchase stock possessing five percent (5%) or more of the total

combined voting power or value of all classes of stock of Workday or any of its Participating Corporations;

- (e) employees who do not meet any other eligibility requirements that the Committee may choose to impose (within the limits permitted by the Code); and
- (f) individuals who provide services to Workday or any of its Participating Corporations as independent contractors who are reclassified as common law employees for any reason except for federal income and employment tax purposes.

The foregoing notwithstanding, an individual will not be eligible if his or her participation in the ESPP is prohibited by the law of any country that has jurisdiction over him or her or if he or she is subject to a collective bargaining agreement that does not provide for participation in the ESPP.

An eligible employee may elect to become an ESPP Participant by submitting the Enrollment Form prior to the commencement of the Offering Period to which such form relates in accordance with such rules as Workday may determine. Once an employee becomes an ESPP Participant in an Offering Period, then such ESPP Participant will automatically participate in the Offering Period commencing immediately following the last day of such prior Offering Period at the same contribution level as was in effect in the prior Offering Period unless the ESPP Participant withdraws or is deemed to withdraw from this ESPP or terminates further participation in the Offering Period. An ESPP Participant that is automatically enrolled in a subsequent Offering Period pursuant to this section is not required to file any additional Enrollment Form in order to continue participation in this ESPP.

1.5. Shares to be Purchased

As of 31 January 2017, approximately 6 million Class A Shares were available for issuance under the ESPP (subject to adjustment in the event of share splits, share dividends, recapitalization, or similar adjustment in the shares).

The CUSIP code of the Class A Shares offered under the ESPP is 98138H101. The ISIN is US98138H1014.

Under the ESPP, eligible employees are granted options to purchase Class A Shares during the Offering Period at the lower of eighty-five (85%) of the fair market value of the Class A Shares on the Offering Date or eighty-five percent (85%) of the fair market value of the Class A Shares on the Purchase Date. For this purpose, fair market value is the closing price of a Class A Share on the applicable date. Options to purchase shares are granted twice yearly during Offering Periods determined by the Board or the Committee. As currently implemented, the Offering Periods start on or about 16 June and 16 December and are exercisable on or about the succeeding 15 December and 15 June, respectively, of each year.

For fiscal 2017, 0.7 million Class A Shares were purchased under the ESPP at a weighted-average price of \$63.09 per share, resulting in cash proceeds of \$44 million.

The price of the Class A Shares purchased through the ESPP will be disclosed to ESPP Participants by either (1) ESPP Participant access to such information online through the ESPP Participant's account with the Company's designated broker for the ESPP ("**ESPP Account**"); (2) an e-mail confirmation delivered directly to the ESPP Participant, if the ESPP Participant has requested electronic delivery of such information; or (3) a monthly account statement delivered directly to the ESPP Participant by mail or, if the ESPP Participant has so requested, by e-mail.

Employees may also access their ESPP Account by logging on to the designated broker's secure web site and, once they do so, will be able to view the current fair market value of the Class A Shares. An employee may also locate the current fair market value of the Class A Shares on the Wall Street Journal web site, which is at www.wsj.com, by entering the Company's ticker

"WDAY" and clicking on the "Search" link or, if the employee is not aware of the Company's ticker symbol by clicking on "Symbol Lookup" tab and typing in Workday's name.

The information provided in the above paragraph might change in the future and, in that event, the Company will inform its employees in such manner as the Company considers appropriate which may include communication by e-mail, the Company's intranet, internal notice or by mail.

1.6. Payroll Deductions

- a) The aggregate purchase price of the Class A Shares purchased under the ESPP is accumulated by regular payroll deductions made during each Offering Period, unless Workday determines that contributions may be made in another form (including payment by check at the end of an Offering Period). The deductions are made as a percentage of the Participant's Compensation in one percent (1%) increments not less than one percent (1%), nor greater than fifteen percent (15%) or such lower limit set by the Board or Committee.
- b) An ESPP Participant may reduce his or her payroll deduction percentage to zero during an Offering Period by filing with Workday a request for withdrawal from participation at least fifteen (15) days before the applicable Purchase Date, and after such withdrawal becomes effective no further payroll deductions will be made for the duration of the Offering Period. Payroll deductions accumulated on behalf of the Participant but not yet used to purchase shares prior to the effective date of the request will be refunded to the ESPP Participant. A reduction of the payroll deduction percentage to zero will be treated as such ESPP Participant's withdrawal from such Offering Period and the Plan, effective as of the day following the filing date of such request with Workday.
- c) All payroll deductions made for an ESPP Participant will be deposited with the general funds of Workday and may be used by Workday for any corporate purpose, except as otherwise required due to local legal restrictions outside the United States. No interest accrues on the payroll deductions (except to the extent required due to local legal requirements outside the United States).
- d) On each Purchase Date, so long as the ESPP remains in effect and provided that the ESPP Participant has not withdrawn from participation in the Offering Period at least fifteen (15) days before such Purchase Date, Workday will apply the funds accumulated on behalf of the Participant to the purchase of whole Class A Shares reserved under the option granted to such ESPP Participant with respect to the Offering Period to the extent that such option is exercisable on the Purchase Date. Any amount accumulated on behalf of an ESPP Participant on a Purchase Date which is less than the amount necessary to purchase a full Class A Share will be carried forward into the next Offering Period (except to the extent required due to local legal requirements outside the United States), unless otherwise determined by Workday. No Class A Shares will be purchased on a Purchase Date on behalf of any employee who has ceased to provide services to either Workday or a Participating Corporation prior to such Purchase Date. In the event that the ESPP has been oversubscribed, all funds accumulated on behalf of an ESPP Participant that are not used to purchase Class A Shares on the Purchase Date will be returned to the ESPP Participant, without interest (except to the extent required due to local legal requirements outside the United States).

In the event an ESPP Participant's interest in the ESPP is terminated by withdrawal, termination of employment or otherwise, or in the event this ESPP is terminated by the Board or Committee, Workday will deliver to the ESPP Participant all accumulated payroll deductions accumulated on behalf of such ESPP Participant which were not previously used to purchase Class A Shares. No interest will accrue on the payroll deductions of an ESPP Participant (except to the extent required due to local legal requirements outside the United States).

1.7. Grant of an Option on Enrollment

Becoming an ESPP Participant with respect to an Offering Period will constitute the grant (as of the Offering Date) by Workday to such ESPP Participant of an option to purchase on the Purchase Date up to that number of Class A Shares determined by a fraction, the numerator of which is the amount of the applicable contribution level for such ESPP Participant multiplied by such ESPP Participant's Compensation during such Offering Period and the denominator of which is the lower of (i) eighty-five percent (85%) of the fair market value of a Class A Share on the Offering Date (but in no event less than the par value of a Class A Share), or (ii) eighty-five percent (85%) of the fair market value of a Class A Share on the Purchase Date (but in no event less than the par value of a Class A Share), and provided, further, that the number of Class A Shares subject to any option granted pursuant to the ESPP will not exceed the lesser of (x) the maximum number of Class A Shares provided under the ESPP, as may be changed by the Board or Committee with respect to the applicable Purchase Date or (y) the maximum number of Class A Shares which may be purchased as provided for under the ESPP with respect to the applicable Purchase Date.

1.8. Limitation on Shares to be Purchased

- a) No ESPP Participant will be entitled to purchase Class A Shares under any Offering Period at a rate which, when aggregated with such ESPP Participant's rights to purchase stock that are also outstanding in the same calendar year(s) under other Offering Periods or other employee stock purchase plans of Workday, its parent and its subsidiaries exceeds the Maximum Dollar Amount, or such lower amount as is determined by the Board or the Committee. Workday may automatically suspend the payroll deductions of any ESPP Participant as necessary to enforce such limit; provided that when Workday automatically resumes such payroll deductions, Workday must apply the rate in effect immediately prior to such suspension.
- b) The Board or Committee may, in its sole discretion, set a lower Maximum Share Limit for subsequent Offering Periods; provided, however, in no event will an ESPP Participant be permitted to purchase more than ten thousand (10,000) Class A Shares during any one Purchase Period, irrespective of the limits set forth in (a) and (b) hereof.
- c) The initial Maximum Share Limit is 1,500 Class A Shares during any one Purchase Period. If a new Maximum Share Limit is set, then all ESPP Participants will be notified of such Maximum Share Limit prior to the commencement of the next Offering Period for which it is to be effective. The Maximum Share Limit will continue to apply with respect to all succeeding Offering Periods unless revised by the Board or Committee as set forth above.
- d) If the number of Class A Shares to be purchased on a Purchase Date by all ESPP Participants exceeds the number of Class A Shares then available for issuance under this ESPP, then Workday will make a pro rata allocation of the remaining Class A Shares in as uniform a manner as will be reasonably practicable and as Workday determines to be equitable. In such event, Workday will give written notice of such reduction of the number of Class A Shares to be purchased under an ESPP Participant's option to each ESPP Participant affected.
- e) Any payroll deductions accumulated on behalf of an ESPP Participant which are not used to purchase Class A Shares due to these limitations, will be returned to the ESPP Participant as soon as practicable after the end of the applicable Purchase Period, without interest (except to the extent required due to local legal requirements outside the United States).

1.9. Authorization for Entering the ESPP

An eligible employee may enter the ESPP by enrolling in the ESPP and specifying his/her contribution amount in the manner authorized by the Company. Such authorization will take effect as of the next practicable payroll period. Unless an ESPP Participant authorizes changes to his/her payroll deductions in accordance with section 1.6 or withdraws from the ESPP, his/her deductions under the latest Enrollment Form on file with the Company shall continue from one pay period to the succeeding pay period until (a) the ESPP Participant withdraws from the ESPP in accordance with paragraph 1.10, (b) there is a termination of rights as described in 1.13 or (c) the ESPP terminates as described in 1.14.

1.10. Withdrawal from the ESPP

An ESPP Participant may withdraw from an Offering Period under the ESPP pursuant to a method specified by Workday. Such withdrawal may be elected at any time prior to the last fifteen (15) days of an Offering Period, or such other time period as specified by Workday. Upon withdrawal from the ESPP, the accumulated payroll deductions will be returned to the withdrawn ESPP Participant, without interest, and his or her interest in the ESPP will terminate. In the event an ESPP Participant voluntarily elects to withdraw from the ESPP, he or she may not resume his or her participation in the ESPP during the same Offering Period, but he or she may participate in any Offering Period under the ESPP which commences on a date subsequent to such withdrawal by re-enrolling in the ESPP (assuming he or she meets the eligibility requirements for the ESPP at such time). Additionally, in the event of Workday issuing a supplement to this Prospectus as required by article 16 of Directive 2003/71/EC and regulation 51 of the 2005 Regulations, investors who have already agreed to subscribe for the securities before the supplement is published shall have the right to withdraw their acceptances in accordance with article 16 of Directive 2003/71/EC and regulation 52 of the 2005 Regulations.

1.11. Sale of Shares Purchased under the ESPP

ESPP Participants may sell or transfer the Class A Shares allocated to their ESPP Accounts at any time subject to any requirements imposed by Workday to the extent that Workday determines it is necessary or advisable for legal or administrative reasons and any applicable law.

1.12. No Transfer or Assignment

An ESPP Participant's right to purchase Class A Shares under the ESPP through payroll deduction is his/hers alone and may not be transferred or assigned to, or availed of, by any other person.

1.13. Termination of Employee Rights

If an ESPP Participant ceases to provide services to Workday or a Participating Corporation for any reason, including retirement, death, disability, or the failure of an ESPP Participant to remain an eligible employee of Workday or of a Participating Corporation, his or her participation in the ESPP will terminate as of the date of such cessation of service. In such event, accumulated payroll deductions credited to the ESPP Participant will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest (except to the extent required due to local legal requirements outside the United States). An employee will not be deemed to have ceased to provide services or failed to remain in the continuous employ of Workday or of a Participating Corporation in the case of sick leave, military leave, or any other leave of absence approved by Workday, provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or statute. Workday will have sole discretion to determine whether an ESPP Participant has terminated employment and the effective date on which the ESPP Participant terminated employment, regardless of any notice period or garden leave required under local employment law.

1.14. Termination and Amendment of the ESPP

The ESPP or any part thereof may be amended, suspended or terminated at any time by the Board or the Committee, in its sole discretion, at any time and for any reason. If the ESPP is terminated, the Board or the Committee, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of Class A Shares on the next Purchase Date (which may be sooner than originally scheduled, if determined by the Board or the Committee in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms. If an Offering Period is terminated prior to its previously-scheduled expiration, all amounts then credited to Participants' accounts for such Offering Period which have not been used to purchase Class A Shares will be returned to those ESPP Participants (without interest thereon, except as otherwise required under local laws) as soon as administratively practicable. Further, Workday will be entitled to change the Offering Periods, establish purchase periods within the Offering Periods, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by an ESPP Participant in order to adjust for delays or mistakes in the administration of the ESPP, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Class A Shares for each ESPP Participant properly correspond with amounts withheld from the ESPP Participant's base salary or regular hourly wages, and establish such other limitations or procedures as Workday determines in its sole discretion advisable which are consistent with the ESPP. Such actions will not require stockholder approval or the consent of any ESPP Participants. However, no amendment will be made without approval of the stockholders of Workday within twelve (12) months of the adoption of such amendment (or earlier if required) if such amendment would: (a) increase the number of shares that may be issued under the ESPP; or (b) change the designation of the employees (or class of employees) eligible for participation in the ESPP. In addition, in the event the Board or Committee determines that the ongoing operation of the ESPP may result in unfavourable financial accounting consequences, the Board or Committee may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the ESPP to reduce or eliminate such accounting consequences including, but not limited to: (i) amending the definition of Compensation, including with respect to an Offering Period underway at the time; (ii) altering the purchase price for any Offering Period including an Offering Period underway at the time of the change in purchase price; (iii) shortening any Offering Period by setting a Purchase Date, including an Offering Period underway at the time of the Board or Committee action; (iv) reducing the maximum percentage of Compensation an ESPP Participant may elect to set aside as payroll deductions; and (v) reducing the Maximum Share Limit. Such modifications or amendments will not require approval of the stockholders of Workday or the consent of any ESPP Participants.

ADDITIONAL INFORMATION

1. Trends

The overall market for enterprise application software is rapidly evolving, highly competitive, and subject to changing technology, shifting customer needs and frequent introductions of new applications.

Organizations today operate in environments that are highly complex and changing at an increasing rate. Managers and employees must quickly synthesize vast amounts of information and react to rapid changes in global business and regulatory environments. To be successful, they need highly functional and flexible software that enables informed decision-making about the enterprise-wide allocation of their resources. Additionally, managers and employees expect to interact with enterprise systems in an open, intuitive and collaborative way, including real-time access through a wide range of mobile and computing devices. Workday believes that legacy, on-premise systems make those interactions difficult, as their user interfaces are not intuitive and were not originally designed for mobility.

Since Workday is delivered in the cloud, organizations can embrace change in their operating environments with support for new regulatory requirements, increased performance and enhancement of the user experience that Workday delivers through its rapid innovation cycle of frequent functionality-rich feature releases. Workday delivers innovation regularly, with major feature releases delivered two times per year as part of its customers' subscription agreement. When the new feature releases are delivered, the prior version is fully replaced. As a result, all Workday customers are on the same version at all times. Feature releases are not subject to an additional fee. Workday customers benefit from the most current technologies without the burden of large upgrade costs typically associated with traditional on-premise software.

Workday delivers its cloud applications using an innovative technology foundation that leverages the most recent advances in cloud computing and data management and allows the Company to deliver applications that are highly functional, flexible and fast. Workday's use of a multi-tenant architecture in which customers are on the same version of its software enables innovations to be deployed quickly. In addition, Workday uses objects to represent real-world entities such as employees, benefits, budgets, charts of accounts and organizations, combining business logic and data in one place and creating actionable analytics that are part of its core transactional systems of record. Workday's use of in memory data management allows rapid and efficient delivery of embedded business intelligence. Workday leverages advanced data science and machine learning in its applications to help customers make smarter financial and workforce decisions. Workday also provides open, standards-based web-services application programming interfaces and pre-built packaged integrations and connectors. This approach substantially reduces the need for its customers to buy and support a broad range of information technology infrastructure, significantly reducing costs and complexity.

2. Exchange Controls

At this time, there are no exchange controls issues triggered by Class A Shares offered under the ESPP. If Class A Shares offered under the ESPP trigger exchange control issues at any time in the future, the Company will implement appropriate procedures, to ensure compliance with applicable exchange controls.

3. Taxation

For information on the tax treatment of Class A Shares offered under the ESPP see Annex I. To the extent required by applicable federal, state, local or foreign law, an ESPP Participant will make arrangements satisfactory to Workday for the satisfaction of any withholding tax obligations that arise in connection with the ESPP. Workday will not be required to issue any Class A Shares under the ESPP until such obligations are satisfied.

4. Dividends

Distributions of dividends that have not been claimed by shareholders within twelve years may lapse in favor of Workday.

Workday has never declared or paid cash dividends on its capital stock. Workday currently intends to retain any future earnings for use in the operation of its business and does not intend to declare or pay any cash dividends in the foreseeable future. Any further determination to pay dividends on its capital stock will be at the discretion of the Board, subject to applicable laws, and will depend on its financial condition, results of operations, capital requirements, general business conditions and other factors that the Board considers relevant.

GENERAL INFORMATION

1. Documents Available

Hard copies of the following documents may be inspected during usual business hours on any business day from the date of the Prospectus and for the remainder of the life of the Prospectus at Kings Building, 152-155 Church Street, Dublin 7, Ireland:

- (a) Prospectus;
- (b) Articles and Bylaws of Workday;
- (c) 2015 Annual Report;
- (d) 2016 Annual Report;
- (e) 2017 Annual Report;
- (f) 2017 AGM Proxy Statement; and
- (g) ESPP Document.

The Prospectus is available to the public on the web site of the Central Bank at www.centralbank.ie.

Workday files its annual report, quarterly reports and other documents with the SEC. These SEC filings are available to the public on the SEC's web site at www.sec.gov or on Workday's web site at www.workday.com from the date of filing. Workday makes periodic reports and amendments available, free of charge, as soon as reasonably practicable after Workday files or furnishes these reports to the SEC.

Workday has adopted a code of ethics, Workday's Code of Conduct, which applies to all employees, including its principal executive officer, its principal financial officer, and all other executive officers. The Code of Conduct is available on Workday's website at www.workday.com/codeofconduct. A copy may also be obtained without charge by contacting Workday's Investor Relations, by writing to Workday, Inc., 6230 Stoneridge Mall Road, Pleasanton, California 94588, U.S.A., or via email at ir@workday.com or by calling +1 (925) 209-7680.

Workday's transfer agent, American Stock Transfer & Trust Co., can help you with a variety of shareholder-related services, including change of address, lost stock certificates, transfer of stock to another person and other administrative services. You can write to Workday's transfer agent at: Workday Shareholder Services c/o American Stock Transfer, 6201 15th Avenue, Brooklyn, NY 11219, U.S.A., email: info@amstock.com, or telephone: +1 888-432-7410 or +1 718-921-8124.

2. Electronic Communications

By participating in the ESPP each ESPP Participant agrees that the Company is authorized to send, convey or supply all types of notices, documents or information in connection with the ESPP by means of electronic equipment for the processing (including digital compression), storage and transmission of data, employing wires, radio, optical technologies or any other electromagnetic means, including by making such notices, documents or information available on Workday's intranet and/or web site at www.workday.com.

3. Mandatory Takeover Bid and Squeeze-Out/Sell-Out Rules

The Company's status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders.

In addition, our restated certificate of incorporation and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- any transaction that would result in a change in control of our company requires the approval of a majority of our outstanding Class B Shares voting as a separate class;

- we have a dual class common stock structure, which provides our chairman and CEO with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding Class A Shares and Class B Shares;
- our Board is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- when the outstanding Class B Shares represent less than a majority of the combined voting power of common stock:
 - certain amendments to our restated certificate of incorporation or restated bylaws will require the approval of two-thirds of the combined vote of our then-outstanding Class A Shares and Class B Shares;
 - our stockholders will only be able to take action at a meeting of stockholders and not by written consent;
 - vacancies on our Board will be able to be filled only by our Board and not by stockholders;
- only the chairman of the Board, CEO, either co-president, or a majority of the Board of the Company are authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- we will have two classes of common stock until the date that is the first to occur of (i) 11 October 2032, (ii) such time as the Class B Shares represent less than 9% of the outstanding Class A Shares and Class B Shares, (iii) nine months following the death of both Mr. Duffield and Mr. Bhusri, or (iv) the date on which the holders of a majority of the Class B Shares elect to convert all Class A Shares and Class B Shares into a single class of common stock;
- our restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established, and shares of which may be issued, without the approval of the holders of Class A Shares; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

4. Significant or Material Change

There has been no significant change in the financial or trading position of the Company since 31 January 2017 (the date to which the latest financial information of Workday was prepared).

5. Litigation, Arbitration and Disputes

From time to time, Workday is or may be involved in various legal proceedings arising from the normal course of business including matters related to alleged infringement of third-party patents and other intellectual property rights, commercial, employment and other claims. Defending such proceedings is costly and can impose a significant burden on management and employees, Workday may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained. The resolution of legal matters could prevent us from offering one or more of our products, services or features to others, could require us to change our technology or business practices, pay monetary damages or enter into short- or long-term royalty or licensing agreements, or could otherwise be material to our financial condition or cash flows, or both, or adversely affect our operating results.

Workday is not presently a party to any litigation the outcome of which it believes, if determined adversely to the Company, would individually or taken together have a material adverse effect on its business, operating results, cash flows or financial condition.

Workday (whether as defendant or otherwise) has not been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Workday is aware) or disputes, during the period covering the previous 12 months preceding the date of this document which may have, or have had in the recent past had, significant effects on Workday and/or the consolidated financial position or profitability of the Company.

6. Independent Registered Public Accounting Firm

Workday's independent registered public accounting firm, in respect of the fiscal years ended 31 January 2015, 2016 and 2017, is Ernst & Young LLP ("E&Y"), 303 Almaden Boulevard, San Jose, CA 95110, U.S.A.

E&Y is registered with the Public Company Accounting Oversight Board and subject to its rules and requirements. E&Y is also a member of the American Institute of Certified Public Accountants.

7. Incorporation and Principal Office

The Company is a Delaware corporation with registered number 4762854 and was formed under the Delaware General Corporation Law (U.S.A.).

The Company's principal offices are located at 6230 Stoneridge Mall Road Pleasanton, CA 94588, U.S.A.

8. Listing and Admission to Trading

The Class A Shares offered under this Prospectus will, upon their issuance, be listed and admitted to trading on the NYSE.

ANNEX I

APPLICABLE WITHHOLDING TAXES

The following chart is based on the tax and other laws in effect at the date of this Prospectus. Such laws are often complex and change frequently. As a result, the information contained herein may no longer be current as of a taxable event.

Please see the information on income and social tax withholding on the chart below.

Participants may have additional income or social tax obligations that are not set forth herein. Participants are strongly advised to seek appropriate professional advice as to how the tax and other laws in his/her country apply to such Participant's specific situation. Regardless of any action Workday or the Participant's employer takes with respect to any tax withholding, the ultimate liability for all taxes legally due by the Participant is the Participant's responsibility. This information below is not intended to be used, and cannot be used, for the purpose of avoiding tax penalties that may be imposed on the Participant.

Country	ESPP Income and Social Tax Withholding
Ireland	<p><i>Purchase of Shares</i></p> <p>Income tax (at a marginal rate up to 40%), Universal Social Charge ("USC") (at a marginal rate up to 8%) and employee Pay Related Social Insurance ("PRSI") (generally at a rate of 4%) will be due on the difference (or "discount") between the fair market value of the Class A Shares on the Purchase Date and the Purchase Price.</p> <p>The ESPP Participant must report the details of the purchase (on Form RTSO1) and pay income tax on the discount at the higher tax rate, as well as the USC and employee PRSI contributions, within 30 days of exercise without an assessment by the tax inspector. If the ESPP Participant is subject to income tax at the lower tax rate, he or she may apply to pay tax at the lower rate. However, if the ESPP Participant does not receive permission to pay tax at the lower rate within 30 days of the Purchase Date, he or she must pay tax at the higher rate and seek a refund on any overpayment. The USC rate will depend on the ESPP Participant's annual income level, and employee PRSI contributions will apply at a flat rate.</p> <p>The employer will not withhold income tax, USC, or employee PRSI contributions when Class A Shares are purchased for the Participant under the ESPP. However, the employer will report the grant of the option under the ESPP and the purchase of Class A Shares to the Irish Revenue Commissioners by 31 March following the end of the tax year(s) in which the grant and the purchase occurred, respectively.</p> <p><i>Sale of Shares</i></p> <p>When the ESPP Participant sells his or her Shares, he or she will be subject to capital gains tax (if there is a gain). The gain will be calculated as the gross sales proceeds less the cost basis of the Shares (which will be the sum of (i) the amount paid for the Shares when they are purchased and (ii) any amount on which income tax is paid; in most cases this will be the same as the fair market value of the Shares on the Purchase Date) and will be taxed at a flat rate of 33%, subject to an annual exemption of EUR 1,270.</p> <p>If the sales price of the Shares is lower than the cost basis of the Shares, the ESPP Participant will realize a capital loss. He or she may be able to offset his or her</p>

Country	ESPP Income and Social Tax Withholding
	<p>capital loss against any capital gains he or she realizes in the same year.</p> <p>It is the ESPP Participant's responsibility to report the gain and pay any taxes due when the ESPP Participant sells Class A Shares acquired under the ESPP.</p>
United Kingdom	<p><i>Purchase of Shares</i></p> <p>Income tax (at a marginal rate up to 45%) and employee National Insurance Contributions ("NICs") (at a rate of 12% on weekly income above £155 up to £827 and at a rate of 2% on all weekly income above £827) will be due on the difference (or "discount") between the fair market value of the Class A Shares on the Purchase Date and the Purchase Price.</p> <p>The employer will withhold the income tax and NICs due on the discount when Class A Shares are purchased for the Participant under the ESPP. The employer will also report the grant of the option under the ESPP and the purchase of Class A Shares to HMRC as part of its tax returns for the year(s) in which the grant and the purchase occurred, respectively.</p> <p><i>Sale of Shares</i></p> <p>When the ESPP Participant sells his or her Shares, he or she will be subject to capital gains tax (if there is a gain). The gain will be calculated as the gross sales proceeds less the cost basis of the Shares (which will be the fair market value of the Shares on the Purchase Date) and taxed at a flat rate of 10% or 20% (depending on the ESPP Participant's cumulative taxable income and chargeable gains for the tax year), subject to an annual exemption of £11,100.</p> <p>If the sales price of the Shares is lower than the cost basis of the Shares, the ESPP Participant will realize a capital loss. He or she may be able to offset the capital loss against capital gains in the tax year in which the sale occurs or in any subsequent tax year.</p> <p>It is the ESPP Participant's responsibility to report the gain and pay any taxes due when the ESPP Participant sells Class A Shares acquired under the ESPP.</p>

ANNEX II
TERMS AND CONDITIONS OF THE ESPP

WORKDAY, INC.
2012 EMPLOYEE STOCK PURCHASE PLAN

1. ESTABLISHMENT OF PLAN. Workday proposes to grant rights to purchase shares of Common Stock to eligible employees of Workday and its Participating Corporations (as hereinafter defined) pursuant to this Plan. Workday intends this Plan to qualify as an "employee stock purchase plan" under Section 423 of the Code (including any amendments to or replacements of such Section), and this Plan will be so construed. Any term not expressly defined in this Plan but defined for purposes of Section 423 of the Code will have the same definition herein. However, with regard to offers of options for purchase of the Common Stock under the Plan to employees outside the United States (the "U.S.") working for a Subsidiary or an affiliate of Workday that is not a Subsidiary, the Board or Committee (as defined herein) may offer a subplan or an option that is not intended to meet the Code Section 423 requirements, provided, if necessary under Code Section 423, that the other terms and conditions of the Plan are met. Subject to Section 14, a total of two million (2,000,000) shares of Common Stock is reserved for issuance under this Plan. In addition, on each March 31 for the first ten (10) calendar years after the first Offering Date, the aggregate number of shares of Common Stock reserved for issuance under the Plan will be increased automatically by the number of shares equal to the greater of (i) one percent (1%) of the aggregate number of outstanding Class A Shares and Class B Shares on the immediately preceding January 31 (rounded down to the nearest whole share), and (ii) actual Shares purchased under the Plan in the immediately preceding fiscal year; provided, that the Board or Committee may in its sole discretion reduce the amount of the increase in any particular year; and, provided further, that the aggregate number of shares issued over the term of this Plan will not exceed one hundred million (100,000,000) shares of Common Stock. The number of shares reserved for issuance under this Plan and the maximum number of shares that may be issued under this Plan will be subject to adjustments effected in accordance with Section 14 of this Plan. Capitalized terms not defined elsewhere in the text are defined in Section 26.

2. PURPOSE. The purpose of this Plan is to provide eligible employees of Workday and Participating Corporations with a means of acquiring an equity interest in Workday through payroll deductions, to enhance such employees' sense of participation in the affairs of Workday and Participating Corporations.

3. ADMINISTRATION. The Plan will be administered by the Compensation Committee of the Board (the "*Committee*"), by the Board, or by the Committee's delegate(s), as permitted by applicable law and provided herein. Subject to the provisions of this Plan and the limitations of Section 423 of the Code or any successor provision in the Code, all questions of interpretation or application of this Plan will be determined by the Committee or its delegate(s) and its decisions will be final and binding upon all Participants. The Committee or its delegate(s) will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to determine eligibility and decide upon any and all claims filed under the Plan. Every finding, decision and determination made by the Committee or its delegate(s) will, to the full extent permitted by law, be final and binding upon all parties. Notwithstanding any provision to the contrary in this Plan, Workday may adopt rules and/or procedures relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States, and in keeping with Section 1, the Committee or its delegate(s) may grant options to eligible employees working outside the United States that are not intended to meet the Code Section 423 requirements. The Board or Committee will have the authority to determine the Fair Market Value of the Common Stock (which determination will be final, binding and conclusive for all purposes) in accordance with Section 8 below and to interpret Section 8 of the Plan in connection with circumstances that impact the Fair Market Value. Members of the Committee will receive no compensation for their services in connection with the administration of this Plan, other than standard fees as established from time to time by the Board for services rendered by Board members serving on Board committees. All expenses incurred in connection with the administration of this Plan will be paid by Workday. For purposes of this Plan, the Committee may designate separate offerings under the Plan (the terms of which need not be identical) in which eligible employees of one or more Participating Corporations will participate, even if the dates of the applicable Offering Periods of each such offering are identical.

4. ELIGIBILITY. Any employee of Workday or the Participating Corporations is eligible to participate in an Offering Period under this Plan except the following (other than where prohibited by applicable law):

(a) employees who are not employed by Workday or a Participating Corporation at least one U.S. business day prior to the beginning of such Offering Period or prior to such other time period as specified by the Committee or its delegate(s);

(b) employees who are customarily employed for twenty (20) or less hours per week, except as are required by law to be eligible to participate;

(c) employees who are customarily employed for five (5) months or less in a calendar year;

(d) employees who, together with any other person whose stock would be attributed to such employee pursuant to Section 424(d) of the Code, own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of Workday or any of its Participating Corporations or who, as a result of being granted an option under this Plan with respect to such Offering Period, would own stock or hold options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of Workday or any of its Participating Corporations;

(e) employees who do not meet any other eligibility requirements that the Committee may choose to impose (within the limits permitted by the Code); and

(f) individuals who provide services to Workday or any of its Participating Corporations as independent contractors who are reclassified as common law employees for any reason except for federal income and employment tax purposes.

The foregoing notwithstanding, an individual will not be eligible if his or her participation in the Plan is prohibited by the law of any country that has jurisdiction over him or her or if he or she is subject to a collective bargaining agreement that does not provide for participation in the Plan.

5. OFFERING DATES.

(a) While the Plan is in effect, the Board or Committee may determine the duration and commencement date of each Offering Period, provided that an Offering Period will in no event be longer than twenty-seven (27) months, except as otherwise provided by an applicable subplan. Offering Periods may be consecutive or overlapping. Each Offering Period may consist of one or more Purchase Periods during which payroll deductions of Participants are accumulated under this Plan. While the Plan is in effect, the Board or Committee may determine the duration and commencement date of each Purchase Period, provided that a Purchase Period will in no event end later than the close of the Offering Period in which it begins. Purchase Periods will be consecutive.

(b) The initial Offering Period will commence and end on dates determined by the Board or Committee. Thereafter, a new six-month Offering Period will commence on each December 1 and June 1, with each such Offering Period also consisting of a single six-month Purchase Period, except as otherwise provided by an applicable subplan. The Board or Committee will have the power to change these terms as provided in Section 5(a) above and Section 24 below .

6. PARTICIPATION IN THIS PLAN.

(a) With respect to each Offering Period , an eligible employee determined in accordance with Section 4 may elect to become a Participant by submitting the prescribed enrollment form, or electronic representation thereof (an "*Enrollment Form*") prior to the commencement of the Offering Period to which such agreement relates in accordance with such rules as Workday may determine; provided that if the Board or Committee determines to commence an Offering Period on the Effective Date, each Participant will be automatically enrolled in accordance with rules as Workday may determine.

(b) Once an employee becomes a Participant in an Offering Period, then such Participant will automatically participate in the Offering Period commencing immediately following the last day of

such prior Offering Period at the same contribution level as was in effect in the prior Offering Period unless the Participant withdraws or is deemed to withdraw from this Plan or terminates further participation in the Offering Period as set forth in Section 11 below, or otherwise notifies Workday of a change in the Participant's contribution level. A Participant that is automatically enrolled in a subsequent Offering Period pursuant to this section is not required to file any additional Enrollment Form in order to continue participation in this Plan.

7. GRANT OF OPTION ON ENROLLMENT. Becoming a Participant with respect to an Offering Period will constitute the grant (as of the Offering Date) by Workday to such Participant of an option to purchase on the Purchase Date up to that number of shares of Common Stock determined by a fraction, the numerator of which is the amount of the applicable contribution level for such Participant multiplied by such Participant's Compensation (as defined in Section 9 below) during such Purchase Period and the denominator of which is the lower of (i) eighty-five percent (85%) of the Fair Market Value of a share of the Common Stock on the Offering Date (but in no event less than the par value of a share of Workday's Common Stock), or (ii) eighty-five percent (85%) of the Fair Market Value of a share of the Common Stock on the Purchase Date (but in no event less than the par value of a share of the Common Stock), and provided, further, that the number of shares of Common Stock subject to any option granted pursuant to this Plan will not exceed the lesser of (x) the maximum number of shares provided under this Plan, as may be changed by the Board or Committee pursuant to Section 10(b) below with respect to the applicable Purchase Date or (y) the maximum number of shares which may be purchased pursuant to Section 10(a) below with respect to the applicable Purchase Date.

8. PURCHASE PRICE. The purchase price per share at which a share of Common Stock will be sold to a Participant in any Offering Period will be eighty-five percent (85%) of the lesser of:

- (a) The Fair Market Value on the Offering Date; or
- (b) The Fair Market Value on the Purchase Date.

9. PAYMENT OF PURCHASE PRICE; PAYROLL DEDUCTION CHANGES; SHARE ISSUANCES.

(a) The aggregate Purchase Price of the shares purchased hereunder is accumulated by regular payroll deductions made during each Offering Period, unless Workday determines that contributions may be made in another form (including payment by check at the end of a Purchase Period). The deductions are made as a percentage of the Participant's compensation in one percent (1%) increments not less than one percent (1%), nor greater than fifteen percent (15%) or such lower limit set by the Board or Committee. "*Compensation*" will mean base salary and regular hourly wages (or in foreign jurisdictions, equivalent cash compensation), not including bonuses and incentive compensation commissions and shift differentials; however, Workday may at any time prior to the beginning of an Offering Period determine that for that and future Offering Periods, Compensation may include any W-2 cash compensation, including without limitation base salary or regular hourly wages, bonuses, incentive compensation, commissions, overtime, shift premiums, plus draws against commissions (or in foreign jurisdictions, equivalent cash compensation). For purposes of determining a Participant's Compensation, any election by such Participant to reduce his or her regular cash remuneration under Sections 125 or 401(k) of the Code (or in foreign jurisdictions, equivalent salary deductions) will be treated as if the Participant did not make such election. Payroll deductions will commence on the first payday following the last Purchase Date or as otherwise determined by rules established by Workday and will continue to the end of the Offering Period unless sooner altered or terminated as provided in this Plan. Notwithstanding the foregoing, the terms of any subplan may permit matching shares without the payment of any purchase price.

(b) Subject to Section 24 below and to the rules of the Plan, a Participant may make changes in the rate of payroll deductions once during each Offering Period and Purchase Period by filing with Workday a new authorization for payroll deductions, which change will be effective on a prospective basis as soon as administratively practicable following the date of receipt of the new authorization by Workday.

(c) Subject to Section 24 below and to the rules of the Plan, a Participant may reduce his or her payroll deduction percentage to zero during an Offering Period by filing with Workday a request for withdrawal from participation at least fifteen (15) days before the applicable Purchase Date, and after such withdrawal becomes effective no further payroll deductions will be made for the duration of the Offering Period. Payroll deductions accumulated on behalf of the Participant but not yet used to purchase shares prior to the effective date of the request will be refunded to the Participant. A reduction of the payroll deduction percentage to zero will be treated as such Participant's withdrawal from such Offering Period and the Plan, effective as of the day following the filing date of such request with Workday.

(d) All payroll deductions made for a Participant will be deposited with the general funds of Workday, except to the extent required to be segregated due to local legal restrictions outside the United States. No interest accrues on the payroll deductions. All payroll deductions received or held by Workday may be used by Workday for any corporate purpose.

(e) On each Purchase Date, so long as this Plan remains in effect and provided that the Participant has not withdrawn from participation in the Offering Period at least fifteen (15) days before such Purchase Date, Workday will apply the funds accumulated on behalf of the Participant to the purchase of whole shares of Common Stock reserved under the option granted to such Participant with respect to the Offering Period to the extent that such option is exercisable on the Purchase Date. The Purchase Price per share will be as specified in Section 8 of this Plan. Any amount accumulated on behalf of a Participant on a Purchase Date which is less than the amount necessary to purchase a full share of Common Stock will be carried forward into the next Purchase Period or Offering Period, as the case may be (except to the extent required due to local legal requirements outside the United States), unless otherwise determined by Workday. No Common Stock will be purchased on a Purchase Date on behalf of any employee who has ceased to provide services to either Workday or a Participating Corporation prior to such Purchase Date. In the event that this Plan has been oversubscribed, all funds accumulated on behalf of a Participant that are not used to purchase shares on the Purchase Date will be returned to the Participant, without interest (except to the extent required due to local legal requirements outside the United States).

(f) As promptly as practicable after the Purchase Date, Workday will issue shares for the Participant's benefit representing the shares purchased upon exercise of his or her option.

(g) During a Participant's lifetime, his or her option to purchase shares hereunder is exercisable only by him or her. The Participant will have no interest or voting right in shares covered by his or her option until such option has been exercised.

(h) To the extent required by applicable federal, state, local or foreign law, a Participant will make arrangements satisfactory to Workday for the satisfaction of any withholding tax obligations that arise in connection with the Plan. Workday will not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

10. LIMITATIONS ON SHARES TO BE PURCHASED.

(a) No Participant will be entitled to purchase stock under any Offering Period at a rate which, when aggregated with such Participant's rights to purchase stock that are also outstanding in the same calendar year(s) under other Offering Periods or other employee stock purchase plans of Workday, its Parent and its Subsidiaries exceeds \$25,000 in Fair Market Value, determined as of the Offering Date (or such other limit as may be imposed by the Code) for each calendar year in which such Offering Period is in effect (hereinafter the "*Maximum Dollar Amount*"), or such lower amount as is determined by the Board or the Committee. Workday may automatically suspend the payroll deductions of any Participant as necessary to enforce such limit; provided that when Workday automatically resumes such payroll deductions, Workday must apply the rate in effect immediately prior to such suspension.

(b) The Board or Committee may, in its sole discretion, set a lower maximum number of shares which may be purchased by any Participant during any Offering Period than that determined under Section 10(a) above, which will be the "*Maximum Share Limit*" for subsequent Offering Periods; provided, however, in no event will a Participant be permitted to purchase more than ten thousand (10,000) Shares

during any one Purchase Period, irrespective of the limits set forth in (a) and (b) hereof. The initial Maximum Share Limit is 1,500 shares during any one Purchase Period. If a new Maximum Share Limit is set, then all Participants will be notified of such Maximum Share Limit prior to the commencement of the next Offering Period for which it is to be effective. The Maximum Share Limit will continue to apply with respect to all succeeding Offering Periods unless revised by the Board or Committee as set forth above.

(c) If the number of shares to be purchased on a Purchase Date by all Participants exceeds the number of shares then available for issuance under this Plan, then Workday will make a pro rata allocation of the remaining shares in as uniform a manner as will be reasonably practicable and as Workday determines to be equitable. In such event, Workday will give written notice of such reduction of the number of shares to be purchased under a Participant's option to each Participant affected.

(d) Any payroll deductions accumulated on behalf of a Participant which are not used to purchase stock due to the limitations in this Section 10, and not covered by Section 9(e), will be returned to the Participant as soon as practicable after the end of the applicable Purchase Period, without interest (except to the extent required due to local legal requirements outside the United States).

11. WITHDRAWAL.

(a) Each Participant may withdraw from an Offering Period under this Plan pursuant to a method specified by Workday. Such withdrawal may be elected at any time prior to the last fifteen (15) days of an Offering Period, or such other time period as specified by Workday.

(b) Upon withdrawal from this Plan, the accumulated payroll deductions will be returned to the withdrawn Participant, without interest, and his or her interest in this Plan will terminate. In the event a Participant voluntarily elects to withdraw from this Plan, he or she may not resume his or her participation in this Plan during the same Offering Period, but he or she may participate in any Offering Period under this Plan which commences on a date subsequent to such withdrawal by re-enrolling in this Plan.

12. TERMINATION OF EMPLOYMENT. If a Participant ceases to provide services for any reason, including retirement, death, disability, or the failure of a Participant to remain an eligible employee of Workday or of a Participating Corporation, his or her participation in this Plan will terminate as of the date of such cessation of service. In such event, accumulated payroll deductions credited to the Participant will be returned to him or her or, in the case of his or her death, to his or her legal representative, without interest (except to the extent required due to local legal requirements outside the United States). For purposes of this Section 12, an employee will not be deemed to have ceased to provide services or failed to remain in the continuous employ of Workday or of a Participating Corporation in the case of sick leave, military leave, or any other leave of absence approved by Workday; provided that such leave is for a period of not more than ninety (90) days or reemployment upon the expiration of such leave is guaranteed by contract or statute. Workday will have sole discretion to determine whether a Participant has terminated employment and the effective date on which the Participant terminated employment, regardless of any notice period or garden leave required under local employment law.

13. RETURN OF PAYROLL DEDUCTIONS. In the event a Participant's interest in this Plan is terminated by withdrawal, termination of employment or otherwise, or in the event this Plan is terminated by the Board or Committee, Workday will deliver to the Participant all accumulated payroll deductions accumulated on behalf of such Participant which were not previously used to purchase Shares. No interest will accrue on the payroll deductions of a Participant in this Plan (except to the extent required due to local legal requirements outside the United States).

14. CAPITAL CHANGES. If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of Workday, without consideration, then the number and class of Common Stock that may be delivered under the Plan, the purchase price per share, the number of shares of Common Stock covered by each option under the Plan which has not yet been exercised, and the numerical limits of Sections 1 and 10 will be proportionately adjusted, subject to any required action by the Board or the

stockholders of Workday and in compliance with applicable securities laws; provided that fractions of a Share will not be issued.

15. NON-ASSIGNABILITY. Neither payroll deductions accumulated on behalf of a Participant nor any rights with regard to the exercise of an option or to receive shares under this Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or the designation of a beneficiary pursuant to a method specified by Workday) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be void and without effect.

16. USE OF PARTICIPANT FUNDS AND REPORTS. Workday may use all payroll deductions received or held by it under the Plan for any corporate purpose, and Workday will not be required to segregate Participant payroll deductions (except to the extent required due to local legal requirements outside the United States). Until Shares are issued, Participants will only have the rights of an unsecured creditor. Each Participant will receive a report containing, or otherwise have access to, the following information promptly after the end of each Purchase Period: the total payroll deductions accumulated, the number of shares purchased, the per share price thereof and the remaining cash balance, if any, carried forward or refunded, as determined by Workday, to the next Purchase Period or Offering Period, as the case may be.

17. NOTICE OF DISPOSITION. To the extent that this information is not provided by the applicable broker, each U.S. taxpayer Participant will notify Workday in writing if the Participant disposes of any of the shares purchased in any Offering Period pursuant to this Plan if such disposition occurs within two (2) years from the Offering Date or within one (1) year from the Purchase Date on which such shares were purchased (the "*Notice Period*"). Workday may, at any time during the Notice Period, place a legend or legends on any certificate representing shares acquired pursuant to this Plan requesting Workday's transfer agent to notify Workday of any transfer of the shares. The obligation of the Participant to provide such notice will continue notwithstanding the placement of any such legend on the certificates.

18. NO RIGHTS TO CONTINUED EMPLOYMENT. Neither this Plan nor the grant of any option hereunder will confer any right on any employee to remain in the employ of Workday or any Participating Corporation, or restrict the right of Workday or any Participating Corporation to terminate such employee's employment.

19. EQUAL RIGHTS AND PRIVILEGES. All eligible employees granted an option under this Plan that is intended to meet the Code Section 423 requirements will have equal rights and privileges with respect to this Plan or within any separate offering under the Plan so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 or any successor provision of the Code and the related regulations. Any provision of this Plan which is inconsistent with Section 423 or any successor provision of the Code will, without further act or amendment by Workday, the Committee or the Board, be reformed to comply with the requirements of Section 423. This Section 19 will take precedence over all other provisions in this Plan.

20. NOTICES. All notices or other communications by a Participant to Workday under or in connection with this Plan will be deemed to have been duly given when received in the form specified by Workday at the location, or by the person, designated by Workday for the receipt thereof.

21. TERM; STOCKHOLDER APPROVAL. This Plan will become effective on the Effective Date. This Plan will be approved by the stockholders of Workday, in any manner permitted by applicable corporate law, within twelve (12) months before or after the date this Plan is adopted by the Board. No purchase of shares that are subject to such stockholder approval before becoming available under this Plan will occur prior to stockholder approval of such shares and the Board or Committee may delay any Purchase Date and postpone the commencement of any Offering Period subsequent to such Purchase Date as deemed necessary or desirable to obtain such approval (provided that if a Purchase Date would occur more than twenty-four (24) months after commencement of the Offering Period to which it relates, then such Purchase Date will not occur and instead such Offering Period will terminate without the purchase of such shares and Participants in such Offering Period will be refunded their contributions without interest). This Plan will continue until the earlier to occur of (a) termination of this Plan by the Board or the

Committee (which termination may be effected by the Board or the Committee at any time pursuant to Section 24 below), (b) issuance of all of the shares of Common Stock reserved for issuance under this Plan, or (c) the tenth anniversary of the first Purchase Date under the Plan.

22. CONDITIONS UPON ISSUANCE OF SHARES; LIMITATION ON SALE OF SHARES.

Shares will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or automated quotation system upon which the shares may then be listed, exchange control restrictions and/or securities law restrictions outside the United States, and will be further subject to the approval of counsel for Workday with respect to such compliance. Shares may be held in trust or subject to further restrictions as permitted by any subplan.

23. APPLICABLE LAW. The Plan will be governed by the substantive laws (excluding the conflict of laws rules) of the State of Delaware.

24. AMENDMENT OR TERMINATION. The Board or the Committee, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Board or the Committee, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Purchase Date (which may be sooner than originally scheduled, if determined by the Board or the Committee in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 14). If an Offering Period is terminated prior to its previously-scheduled expiration, all amounts then credited to Participants' accounts for such Offering Period which have not been used to purchase shares of Common Stock will be returned to those Participants (without interest thereon, except as otherwise required under local laws) as soon as administratively practicable. Further, Workday will be entitled to establish rules to change the Purchase Periods and Offering Periods, limit the frequency and/or number of changes in the amount withheld during a Purchase Period or an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the administration of the Plan, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's base salary or regular hourly wages, and establish such other limitations or procedures as Workday determines in its sole discretion advisable which are consistent with the Plan. Such actions will not require stockholder approval or the consent of any Participants. However, no amendment will be made without approval of the stockholders of Workday (obtained in accordance with Section 21 above) within twelve (12) months of the adoption of such amendment (or earlier if required by Section 21) if such amendment would: (a) increase the number of shares that may be issued under this Plan; or (b) change the designation of the employees (or class of employees) eligible for participation in this Plan. In addition, in the event the Board or Committee determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Board or Committee may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequences including, but not limited to: (i) amending the definition of compensation, including with respect to an Offering Period underway at the time; (ii) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price; (iii) shortening any Offering Period by setting a Purchase Date, including an Offering Period underway at the time of the Board or Committee action; (iv) reducing the maximum percentage of compensation a participant may elect to set aside as payroll deductions; and (v) reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period. Such modifications or amendments will not require approval of the stockholders of Workday or the consent of any Participants.

25. CORPORATE TRANSACTIONS. In the event of a Corporate Transaction, each outstanding right to purchase Workday Common Stock will be assumed or an equivalent option substituted by the successor corporation or a parent or a subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the purchase right, the Offering Period with respect to which such purchase right relates will be shortened by setting a new Purchase Date (the "*New Purchase Date*") and will end on the New Purchase Date. The New Purchase Date will occur on or prior to

the consummation of the Corporate Transaction, and the Plan will terminate on the consummation of the Corporate Transaction.

26. DEFINITIONS.

(a) "*Board*" means the Board of Directors of Workday.

(b) "*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(c) "*Common Stock*" means the Class A common stock of Workday.

(d) "*Corporate Transaction*" means the occurrence of any of the following events: (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of Workday representing fifty percent (50%) or more of the total voting power represented by Workday's then outstanding voting securities; (ii) the consummation of the sale or disposition by Workday of all or substantially all of Workday's assets; (iii) the consummation of a merger or consolidation of Workday with any other corporation, other than a merger or consolidation which would result in the voting securities of Workday outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of Workday or such surviving entity or its parent outstanding immediately after such merger or consolidation; or (iv) any other transaction which qualifies as a "corporate transaction" under Section 424(a) of the Code wherein the stockholders of Workday give up all of their equity interest in Workday (except for the acquisition, sale or transfer of all or substantially all of the outstanding shares of Workday).

(e) "*Effective Date*" means the date on which the Registration Statement covering the initial public offering of the shares of Common Stock is declared effective by the U.S. Securities and Exchange Commission.

(f) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

(g) "*Fair Market Value*" means, as of any date, the value of a share of Common Stock determined as follows:

(i) its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Board or Committee deems reliable; or

(ii) with respect to the initial Offering Period, Fair Market Value on the Offering Date will be the price at which shares of Common Stock are offered to the public by Workday's underwriters pursuant to the Registration Statement covering the initial public offering of shares of Common Stock; and

(iii) if none of the foregoing is applicable, by the Board or the Committee in good faith.

(h) "*IPO*" means the initial public offering of Common Stock of Workday.

(i) "*Offering Date*" means the first U.S. business day of each Offering Period. However, for the initial Offering Period the Offering Date will be the Effective Date.

(j) "*Offering Period*" means a period with respect to which the right to purchase Common Stock may be granted under the Plan, as determined by the Board or Committee pursuant to Section 5(a).

(k) "*Parent*" has the same meaning as "parent corporation" in Sections 424(e) and 424(f) of the Code.

(l) "*Participant*" means an eligible employee who meets the eligibility requirements set forth in Section 4 and who makes a contribution to the plan.

(m) "*Participating Corporation*" means any Parent or Subsidiary that the Board designates from time to time as a corporation that will participate in this Plan.

(n) "*Plan*" means this Workday, Inc. 2012 Employee Stock Purchase Plan.

(o) "*Purchase Date*" means the last U.S. business day of each Purchase Period.

(p) "*Purchase Period*" means a period during which contributions may be made toward the purchase of Common Stock under the Plan, as determined pursuant to Section 5(b).

(q) "*Purchase Price*" means the price at which Participants may purchase shares of Common Stock under the Plan, as determined pursuant to Section 8.

(r) "*Securities Act*" means the United States Securities Act of 1933, as amended.

(s) "*Shares*" means shares of Workday's Common Stock and the common stock of any successor security.

(t) "*Subsidiary*" has the same meaning as "subsidiary corporation" in Sections 424(e) and 424(f) of the Code.

(u) "*Workday*" means Workday, Inc., a Delaware corporation, or any successor corporation.

ANNEX III

DEFINITIONS

In this Prospectus, the following expressions have the following meaning unless the context otherwise requires:

"2005 Regulations" means the Prospectus (Directive 2003/71/EC) Regulations 2005 (SI No.324 of 2005) of Ireland;

"2005 Stock Plan" means the Workday, Inc. 2005 Stock Plan adopted by the Board in April 2005, and as further amended;

"2015 Annual Report" means Workday's annual report on Form 10-K for the fiscal year ending 31 January 2015;

"2016 Annual Report" means Workday's annual report on Form 10-K for the fiscal year ending 31 January 2016;

"2017 AGM Proxy Statement" means Workday's Definitive Notice and Proxy Statement filed in connection with Workday's 2017 annual general meeting of shareholders;

"2017 Annual Report" means Workday's annual report on Form 10-K for the fiscal year ending 31 January 2017;

"2018 Notes" means the \$350 million of 0.75% convertible senior notes due 15 July 2018 issued by Workday;

"2020 Notes" means the \$250 million of 1.50% convertible senior notes due 15 July 2020 issued by Workday;

"Apache License" means the free and open source software licensing agreement from the Apache Software Foundation;

"Audit Committee" means the audit committee of the Board, which, as at the date of this Prospectus, is comprised of A. George (Skip) Battle, Christa Davies, Michael M. McNamara and Lee J. Styslinger, III;

"AWS" means Amazon Web Services;

"Board" means the board of directors of Workday;

"Brexit" means the vote of the UK to leave the EU;

"Bylaws" means the bylaws of the Company, as amended and restated;

"Central Bank" means the Central Bank of Ireland;

"Certificate of Incorporation" means the certificate of incorporation of the Company, as amended and restated;

"Class A Shares" or **"Class A Common Stock"** means the Class A common stock of Workday with par value US\$0.001;

"Class B Shares" means the Class B common stock of Workday;

"Code" means the United States Internal Revenue Code of 1986 (as amended) enacted by the United States Congress in Title 26 of the United States Code (26 U.S.C.);

"Committee" means the Compensation Committee of the Board or any other person or committee having delegated authority over the administration of the ESPP;

"Compensation" means base salary and regular hourly wages (or in foreign jurisdictions, equivalent cash compensation), not including bonuses and incentive compensation commissions and shift differentials;

"Company" means Workday, Inc., a Delaware incorporated company with its registered office located at 6230 Stoneridge Mall Road Pleasanton, CA 94588, U.S.A.;

"Consolidated Financial Statements" means the Company's audited consolidated financial statements in respect of the relevant fiscal year;

"CUSIP" means Committee on Uniform Security Identification Procedures;

"Directive 2003/71/EC" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC;

"Directors" means the members of the board of directors of Workday;

"Due Date" means the date on which an ESPP Participant may be required to pay the income tax due to his or her employer under the U.K. Income Tax (Earnings and Pensions) Act 2003);

"EIP" means the 2012 Equity Incentive Plan adopted by the Board in August 2012;

"Enrollment Form" means the enrollment form submitted by eligible employees in order to become ESPP Participants;

"Ernst & Young (United States)" or **"E&Y"** means Ernst and Young LLP, 303 Almaden Boulevard, San Jose, CA 95110, U.S.A.;

"Directive 2003/71/EC" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC;

"EEA" means the European Economic Area;

"Effective Date" means the date on which the Registration Statement covering the initial public offering of the shares of Common Stock is declared effective by the U.S. Securities and Exchange Commission;

"ESPP" or **"ESPP Document"** means the Workday 2012 Employee Stock Purchase Plan dated 28 August 2012 and approved by the shareholders on 17 September 2012 and amended on 31 March 2014;

"ESPP Account" means an account relating to the ESPP held by an ESPP Participant with the Company's designated ESPP administrator;

"ESPP Participant" means a participant in the ESPP and two or more together being "ESPP Participants";

"EU" means the European Union;

"Euro", **"€"** or **"EUR"** means euro the common currency of the EU;

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended;

"FASB" means the Financial Accounting Standards Board;

"Federal Reserve Board" means the U.S. Board of Governors of the Federal Reserve System;

"Foreign Corrupt Practices Act" means the United States Foreign Corrupt Practices Act of 1977, as amended;

"GBP" or **"£"** means the lawful currency of the United Kingdom;

"GNU General Public License" means a free, copyleft license for software and other kinds of works;

"HCM" means Workday's Human Capital Management application;

"HMRC" means Her Majesty's Revenue and Customs of the United Kingdom;

"Internal Revenue Service" or **"IRS"** means the Internal Revenue Service of the United States Department of the Treasury;

"ISIN" means International Securities Identification Number;

"Latest Practicable Date" means the latest practicable date prior to the publication of this Prospectus, being 24 April 2017 (unless otherwise stated);

"Maximum Dollar Amount" means the maximum amount which an ESPP Participant will be entitled to purchase during any Offering Period;

"Maximum Share Limit" means a lower maximum number of shares than the Maximum Dollar Amount, which may be purchased by any ESPP Participant during any Offering Period, as the Board or Committee may, in its sole discretion, set;

"NICs" means National Insurance Contributions;

"Notes" means the 2018 Notes and the 2020 Notes;

"NYSE" means the New York Stock Exchange;

"Offer" means the offer of Shares in connection with the ESPP;

"Offering Date" means the first U.S. business day of each Offering Period;

"Offering Period" means a period with respect to which the right to purchase Class A common stock may be granted under the ESPP, as determined by the Board or the Committee;

"Participating Corporation" means any Parent or Subsidiary that the Board designates from time to time as a corporation that will participate in the ESPP;

"PAYE" means the Pay As You Earn system of the United Kingdom;

"Privacy Shield" means the framework for data transfers from the European Union to the United States recently agreed by the European Union and the United States;

"Prospectus" means this document which has been prepared in accordance with Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading;

"Prospectus Regulations" means the Commission Regulation EC No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards to information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements;

"PRSI" means employee Pay Related Social Insurance;

"**PRSU**" means performance-based restricted stock unit;

"**Purchase Date**" means the last U.S. business day of each Offering Period;

"**RSU**" means restricted stock unit;

"**Sarbanes-Oxley Act**" means the Sarbanes-Oxley Act of 2002 of the United States;

"**SEC**" means the United States Securities and Exchange Commission;

"**Section 404**" means Section 404 of the Sarbanes-Oxley Act;

"**Shares**" means the Class A Shares and the Class B Shares;

"**Stock Plans**" means the EIP and the 2005 Stock Plan;

"**Summary**" means the section of this Prospectus titled "Summary";

"**UK**" means the United Kingdom;

"**United States**" or "**U.S.**" or "**U.S.A.**" means the United States of America;

"**U.S.\$**", "**U.S. dollars**" or "**\$**" means United States dollars;

"**U.S. GAAP**" means the generally accepted accounting principles in the United States of America;

"**USC**" means the Universal Social Charge; and

"**Workday**" or "**We**" or "**Our**" or "**Its**" or "**Us**" (or any variation thereof) means Workday, Inc., a Delaware corporation with its registered office located at 6230 Stoneridge Mall Road Pleasanton, CA 94588, U.S.A.

ISSUER

Workday, Inc.
6230 Stoneridge Mall Road
Pleasanton, CA 94588,
U.S.A.

PAYING AND DEPOSITARY AGENT

American Stock Transfer and Trust Company
6201 15th Avenue
Brooklyn, NY 11219
U.S.A.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP (United States)
303 Almaden Boulevard
San Jose, CA 95110
U.S.A.