

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

FORM F-3

REGISTRATION STATEMENT UNDER  
 THE SECURITIES ACT OF 1933

AMDOCS LIMITED  
 (Exact name of registrant as specified in its charter)

ISLAND OF GUERNSEY  
 (State or other jurisdiction of incorporation or  
 organization)

NOT APPLICABLE  
 (I.R.S. Employer  
 Identification No.)

SUITE 5, TOWER HILL HOUSE LE BORDAGE  
 ST. PETER PORT, ISLAND OF GUERNSEY, GY1 3QT CHANNEL ISLANDS  
 011-44-1481-728444  
 (Address and telephone number of registrant's principal executive offices)

AMDOCS, INC.  
 1390 TIMBERLAKE MANOR PARKWAY, CHESTERFIELD, MISSOURI 63017  
 ATTENTION: THOMAS G. O'BRIEN, TREASURER  
 (314) 212-8328  
 (Name, address and telephone number of agent for service)

THE COMMISSION IS REQUESTED TO SEND COPIES OF ALL COMMUNICATIONS TO:

ROBERT A. SCHWED, ESQ.  
 HALE AND DORR LLP  
 300 PARK AVENUE  
 NEW YORK, NEW YORK 10022  
 (212) 937-7200

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
0.50% Convertible Notes due 2024.....	\$450,000,000(1)	100%	\$450,000,000	\$57,015
Ordinary Shares,(pound)0.01 par value per share.....	10,435,995(2)	(2)	(2)	(3)

- (1) Equals the aggregate principal of the notes being registered.
- (2) The number of ordinary shares registered hereunder is based upon the maximum number of ordinary shares of the registrant that is issuable upon conversion of the notes. Pursuant to Rule 416 under the Securities Act of 1933, as amended, the amount to be registered also includes an indeterminate number of ordinary shares issuable as a result of stock splits, stock dividends, recapitalizations or similar events.
- (3) No additional consideration will be received for the ordinary shares, and therefore no registration fee is required for these shares pursuant to Rule 457(i).

THE COMPANY HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE COMPANY SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING SECURITYHOLDERS NAMED IN THIS PROSPECTUS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND THE SELLING SECURITYHOLDERS NAMED IN THIS PROSPECTUS ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED APRIL 8, 2004

PROSPECTUS

\$450,000,000

AMDOCS LIMITED

0.50% CONVERTIBLE SENIOR NOTES DUE 2024

10,435,995 ORDINARY SHARES ISSUABLE UPON CONVERSION OF THE NOTES

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Amdocs Limited, a company organized under the laws of the Island of Guernsey, issued \$450,000,000 aggregate principal amount of its 0.50% Convertible Senior Notes due 2024 in a private placement on March 5, 2004 to the initial purchasers. The initial purchasers resold the notes to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended. This prospectus will be used by the selling securityholders from time to time to resell their notes and any ordinary shares issuable upon conversion of the notes. We will not receive any proceeds from the sale of the notes or any ordinary shares issuable upon conversion of the notes offered by this prospectus.

The notes bear regular interest at 0.50% per annum on the principal amount from March 5, 2004. Regular interest is payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2004. The notes are unsecured and unsubordinated obligations of Amdocs Limited and will rank equal in priority with all of its other existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of its existing and future subordinated indebtedness.

Holders may convert each note for a number of ordinary shares, which we refer to as the conversion rate, as follows:

- during any fiscal quarter commencing after March 31, 2004, and only during that quarter if the closing sale price of our ordinary shares exceeds 130% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter (initially 130% of \$43.12, or \$56.06),
- upon the occurrence of specified credit rating events with respect to the notes;
- subject to certain exceptions, during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per note for each day of that measurement period was less than 98% of the product of the closing sale price of our ordinary shares and the conversion rate; provided, however, holders may not convert their notes (in reliance on this subsection) if on any trading day during such measurement period the closing sale price of our ordinary shares was between 100% and 130% of the then current conversion price of the notes (initially, between \$43.12 and \$56.06),
- if the notes have been called for redemption, or
- upon the occurrence of specified corporate events described under "Description of Notes--Conversion of Notes--Conversion Upon Specified Corporate Transactions."

Beginning March 20, 2009, we may redeem any of the notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest. Holders may require us to repurchase some or all of their notes at a repurchase price equal to 100% of their principal amount plus accrued and unpaid interest and liquidated damages, if any, on March 15 of 2009, 2014 and 2019 or at any time prior to their maturity following a designated event, as defined herein.

The initial conversion rate for the notes is 23.1911 ordinary shares per \$1,000 principal amount of notes, subject to adjustment as described in this prospectus, which represents an initial conversion price of approximately \$43.12 per share.

Our ordinary shares are traded on the New York Stock Exchange under the symbol "DOX." On April 5, 2004, the closing sale price of our ordinary shares on the New York Stock Exchange was \$28.84 per share. You are urged to obtain current market quotations for our ordinary shares.

For a more detailed description of the notes, see "Description of Notes" beginning on page 25.

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SEE "RISK FACTORS" BEGINNING ON PAGE 9 TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE INVESTING IN THE NOTES OR OUR ORDINARY SHARES.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE DATE OF THIS PROSPECTUS IS \_\_\_\_\_, 2004.

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We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus. The selling securityholders are offering to sell, and seeking offers to buy, the securities only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the securities.

Unless the context otherwise requires, references in this prospectus to "Amdocs," "we," "us," and "our" refer to Amdocs Limited and its subsidiaries.

## INCORPORATION OF DOCUMENTS BY REFERENCE

We incorporate by reference into this prospectus the documents listed below and any future filings we make with the Securities and Exchange Commission, referred to herein as the SEC, under Sections 13(a), 13(c) or 15(d) of the Securities Exchange Act of 1934, as amended, referred to herein as the Exchange Act, including any filings or submissions after the date of this prospectus, until the selling securityholders have sold all of the ordinary shares to which this prospectus relates:

- Our annual report on Form 20-F for the fiscal year ended September 30, 2003, filed on December 24, 2003;
- Our report on Form 6-K containing our proxy materials for our annual general meeting of shareholders, filed on December 24, 2003;
- Our report on Form 6-K containing our results for the quarterly period ended December 31, 2003, filed on February 17, 2004;
- Our reports on Form 6-K with respect to our offering of 0.50% Convertible Senior Notes due 2024, filed on March 1, March 2 and March 5, 2004;
- Our unaudited pro forma condensed consolidated financial statements and the unaudited financial statements of Certen Inc. contained in our Registration Statement on Form F-3 filed on March 31, 2004; and
- The description of our ordinary shares contained in our Registration Statement on Form 8-A filed on June 17, 1998 under Section 12 of the Exchange Act, including any amendment or report updating this description.

The information incorporated by reference is an important part of this prospectus. Any statement in a document incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in (1) this prospectus or (2) any other subsequently filed document that is incorporated by reference into this prospectus modifies or supersedes such statement.

You may request a copy of any or all of the documents referred to above other than exhibits to such documents that are not specifically incorporated by reference therein. Written or telephone requests should be directed to Thomas G. O'Brien, Secretary and Treasurer, Amdocs, Inc., 1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017, telephone (314) 212-8328. Copies of such documents may also be obtained from various alternative sources. See "Where You Can Find More Information."

## WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of foreign private issuers under the Exchange Act. Pursuant to the Exchange Act, we file reports with the SEC, including an Annual Report on Form 20-F, and we submit reports to the SEC, including Reports of Foreign Private Issuers on Form 6-K. These reports and other information may be inspected and copied at the Public Reference Section of the SEC at 450 Fifth Street, N.W, Judiciary Plaza, Washington, D.C. 20549-1004. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. Reports and information statements and other information filed electronically with the SEC are available at the SEC's website at <http://www.sec.gov>. Some of this information may also be found on our website at [www.amdocs.com](http://www.amdocs.com).

This prospectus is part of a registration statement that we filed with the SEC. The registration statement contains more information than this prospectus regarding us and our ordinary shares, including certain exhibits and schedules. You can obtain a copy of the registration statement from the SEC at the address listed above or from the SEC's Internet site.

## PROSPECTUS SUMMARY

This summary highlights selected information about us and the notes and is not intended to be complete. It does not contain all the information that you should consider before investing in the notes. You should read carefully this entire prospectus, including "Risk Factors" and our consolidated financial statements and related notes and the other documents that we incorporate by reference into this prospectus before making an investment decision.

### AMDOCS LIMITED

Our market focus is primarily the communications industry, and we are a leading provider of software products and services to major communications companies in North America, Europe and the rest of the world. Our products and services provide an integrated approach to customer management, which we refer to as Integrated Customer Management. Our Integrated Customer Management product offerings consist primarily of billing and customer relationship management systems, which we refer to, collectively, as CC&B Systems. Our portfolio also includes a full range of directory sales and publishing systems for publishers of both traditional printed yellow page and white page directories and electronic Internet directories.

Our Integrated Customer Management systems are designed to meet the mission-critical needs of leading communications service providers, which include customer relationship management, order management, call rating, invoice calculation and preparation, bill formatting, collections, partner relationship management and directory publishing services. We support a wide range of communications services, including wireline, wireless, voice, data, broadband, content, electronic and mobile commerce and Internet Protocol based services. We also support companies that offer multiple service packages, commonly referred to as bundled or convergent services. Due to the complexity of our customers' projects and the expertise required for system support, we also provide extensive system implementation, integration, modification, ongoing support, enhancement and maintenance services. In addition, we offer Managed Services, which include a combination of services, such as system modernization and consolidation, management and operation of data centers, purchase and management of related hardware assets, billing operations and application support.

Since the inception of our business in 1982, we have concentrated on providing software products and services to major communications companies. By focusing on this market, we believe that we have been able to develop the innovative products and the industry expertise, project management skills and technological competencies required for the advanced, large-scale, specifications-intensive system projects typical of leading communications providers. Our customer base includes major North American, European and other communications companies, including major wireline companies (such as Bell Canada, SBC, Telefonica and Deutsche Telekom) and wireless companies (such as Nextel, Cingular Wireless, Vodafone Group and T-Mobile).

Our goal is to provide advanced information technology software products and related customer service and support to the world's leading communications companies. We seek to accomplish our goal by pursuing the strategies described below.

- Continued Focus on the Communications Industry. We intend to continue to concentrate our main resources and efforts on providing strategic information systems to the communications industry. This strategy has enabled us to develop the specialized industry know-how and capability necessary to deliver the technologically advanced, large-scale, specifications-intensive information systems solutions required by the leading communications companies in the wireless, wireline and convergent service sectors.
- Target Industry Leaders. We intend to continue to direct our marketing efforts principally towards the major communications companies. Our customer base includes major communications companies in North America (including SBC, Verizon and Nextel), Europe

(including Deutsche Telekom (Germany), BT (UK), Vodafone Group (UK) and Telefonica (Spain)) and the Asia-Pacific region (Telstra (Australia)). We believe that the development of this premier customer base has helped position us as a market leader, while contributing to the core strength of our business. By targeting industry leaders that require the most sophisticated information systems solutions, we believe that we are best able to ensure that we remain at the forefront of developments in the industry.

- Deliver Integrated Products and Services Solutions. Our strategy is to provide customers with total systems solutions consisting of our Integrated Customer Management products and our specialized services. By leveraging our product and industry knowledge, we believe that we can provide effective system integration and implementation services as well as Managed Services to our customers.
- Provide Customers with a Broad, Integrated Suite of Products. We seek to provide our customers with a broad suite of products to meet all their Integrated Customer Management needs. For communications service providers, we seek to provide CC&B Systems across all lines of their business, such as wireline, mobile and data. This approach also means that we can support global communications service providers throughout their various international operations. We believe that our ability to provide a broad suite of products helps establish us as a strategic partner for our customers, and also provides us with multiple avenues for strengthening and expanding our ongoing customer relationships.
- Maintain and Develop Long-Term Customer Relationships. We seek to maintain and develop long-term, mutually beneficial relationships with our customers. These relationships generally involve additional product sales, as well as ongoing support, system enhancement and maintenance services. We believe that such relationships are facilitated in many cases by the mission-critical strategic nature of the systems provided by us and by the added value we provide through our specialized skills and knowledge. In addition, our strategy is to solidify our existing customer relationships by means of long-term support and maintenance contracts.

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We were organized under the laws of the Island of Guernsey in 1988. Since 1995, Amdocs Limited has been a holding company for the various subsidiaries that conduct our business on a worldwide basis. Our registered office is located in Suite 5, Tower Hill House Le Bordage, St. Peter Port, Island of Guernsey, GY1 3QT Channel Islands, and the telephone number at that location is 011-44-1481-728444. The executive offices of our principal subsidiary in the United States are located at 1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017, and the telephone number at that location is (314) 212-8328. We maintain a website at [www.amdocs.com](http://www.amdocs.com). We are not incorporating the information contained in our website as part of, or incorporating it by reference into, this prospectus.



THE OFFERING

Issuer .....	Amdocs Limited, a company organized under the laws of the Island of Guernsey.
Securities Offered ....	\$450.0 million principal amount of 0.50% Convertible Senior Notes due 2024 and 10,435,995 ordinary shares issuable upon conversion of the notes.
Maturity Date .....	March 15, 2024, unless earlier converted, redeemed or repurchased.
Ranking .....	The notes are our direct, unsecured and unsubordinated obligations and rank equal in priority with all of our other existing and future unsecured and unsubordinated indebtedness, including our 2% Convertible Notes due June 1, 2008, which we refer to as the 2% Notes, and senior in right of payment to all of our existing and future subordinated indebtedness. The notes are unsecured and, therefore, are effectively subordinated to any of our secured debt, to the extent of the assets securing such indebtedness. The notes are also structurally subordinated to the debt and other liabilities of our subsidiaries. With the exception of the 2% Notes, substantially all of the liabilities reflected on our balance sheet as of December 31, 2003 are liabilities of our subsidiaries.
Interest .....	0.50% per annum on the principal amount of the notes, payable semi-annually in arrears in cash on March 15 and September 15 of each year, beginning on September 15, 2004.
Conversion Rights .....	<p>You may convert the notes into our ordinary shares, par value(pound)0.01 per share, which we refer to as our ordinary shares, at a conversion rate of 23.1911 shares per \$1,000 principal amount of notes (a conversion price of \$43.12 per share), subject to adjustment, prior to the close of business on the final maturity date under any of the following circumstances:</p> <ul style="list-style-type: none"><li>- during any fiscal quarter commencing after March 31, 2004, and only during that fiscal quarter if the closing sale price of our ordinary shares exceeds 130% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; or</li><li>- after the earlier of (a) the date the notes are rated by both Standard &amp; Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors ("Standard &amp; Poor's") and Moody's Investor Services and its successors ("Moody's") and (b) five business days from the date the notes are issued, during any period in which the credit rating assigned to the notes by Standard &amp; Poor's or Moody's is "BB-" or "Ba3," respectively, or lower, or if either of these rating agencies no longer rates the notes, or if either of these rating agencies suspends or withdraws the rating assigned to the notes, or if the notes are not assigned a rating by both rating agencies; or</li></ul>

- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per note for each day of that measurement period was less than 98% of the product of the closing sale price of our ordinary shares and the number of shares issuable upon conversion of \$1,000 principal amount of the notes; provided, however, you may not convert your notes (in reliance on this subsection) if on any trading day during such measurement period the closing sale price of our ordinary shares was between 100% and 130% of the then current conversion price of the notes; or
- if the notes have been called for redemption; or
- upon the occurrence of specified corporate events described under "Description of Notes--Conversion of Notes--Conversion Upon Specified Corporate Transactions."

You will not receive any cash payment or additional shares representing accrued and unpaid interest upon conversion of a note, except in limited circumstances. Instead, such interest, if any, will be forfeited upon conversion. Notes called for redemption may be converted until the close of business on the business day immediately preceding the redemption date, after which time your right to convert will expire unless we default in the payment of the redemption price.

Sinking Fund ..... None.

Optional Redemption ... Prior to March 20, 2009, the notes will not be redeemable, except as described under "Description of Notes - Tax Redemption." On or after March 20, 2009, we may redeem any of the notes by giving you at least 30 days' notice. We may redeem the notes either in whole or in part at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the date of repurchase.

Designated Event ..... If a designated event (as described under "Description of Notes--Repurchase at Option of the Holder Upon a Designated Event") occurs prior to maturity, you may require us to purchase all or part of your notes at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the date of repurchase.

Repurchase at the Option of the Holder ..... You may require us to repurchase some or all of your notes on March 15 of 2009, 2014 and 2019, at a repurchase price equal to 100% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the applicable repurchase date. We may choose to pay the repurchase price in cash or ordinary shares (valued using the method set forth in "Description of Notes--Repurchase at Option of the Holder") or a combination of cash and ordinary shares, provided that we will pay any accrued and unpaid interest in cash.

Use of Proceeds ..... We will not receive any proceeds from the sale by the selling securityholders of the notes or the ordinary shares issuable upon conversion of the notes.

Registration Rights ... Pursuant to a registration rights agreement, we have agreed to register the resale of the notes and the ordinary shares issuable upon conversion of the notes. If we fail to comply with certain of our obligations under the registration rights agreement, liquidated damages will be payable on the notes and the ordinary shares issuable upon conversion of the notes. See "Description of Notes--Registration Rights."

Book-entry Form ..... The notes have been issued in book-entry form and are represented by global certificates deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.

Trading ..... The notes are new securities for which no market currently exists. While the initial purchasers have informed us that they intend to make a market in the notes, they are under no obligation to do so and may discontinue such activities at any time without notice. The notes are listed on any securities exchange or included in any automated quotation system. While the notes are expected to be designated for trading in The PORTAL Market, we cannot assure you that any active or liquid market will develop for the notes.

New York Stock Exchange  
Symbol for Our  
Ordinary Shares ..... DOX.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States and presented in U.S. dollars. The summary historical consolidated financial information set forth below has been derived from our historical consolidated financial statements for the periods presented. Historical information as of and for the five years ended September 30, 2003 is derived from our consolidated financial statements, which have been audited by Ernst & Young LLP, our independent auditors. The summary historical consolidated interim financial information as of and for the three months ended December 31, 2003 and 2002 is derived from our unaudited historical consolidated interim financial statements. The unaudited historical consolidated interim financial information reflects all adjustments, consisting of normal recurring adjustments, that we consider necessary for a fair presentation of those statements. The results for an interim period are not necessarily indicative of the results for a full fiscal year. You should read the summary historical consolidated financial information set forth below in conjunction with "Operating and Financial Review and Prospects," our consolidated financial statements and related footnotes and the other financial information included in our reports filed with the SEC and incorporated by reference in this prospectus.

	YEAR ENDED SEPTEMBER 30,					THREE MONTHS ENDED DECEMBER 31,	
	2003	2002	2001	2000	1999	2003	2002
	(in thousands, except per share data)						
<b>STATEMENT OF OPERATIONS DATA:</b>							
Revenue.....	\$1,483,327	\$1,613,565	\$1,533,910	\$1,118,320	\$626,855	\$428,295	\$339,386
Operating income (1)(2)(3).....	210,418	49,161	159,281	74,124	146,998	66,969	37,955
Net income (loss) (1)(2)(3)(4).....	168,883	(5,061)	66,386	5,978	98,543	53,068	32,199
Basic earnings (loss) per share.....	0.78	(0.02)	0.30	0.03	0.50	0.25	0.15
Diluted earnings (loss) per share.....	0.77	(0.02)	0.29	0.03	0.49	0.24	0.15

The information below under "As Adjusted" reflects the receipt of the net proceeds from the sale of the notes by us to the initial purchasers on March 5, 2004, and the application of approximately \$170.1 million of net proceeds to purchase ordinary shares sold short by the initial purchasers of the notes in negotiated transactions concurrently with the sale of the notes.

	AS OF DECEMBER 31, 2003	
	ACTUAL	AS ADJUSTED
	(UNAUDITED) (IN THOUSANDS)	
<b>BALANCE SHEET DATA:</b>		
Total assets.....	\$2,826,051	\$3,105,990
2% Convertible Notes due June 1, 2008 (4)(5).....	395,454	395,454
0.50% Convertible Senior Notes due 2024.....	--	450,000
Long-term obligations, including current portion.....	47,148	47,148
Shareholders' equity (6).....	1,523,535	1,353,474

- (1) In fiscal 2000, we recorded acquisition-related charges of \$75,617, relating to our acquisitions of International Telecommunication Data Systems, Inc. in November 1999 and Solect Technology Group Inc. in April 2000, in stock-for-stock transactions. These charges included write-offs of purchased in-process research and development and other indirect acquisition-related costs.
- (2) In fiscal 2002, we recorded acquisition-related charges for in-process research and development of \$17,400, relating to our November 2001 acquisition from Nortel Networks Corporation of substantially all of the assets of its Clarify business for cash. We also recorded restructuring charges of \$34,230 relating to the closure of our Stamford, Connecticut data center and our cost reduction program.

- (3) In the first quarter of fiscal 2003, we recorded a restructuring charge of \$9,956 related to our cost reduction program. In the fourth quarter of fiscal 2003, we recorded an acquisition-related charge of \$4,133 related to our July 2003 acquisition from Bell Canada of its 90% ownership interest in Certen Inc. for cash. Prior to this acquisition, we had 10% ownership interest in Certen. This charge reflects our 10% share in Certen's pre-acquisition results.
- (4) In May 2001, we issued \$500,000 aggregate principal amount of the 2% Notes. In July 2002, our Board of Directors authorized us to repurchase the 2% Notes in such amounts, at such prices and at such times considered appropriate. During the fourth quarter of fiscal 2003, we repurchased \$44,600 aggregate principal amount of 2% Notes, at an average price of 99% of the principal amount. During fiscal 2002, we repurchased \$54,946 aggregate principal amount of 2% Notes, at an average price of 89% of the principal amount. In fiscal 2003 and 2002, we recorded gains of \$448 and \$6,012, respectively, relating to the repurchases of the 2% Notes. As of December 31, 2003, \$395,454 aggregate principal amount of 2% Notes was outstanding. As of that date, the aggregate principal amount of 2% Notes outstanding is presented as a current liability, due to the holders' option to require us to repurchase the 2% Notes on June 1, 2004.
- (5) We may use net proceeds from the sale of the notes to the initial purchasers and other cash resources to pay the repurchase price for the 2% Notes, which we may be required to repurchase from the holders thereof on June 1, 2004. Amounts presented do not give effect to any repurchases of the 2% Notes.
- (6) In November 2001, our Board of Directors approved a twelve-month share repurchase program and authorized us to repurchase ordinary shares. During fiscal 2002, we repurchased 7,732 ordinary shares, at an average price of \$14.13 per share. During fiscal 2003, we did not repurchase any ordinary shares. On November 5, 2003, our Board of Directors approved an additional twelve-month share repurchase program to purchase up to 5,000 ordinary shares. In accordance with this program, as of December 31, 2003, we had repurchased an additional 4,990 ordinary shares, at an average price of \$24.82 per share. In connection with our acquisition of XACCT Technologies Ltd., our Board of Directors approved the repurchase of ordinary shares to offset the dilutive effect of share issuances in the acquisition. The closing of the acquisition occurred in February 2004, and we repurchased 485 ordinary shares in February 2004. The as adjusted figure reflects the purchase of approximately 6,074 ordinary shares sold short by purchasers of the notes in negotiated transactions concurrently with the sale of the notes on March 5, 2004.

RATIO OF EARNINGS TO FIXED CHARGES

The following table presents our historical ratios of earnings to fixed charges for the periods indicated:

	THREE MONTHS ENDED DECEMBER 31, 2003 -----	FISCAL YEARS ENDED SEPTEMBER 30, -----				
		2003 ----	2002 ----	2001 ----	2000 ----	1999 ----
Ratio (1).....	14.47	13.49	3.87	9.19	10.10	15.29

- (1) Computed by dividing pre-tax net income before fixed charges by fixed charges. Fixed charges means interest expense, amortized premiums, discounts and capitalized expenses related to indebtedness, and an estimate of the interest within rental expense.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

In addition to historical information, this prospectus contains forward-looking statements (within the meaning of the United States federal securities laws) that involve substantial risks and uncertainties. You can identify these forward-looking statements by words such as "expect," "anticipate," "believe," "seek," "estimate," "project," "forecast," "continue," "potential," "should," "would," "could" and "may," and other words that convey uncertainty of future events or outcome. Statements regarding our future business and/or results, including, without limitation, the statements under the captions "Summary" and "Risk Factors," include certain projections and business trends that are forward-looking. Forward-looking statements are not guarantees of future performance, and involve risks, uncertainties and assumptions that may cause our actual results to differ materially from the expectations that we describe in our forward-looking statements. There may be events in the future that we are not accurately able to predict, or over which we have no control. You should not place undue reliance on forward-looking statements. We do not promise to notify you if we learn that our assumptions or projections are wrong for any reason. We disclaim any obligation to update our forward-looking statements, except where applicable law may otherwise require us to do so.

Important factors that may affect these projections or expectations include, but are not limited to: changes in the overall economy; changes in competition in markets in which we operate; changes in the demand for our products and services; consolidation within the industries in which our customers operate; the loss of a significant customer; changes in the telecommunications regulatory environment; changes in technology that impact both the markets we serve and the types of products and services we offer; financial difficulties of our customers; losses of key personnel; difficulties in completing or integrating acquisitions; litigation and regulatory proceedings; and acts of war or terrorism. For a discussion of these important factors, please read the information set forth above under the caption "Risk Factors."

## RISK FACTORS

You should carefully consider the following risk factors, in addition to the other information presented in this prospectus and the documents incorporated by reference in this prospectus, in evaluating our business and an investment in the notes. Any of the following risks, as well as other risks and uncertainties, could seriously harm our business and financial results and cause the value of the notes and ordinary shares issuable upon conversion of the notes to decline, which in turn could cause you to lose all or part of your investment.

### RISKS RELATED TO OUR BUSINESS

WE ARE EXPOSED TO GENERAL GLOBAL ECONOMIC AND MARKET CONDITIONS, PARTICULARLY THOSE IMPACTING THE COMMUNICATIONS INDUSTRY.

Developments in the communications industry, such as the impact of general global economic conditions, continued industry consolidation, the formation of alliances among network operators and service providers, and changes in the regulatory environment have had, and could continue to have, a material adverse effect on our existing or potential customers. These conditions have reduced the high growth rates that the communications industry had previously experienced, and have caused the market value, financial results and prospects, and capital spending levels of many communications companies to decline or degrade. The need for communications providers to control operating expenses and capital investment budgets has resulted in slowed customer buying decisions, as well as price pressures. Adverse conditions in the business environment for communications companies have had, and could continue to have, a negative impact on our business by reducing the number of new contracts we are able to sign and the size of initial spending commitments, as well as decreasing the level of discretionary spending under contracts with existing customers.

IF WE CANNOT COMPETE SUCCESSFULLY WITH EXISTING OR NEW COMPETITORS, OUR BUSINESS COULD BE HARMED.

We may be unable to compete successfully with existing or new competitors. If we fail to adapt to changing market conditions and to compete successfully with established or new competitors, it could have a material adverse effect on our results of operations and financial condition. We face intense competition for the software products and services that we sell, including competition for Managed Services we provide to customers under long-term service agreements.

The market for communications information systems is highly competitive and fragmented, and we expect competition to increase. We compete with independent providers of information systems and services and with the in-house software departments of communications companies. Our competitors include firms that provide comprehensive information systems and Managed Services solutions, software vendors that sell products for particular aspects of a total information system, software vendors that specialize in systems for particular communications services such as Internet and wireless services, systems integrators, service bureaus and companies that offer software systems in combination with the sale of network equipment.

We believe that our ability to compete depends on a number of factors, including:

- the development by others of software that is competitive with our products and services,
- the price at which others offer competitive software and services,
- the responsiveness of our competitors to customer needs, and
- the ability of our competitors to hire, retain and motivate key personnel.

We compete with a number of companies that have long operating histories, large customer bases, substantial financial, technical, sales, marketing and other resources, and strong name recognition. Current and potential competitors have established, and may establish in the future, cooperative relationships among themselves or with third parties to increase their ability to address the needs of our

prospective customers. In addition, our competitors have acquired, and may continue to acquire in the future, companies that may enhance their market offerings. Accordingly, new competitors or alliances among competitors may emerge and rapidly acquire significant market share. As a result, our competitors may be able to adapt more quickly than us to new or emerging technologies and changes in customer requirements, and may be able to devote greater resources to the promotion and sale of their products. We cannot assure you that we will be able to compete successfully with existing or new competitors. Failure by us to adapt to changing market conditions and to compete successfully with established or new competitors may have a material adverse effect on our results of operations and financial condition.

WE MUST CONTINUALLY ENHANCE OUR PRODUCTS TO REMAIN COMPETITIVE.

We believe that our future success will depend, to a significant extent, upon our ability to enhance our existing products and to introduce new products and features to meet the requirements of our customers in a rapidly developing and evolving market. We are currently devoting significant resources to refining and expanding our base software modules and to developing Integrated Customer Management products that operate in state-of-the-art computing environments. Our present or future products may not satisfy the evolving needs of the communications industry. If we are unable to anticipate or respond adequately to such needs, due to resource, technological or other constraints, our business and results of operations could be harmed.

WE MAY SEEK TO ACQUIRE COMPANIES OR TECHNOLOGIES, WHICH COULD DISRUPT OUR ONGOING BUSINESS, DISTRACT OUR MANAGEMENT AND EMPLOYEES AND ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.

We may acquire companies where we believe we can acquire new products or services or otherwise enhance our market position or strategic strengths. We cannot assure you that suitable acquisition candidates can be found, that acquisitions can be consummated on favorable terms or that we will be able to complete otherwise favorable acquisitions because of antitrust or other regulatory concerns. If we do complete acquisitions, we cannot assure you that they will ultimately enhance our products or strengthen our competitive position. In addition, any acquisitions that we make could lead to difficulties in integrating personnel and operations from the acquired businesses and in retaining and motivating key personnel from these businesses. Acquisitions may disrupt our ongoing operations, divert management from day-to-day responsibilities, increase our expenses and harm our results of operations or financial condition.

OUR BUSINESS IS HIGHLY DEPENDENT ON A LIMITED NUMBER OF SIGNIFICANT CUSTOMERS.

Our business is highly dependent on a limited number of significant customers. Our three largest groups of customers are comprised of Bell Canada, Nextel Communications, Inc. ("Nextel") and SBC Communications Inc. ("SBC") and certain of their subsidiaries, each of which accounted for more than 10% of our revenue in fiscal 2003. Aggregate revenue derived from the multiple business arrangements we have with our five largest customer groups accounted for approximately 55% of our revenue in fiscal 2003. SBC has historically been one of our largest shareholders, and, as of February 29, 2004, it beneficially owned approximately 9.6% of our outstanding ordinary shares. The loss of any significant customer or a significant decrease in business from any such customer could harm our results of operations and financial condition.

Although we have received a substantial portion of our revenue from recurring business with established customers, most of our major customers do not have any obligation to purchase additional products or services from us and generally have already acquired fully paid licenses to their installed systems. Therefore, our customers may not continue to purchase new systems, system enhancements or services in amounts similar to previous years or may delay implementation of committed projects.

OUR FUTURE SUCCESS WILL DEPEND ON OUR ABILITY TO DEVELOP LONG-TERM RELATIONSHIPS WITH OUR CUSTOMERS.

We believe that our future success will depend to a significant extent on our ability to develop long-term relationships with successful network operators and service providers with the financial and



other resources required to invest in significant ongoing Integrated Customer Management systems. If we are unable to develop new customer relationships, our business will be harmed. In addition, our business and results of operations depend in part on our ability to provide high quality services to customers that have already implemented our products. If we are unable to meet customers' expectations in providing products or performing services, our business and results of operations could be harmed.

WE MAY BE EXPOSED TO THE CREDIT RISK OF CUSTOMERS THAT HAVE BEEN ADVERSELY AFFECTED BY WEAKENED MARKETS.

We typically sell our software and related services as part of long-term projects. During the life of a project, a customer's budgeting constraints can impact the scope of a project and the customer's ability to make required payments. In addition, the creditworthiness of our customers may deteriorate over time, and we can be adversely affected by bankruptcies or other business failures.

THE SKILLED AND HIGHLY QUALIFIED EMPLOYEES THAT WE NEED MAY BE DIFFICULT TO HIRE AND RETAIN.

Our business operations depend in large part on our ability to attract, train, motivate and retain highly skilled information technology professionals, software programmers and communications engineers. In addition, our competitive success will depend on our ability to attract and retain other outstanding, highly qualified employees. We continually need to hire sales, support, technical and other personnel. We may face difficulties identifying and hiring qualified personnel and may be unable to retain employees with the skills and experience that we require. Our inability to hire and retain the appropriate personnel could make it difficult for us to manage our operations and to compete for new customer contracts.

Our success will also depend, to a certain extent, upon the continued active participation of a relatively small group of senior management personnel. The loss of the services of all or some of these executives could harm our business.

OUR QUARTERLY OPERATING RESULTS MAY FLUCTUATE.

We have experienced fluctuations in our quarterly operating results and anticipate that such movement may continue and could intensify. Fluctuations may result from many factors, including:

- the size and timing of significant customer projects and license fees,
- delays in or cancellations of significant projects by customers,
- changes in operating expenses,
- increased competition,
- changes in our strategy,
- personnel changes,
- foreign currency exchange rate fluctuations, and
- general economic and political conditions.

Generally, our license fee revenue and our service fee revenue relating to customization and modification are recognized as work is performed, using percentage of completion accounting. Given our reliance on a limited number of significant customers, our quarterly results may be significantly affected by the size and timing of customer projects and our progress in completing such projects.

We believe that the placement of customer orders may be concentrated in specific quarterly periods due to the time requirements and budgetary constraints of our customers. Although we recognize revenue as projects progress, progress may vary significantly from project to project, and we believe that variations in quarterly revenue are sometimes attributable to the timing of initial order placements. Due

to the relatively fixed nature of certain of our costs, a decline of revenue in any quarter would result in lower profitability for that quarter.

#### OUR BUSINESS IS IMPACTED BY THE LENGTH OF OUR SALES CYCLE.

Our business is directly affected by the length of our sales cycle. Information systems for communications companies are relatively complex and their purchase generally involves a significant commitment of capital, with attendant delays frequently associated with large capital expenditures and procurement procedures within an organization. The purchase of these types of products typically also requires coordination and agreement across many departments within a potential customer's organization. Delays associated with such timing factors could have a material adverse effect on our results of operations and financial condition. In periods of economic slowdown in the communications industry, our typical sales cycle lengthens, which means that the average time between our initial contact with a prospective customer and the signing of a sales contract increases. The lengthening of our sales cycle could reduce growth in our revenue in the future. In addition, the lengthening of our sales cycle contributes to an increased cost of sales, thereby reducing our profitability.

#### IF THE MARKET FOR OUR PRODUCTS DETERIORATES, WE MAY INCUR ADDITIONAL RESTRUCTURING CHARGES.

In an effort to implement long-term cost reduction measures, we reduced our workforce in the fourth quarter of fiscal 2002 and in the first quarter of fiscal 2003 and reallocated certain personnel among different areas of our operations. A reduction in personnel can result in significant severance, administrative and legal expenses and may also adversely affect or delay various sales, marketing and product development programs and activities. Depending on market conditions in the communications industry and our business and financial needs, we may be forced to implement additional restructuring plans to further reduce our costs, which could result in additional restructuring charges. Additional restructuring charges could have a material adverse effect on our financial results.

#### IF WE FAIL TO SUCCESSFULLY PLAN AND MANAGE CHANGES IN THE SIZE OF OUR OPERATIONS OUR BUSINESS WILL SUFFER.

Over the last several years, we have both grown and contracted our operations in order to profitably offer our products and services in a rapidly changing market. If we are unable to manage these changes and plan and manage any future changes in the size and scope of our operations, our business will suffer.

Our restructurings and cost reduction measures reduced the size of our operations. On February 29, 2004, we employed approximately 9,000 individuals in software and information technology positions, compared to approximately 7,800 on January 31, 2003 and 9,100 on November 30, 2001. Our software and information technology workforce increased in the fourth quarter of fiscal 2003 and first quarter of fiscal 2004, primarily as a result of the Certen acquisition in July 2003 and a Managed Services agreement signed in January 2003. During periods of contraction, we disposed of office space and related obligations in an effort to keep pace with the changing size of our operations. Our recent cost reduction measures included consolidating and/or relocating certain of our operations to different geographic locations. These activities could lead to difficulties and significant expenses related to subleasing or assigning any surplus space. We have accrued the estimated expenses that will result from our restructuring efforts. However, if it is determined that the amount accrued is insufficient, an additional charge could have an unfavorable impact on our consolidated financial statements in the period this was determined.

#### OUR INTERNATIONAL PRESENCE CREATES SPECIAL RISKS.

We are affected by risks associated with conducting business internationally. We maintain development facilities in Israel, the United States, Cyprus, Ireland and Canada, operate a support center in Brazil and have operations in North America, Europe, Latin America and the Asia-Pacific region. Although a majority of our revenue is derived from customers in North America and Europe, we obtain

significant revenue from customers in the Asia-Pacific region and Latin America. Our strategy is to continue to broaden our North American and European customer base and to expand into new international markets. Conducting business internationally exposes us to certain risks inherent in doing business in international markets, including:

- lack of acceptance of non-localized products,
- legal and cultural differences in the conduct of business,
- difficulties in staffing and managing foreign operations,
- longer payment cycles,
- difficulties in collecting accounts receivable and withholding taxes that limit the repatriation of earnings,
- trade barriers,
- immigration regulations that limit our ability to deploy our employees,
- political instability, and
- variations in effective income tax rates among countries where we conduct business.

One or more of these factors could have a material adverse effect on our international operations, which could harm our results of operations and financial condition.

**POLITICAL AND ECONOMIC CONDITIONS IN THE MIDDLE EAST MAY ADVERSELY AFFECT OUR BUSINESS.**

Of the five development centers we maintain worldwide, our largest development center is located in five different sites throughout Israel. Approximately half of our employees are located in Israel. As a result, we are directly influenced by the political, economic and military conditions affecting Israel and its neighboring region. Any major hostilities involving Israel could have a material adverse effect on our business. We have developed contingency plans to provide ongoing services to our customers in the event political or military conditions disrupt our normal operations. These plans include the transfer of some development operations within Israel to various of our other sites both within and outside of Israel. If we have to implement these plans, our operations would be disrupted and we would incur significant additional expenditures, which would adversely affect our business and results of operations.

While Israel has entered into peace agreements with both Egypt and Jordan, Israel has not entered into peace arrangements with any other neighboring countries. Over the past three years there has been a significant deterioration in Israel's relationship with the Palestinian Authority and a related increase in violence. Efforts to resolve the problem have failed to result in an agreeable solution. Continued violence between the Palestinian community and Israel may have a material adverse effect on our business. Further deterioration of relations with the Palestinian Authority might require more military reserve service by some of our employees, which may have a material adverse effect on our business.

In addition, our development facility in Cyprus may be adversely affected by political conditions in that country. As a result of intercommunal strife between the Greek and Turkish communities, Turkish troops invaded Cyprus in 1974 and continue to occupy approximately 40% of the island. After intensive discussions facilitated by the United Nations, the European Union and the United States, the Greek and Turkish communities recently agreed on a timetable calling for the parties to negotiate and agree on a plan of reunification prior to the entry of Cyprus to the European Union. Cyprus is scheduled to join the European Union on May 1, 2004. Any major hostilities between Cyprus and Turkey or the failure of the parties to finalize a peaceful resolution may have a material adverse effect on our development facility in Cyprus.

**FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES COULD ADVERSELY AFFECT OUR BUSINESS.**

A significant portion of our operating costs is incurred outside the United States. Therefore, fluctuations in exchange rates between the currencies in which such costs are incurred and the dollar may have a material adverse effect on our results of operations and financial condition. The cost of our operations outside of the United States, as expressed in dollars, could be adversely affected by the extent to which any increase in the rate of inflation in a particular country is not offset (or is offset with a time delay) by a devaluation of the local currency in relation to the dollar. As a result of this differential, from time to time we may experience increases in the costs of our operations outside the United States, as expressed in dollars, which could have a material adverse effect on our results of operations and financial condition.

In addition, a portion of our revenue (approximately 20% in fiscal 2003 and 30% in the first quarter of fiscal 2004) is not earned in dollars or linked to the dollar, and, therefore, fluctuations in exchange rates between the currencies in which such revenue is earned and the dollar may have a material effect on our results of operations and financial condition. If more of our customers seek contracts that are denominated in currencies such as the euro and not the dollar, our exposure to fluctuations in currency exchange rates could increase.

Generally, the effects of fluctuations in foreign currency exchange rates are mitigated by the fact that the majority of our revenue and operating costs is in dollars or linked to the dollar and we generally hedge our currency exposure on both a short-term and long-term basis with respect to expected revenue and operating costs. However, we cannot assure you that we will be able to effectively limit all of our exposure to currency exchange rate fluctuations.

The imposition of exchange or price controls or other restrictions on the conversion of foreign currencies could also have a material adverse effect on our business, results of operations and financial condition.

**WE MAY BE UNABLE TO PROTECT OUR PROPRIETARY TECHNOLOGY.**

Any misappropriation of our technology or the development of competitive technology could seriously harm our business. We regard a substantial portion of our software products and systems as proprietary and rely on a combination of statutory and common law copyright, trademark, trade secret laws, customer licensing agreements, employee and third party non-disclosure agreements and other methods to protect our proprietary rights. We do not include in our software any mechanisms to prevent or inhibit unauthorized use, but we generally enter into confidentiality agreements with our employees, consultants, subcontractors, customers and potential customers and limit access to, and distribution of, our proprietary information.

The steps we have taken to protect our proprietary rights may be inadequate. If so, we might not be able to prevent others from using what we regard as our technology to compete with us. Existing trade secret, copyright and trademark laws offer only limited protection. In addition, the laws of some foreign countries do not protect our proprietary technology or allow enforcement of confidentiality covenants to the same extent as the laws of the United States. There is also the risk that other companies could independently develop similar or superior technology without violating our proprietary rights.

If we have to resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome, protracted and expensive and could involve a high degree of risk.

**CLAIMS BY OTHERS THAT WE INFRINGE THEIR PROPRIETARY TECHNOLOGY COULD HARM OUR BUSINESS.**

Although we have not received any complaints from third parties alleging infringement claims, third parties could claim that our current or future products or technology infringe their proprietary rights. We expect that software developers will increasingly be subject to infringement claims as the number of products and competitors providing software and services to the communications industry increases and overlaps occur. Any claim of infringement by a third party could cause us to incur substantial costs

defending against the claim, and could distract our management from our business. Furthermore, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from selling our products or offering our services, or prevent a customer from continuing to use our products. Any of these events could seriously harm our business.

If anyone asserts a claim against us relating to proprietary technology or information, while we might seek to license their intellectual property, we might not be able to obtain a license on commercially reasonable terms or on any terms. In addition, any efforts to develop non-infringing technology could be unsuccessful. Our failure to obtain the necessary licenses or other rights or to develop non-infringing technology could prevent us from selling our products and could therefore seriously harm our business.

#### PRODUCT DEFECTS OR SOFTWARE ERRORS COULD ADVERSELY AFFECT OUR BUSINESS.

Design defects or software errors may cause delays in product introductions or damage customer satisfaction and may have a material adverse effect on our business, results of operations and financial condition. Our software products are highly complex and may, from time to time, contain design defects or software errors that may be difficult to detect and correct.

Because our products are generally used by our customers to perform critical business functions, design defects, software errors, misuse of our products, incorrect data from external sources or other potential problems within or out of our control may arise from the use of our products, and may result in financial or other damages to our customers, for which we may be held responsible. Although we have license agreements with our customers that contain provisions designed to limit our exposure to potential claims and liabilities arising from customer problems, these provisions may not effectively protect us against such claims in all cases and in all jurisdictions. In addition, as a result of business and other considerations, we may undertake to compensate our customers for damages caused to them arising from the use of our products, even if our liability is limited by a license or other agreement. Claims and liabilities arising from customer problems could also damage our reputation, adversely affecting our business, results of operations and financial condition and the ability to obtain "Errors and Omissions" insurance.

#### SYSTEM DISRUPTIONS AND FAILURES MAY RESULT IN CUSTOMER DISSATISFACTION, CUSTOMER LOSS OR BOTH, WHICH COULD MATERIALLY AND ADVERSELY AFFECT OUR REPUTATION AND BUSINESS.

Our Integrated Customer Management systems are an integral part of our customers' business operations. The continued and uninterrupted performance of these systems is critical to our success. Customers may become dissatisfied by any system failure that interrupts our ability to provide services to them. Sustained or repeated system failures would reduce the attractiveness of our services significantly, and could result in decreased demand for our products and services.

Our Managed Services include a combination of services, such as system modernization and consolidation, management and operation of data centers, purchase and management of related hardware assets, billing operations and application support. Our ability to perform Managed Services depends on our ability to protect our computer systems against damage from fire, power loss, water damage, telecommunications failures, earthquake, terrorism attack, vandalism and similar unexpected adverse events. Despite our efforts to implement network security measures, our systems are also vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering. We do not carry enough business interruption insurance to compensate for any significant losses that may occur as a result of any of these events.

We have experienced systems outages and service interruptions in the past. We expect to experience additional outages in the future. To date, these outages have not had a material adverse effect on us. However, in the future, a prolonged system-wide outage or frequent outages could cause harm to our reputation and could cause our customers to make claims against us for damages allegedly resulting

from an outage or interruption. Any damage or failure that interrupts or delays our operations could result in material harm to our business and expose us to material liabilities.

THE TERMINATION OR REDUCTION OF CERTAIN GOVERNMENT PROGRAMS AND TAX BENEFITS COULD ADVERSELY AFFECT OUR OVERALL EFFECTIVE TAX RATE.

We have benefited or currently benefit from a variety of government programs and tax benefits, including programs and benefits in Israel, Cyprus and Ireland. Generally, these programs contain conditions that we must meet in order to be eligible to obtain any benefit. If we fail to meet these conditions, we could be required to refund tax benefits already received. Additionally, some of these programs and the related tax benefits are available to us for a limited number of years, and these benefits expire from time to time.

Any of the following could have a material effect on our overall effective tax rate:

- some programs may be discontinued,
- we may be unable to meet the requirements for continuing to qualify for some programs,
- these programs and tax benefits may be unavailable at their current levels,
- upon expiration of a particular benefit, we may not be eligible to participate in a new program or qualify for a new tax benefit that would offset the loss of the expiring tax benefit, or
- we may be required to refund previously recognized tax benefits if we are found to be in violation of the stipulated conditions.

WE ARE CURRENTLY A PARTY TO SECURITIES LITIGATION CLASS ACTION LAWSUITS AND A SECURITIES EXCHANGE COMMISSION INVESTIGATION, WHICH COULD NEGATIVELY AFFECT OUR BUSINESS AND RESULTS OF OPERATIONS.

Beginning in June 2002, a number of complaints were filed by holders of our ordinary shares against Amdocs and certain of our officers and directors in the United States District Court for the Eastern District of Missouri and the Southern District of New York. The cases were transferred to and consolidated in the Eastern District of Missouri. The consolidated amended complaint filed in the action alleged that Amdocs and the individual defendants had made false or misleading statements about our business and future prospects during a putative class period between July 18, 2000 and June 20, 2002. On December 1, 2003, the court issued an order granting our motion to dismiss the securities class action lawsuits and directing that judgment be entered in favor of the defendants. On December 29, 2003, the lead plaintiffs appealed to the United States Court of Appeals for the Eighth Circuit from the final judgment entered on December 1, 2003. The litigation has been, and may continue to be, time-consuming and costly and could divert the attention of our management personnel. These lawsuits or any future lawsuits filed against us could harm our business.

In addition, we have been informed that the Midwest Regional Office of the SEC is conducting a private investigation into the events leading up to our announcement in June 2002 of revised projected revenue for the third and fourth quarters of fiscal 2002. The investigation appears to be focused on, but is not explicitly limited to, our forecasting beginning with our April 23, 2002 press release. Although we believe that we will be able to satisfy any concerns the SEC staff may have in this regard, we are unable to predict the duration, scope or outcome of the investigation. We are cooperating fully with the SEC staff. At a minimum, this investigation may divert the attention of our management and other resources that would otherwise be engaged in operating our business.

RISKS RELATED TO OUR CAPITAL STRUCTURE

THE MARKET PRICE OF OUR ORDINARY SHARES HAS AND MAY CONTINUE TO FLUCTUATE WIDELY.

The market price of our ordinary shares has fluctuated widely and may continue to do so. During fiscal year 2003, our ordinary shares traded as high as \$27.25 per share and as low as \$5.85 per share.

Our ordinary shares traded as high as \$39.25 per share and as low as \$6.10 per share in fiscal 2002 and as high as \$80.50 per share and as low as \$25.85 per share in fiscal 2001. As of April 5, 2004, the closing price of our ordinary shares was \$28.84 per share. Many factors could cause the market price of our ordinary shares to rise and fall, including:

- market conditions in the industry and the economy as a whole,
- variations in our quarterly operating results,
- announcements of technological innovations by us or our competitors,
- introductions of new products or new pricing policies by us or our competitors,
- trends in the communications or software industries,
- acquisitions or strategic alliances by us or others in our industry,
- changes in estimates of our performance or recommendations by financial analysts, and
- political developments in the Middle East.

In addition, the stock market often experiences significant price and volume fluctuations. These fluctuations particularly affect the market prices of the securities of many high technology companies. These broad market fluctuations could adversely affect the market price of our ordinary shares.

WE MAY NEED TO USE A SIGNIFICANT AMOUNT OF OUR CASH AND/OR ISSUE A SIGNIFICANT NUMBER OF OUR ORDINARY SHARES IF WE ARE REQUIRED TO REPURCHASE OUR 2% CONVERTIBLE NOTES DUE 2008.

Holders of our 2% Convertible Notes due June 1, 2008, which we refer to as the 2% Notes, may require us to repurchase all or any of their 2% Notes as early as June 1, 2004 at a repurchase price equal to 100% of the principal amount plus accrued and unpaid interest, if any. The 2% Notes are convertible into our ordinary shares at a conversion rate of 10.8587 shares per \$1,000 principal amount, representing a conversion price of approximately \$92.09 per share. As of April 5, 2004, the closing price of our ordinary shares on the New York Stock Exchange, or the NYSE, was \$28.84. Because the conversion price of the 2% Notes is significantly higher than the current market price of the ordinary shares, it is likely that the holders of the 2% Notes will require us to repurchase their 2% Notes on June 1, 2004.

We may choose to pay the repurchase price for the 2% Notes in cash, ordinary shares or a combination of cash and ordinary shares. As of December 31, 2003, \$395.5 million aggregate principal amount of the 2% Notes was outstanding. If we repurchase the 2% Notes using cash, it would significantly reduce the amount of cash and cash equivalents on our consolidated balance sheet. If we repurchase the 2% Notes using shares, it could involve the issuance of a significant number of our ordinary shares. If we repurchased all of the 2% Notes using only ordinary shares, we could be required to issue over 13.7 million ordinary shares, based on the closing price of the ordinary shares on the NYSE on April 5, 2004. If we repurchased all or part of the 2% Notes using ordinary shares, it could cause the trading price of the ordinary shares to decline.

#### RISKS RELATED TO THE NOTES

THE NOTES ARE EFFECTIVELY SUBORDINATED TO THE DEBT AND OTHER LIABILITIES OF OUR SUBSIDIARIES.

We are a holding company for the various subsidiaries that conduct our business on a worldwide basis. The notes are obligations exclusively of our company and are not guaranteed by our subsidiaries. The notes are unsecured and effectively subordinated to the liabilities, including trade payables, of our subsidiaries. Neither we nor our subsidiaries are prohibited from incurring debt under the indenture, including senior indebtedness. If we or our subsidiaries were to incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. As of December 31, 2003, our subsidiaries had liabilities of approximately \$907.1 million. We may from time to time incur additional debt. Our subsidiaries may also from time to time incur other additional debt and liabilities. The notes

are also effectively subordinated to any secured obligations to the extent of the value of the assets securing such obligations. See "Description of Notes."

WE ARE DEPENDENT UPON OUR SUBSIDIARIES TO SERVICE OUR DEBT.

Our assets consist primarily of the capital stock or other equity interests of our operating subsidiaries. Consequently, our cash flow and ability to service debt obligations, including the notes, are dependent upon the earnings of our subsidiaries and the distribution of those earnings to us, or upon loans, advances or other payments made by the subsidiaries to us. The ability of our subsidiaries to pay dividends or make other payments or advances to us will depend upon their operating results and will be subject to applicable laws and contractual restrictions contained in any instruments governing their indebtedness. We cannot be certain that payments from our subsidiaries will be adequate to service our debt obligations, including the notes.

WE MAY NOT HAVE THE FUNDS NECESSARY TO FINANCE THE REPURCHASE OF THE NOTES OR MAY OTHERWISE BE RESTRICTED FROM MAKING SUCH REPURCHASE IF REQUIRED BY HOLDERS PURSUANT TO THE INDENTURE.

On March 15, 2009, 2014 and 2019, or at any time prior to maturity following a "designated event" under the indenture, holders may require us to repurchase their notes at a price of 100% of the principal amount of the notes, plus accrued and unpaid interest to the repurchase date. However, it is possible that we will not have sufficient funds available at such time to make the required repurchase of notes. In addition, any future credit agreements or other agreements relating to our indebtedness could contain provisions prohibiting the repurchase of the notes under certain circumstances, or could provide that a designated event constitutes an event of default under that agreement. If any agreement governing our indebtedness prohibits or otherwise restricts us from repurchasing the notes when we become obligated to do so, we could seek the consent of the lenders to repurchase the notes or attempt to refinance this debt. If we do not obtain such a consent or refinance the indebtedness, we would not be permitted to repurchase the notes without potentially causing a default under this indebtedness. Our failure to repurchase tendered notes would constitute an event of default under the indenture, which might constitute a default under the terms of our other indebtedness.

THE INDEBTEDNESS CREATED BY THE NOTES, AND ANY FUTURE INDEBTEDNESS, COULD ADVERSELY AFFECT OUR BUSINESS AND OUR ABILITY TO MAKE FULL PAYMENT ON THE NOTES.

Our aggregate level of indebtedness increased as a result of the sale by us of the notes to the initial purchasers. As of December 31, 2003, after giving pro forma effect to the issuance and sale of the notes as if they had occurred on December 31, 2003, after deducting discounts and commissions and offering expenses and the application of approximately \$170.1 million of the net proceeds from the sale of the notes to the initial purchasers to repurchase ordinary shares concurrently with the note offering, we would have had \$892.6 million of outstanding indebtedness and cash and short term investments of \$1.5 billion. If we use cash to pay for the repurchase of the \$395.5 million aggregate principal amount of the 2% Notes that holders may put to us on June 1, 2004, our total pro forma long-term indebtedness after such repurchase would be \$497.1 million and our pro forma cash and short-term investments would be \$1.1 billion.

We may obtain additional long-term debt and lines of credit to meet future financing needs, which would have the effect of increasing our total leverage. Any increase in our leverage could have significant negative consequences, including:

- increasing our vulnerability to adverse economic and industry conditions,
- limiting our ability to obtain additional financing,
- limiting our ability to make acquisitions,



- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, thereby reducing the amount of our cash flow available for other purposes, including capital expenditures,
- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we compete, and
- placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources.

Our ability to satisfy our future obligations, including debt service on the notes, depends on our future operating performance and on economic, financial, competitive and other factors beyond our control. Our business may not generate sufficient cash flow to meet these obligations or to successfully execute our business strategy. If we are unable to service our debt and fund our business, we may be forced to reduce or delay capital expenditures, seek additional financing or equity capital, restructure or refinance our debt or sell assets. We cannot assure you that we would be able to obtain additional financing or refinance existing debt or sell assets on terms acceptable to us or at all.

OUR MANAGEMENT WILL HAVE BROAD DISCRETION TO ALLOCATE THE PROCEEDS FROM THE SALE OF THE NOTES TO THE INITIAL PURCHASERS, WHICH MAY RESULT IN DECISIONS THAT NEGATIVELY AFFECT THE MARKET PRICE OF THE NOTES AND OUR ORDINARY SHARES.

Our management will have broad discretion to allocate the proceeds from the sale of the notes to the initial purchasers and to determine the timing and nature of expenditures. The allocation of proceeds from the sale of the notes to the initial purchasers could have a negative effect on the trading prices of the notes or our ordinary shares. We used approximately \$170.1 million of the net proceeds from the sale of the notes to the initial purchasers to purchase ordinary shares sold short by purchasers of the notes in negotiated transactions concurrently with the note offering. We intend to use the balance of the net proceeds for general corporate purposes, including working capital and capital expenditures, as well as for future possible strategic opportunities, including acquisitions. We may also use net proceeds and other cash resources to pay the repurchase price for our 2% Notes, which we may be required to repurchase from the holders thereof on June 1, 2004. As of December 31, 2003, there was approximately \$395.5 million aggregate principal amount of our 2% Notes outstanding. We are not currently able to estimate the allocation of the proceeds or timing of the expenditures.

A PUBLIC MARKET MAY NOT DEVELOP FOR THE NOTES.

The notes are a new issue of securities for which there is currently no public market. The initial purchasers have advised us that they currently intend to make a market in the notes. However, the initial purchasers are not obligated to make a market and may discontinue this market making activity at any time without notice. In addition, market making activity by the initial purchasers will be subject to the limits imposed by the federal securities laws. As a result, we cannot assure you that any market for the notes will develop or, if one does develop, that it will be maintained. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in the prices of securities similar to the notes. If an active market for the notes fails to develop or be sustained, the trading price of the notes could be materially and adversely affected.

THE TRADING PRICES OF THE NOTES COULD BE SIGNIFICANTLY AFFECTED BY THE TRADING PRICES OF OUR ORDINARY SHARES.

We expect that the trading prices of the notes in the secondary market will be significantly affected by the trading prices of our ordinary shares. It is impossible to predict whether the price of our ordinary shares will rise or fall. Trading prices of our ordinary shares will be influenced by our operating results and prospects and by economic, financial and other factors. In addition, general market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, and sales of

substantial amounts of ordinary shares by us in the market after the offering of the notes, or the perception that such sales may occur, could affect the price of our ordinary shares.

THE CONDITIONAL CONVERSION FEATURE OF THE NOTES COULD RESULT IN YOUR NOT RECEIVING THE VALUE OF THE ORDINARY SHARES INTO WHICH THE NOTES ARE CONVERTIBLE.

The notes are convertible into ordinary shares only if specific conditions are met. If the specific conditions for conversion are not met, you may not be able to receive the value of the ordinary shares into which your notes would otherwise be convertible.

THE CONVERSION RATE OF THE NOTES MAY NOT BE ADJUSTED FOR ALL DILUTIVE EVENTS.

The conversion rate of the notes is subject to adjustment for certain events including, but not limited to, the issuance of stock dividends on our ordinary shares, the issuance of certain rights or warrants, subdivisions or combinations of our ordinary shares, certain distributions of assets, debt securities, capital stock or cash to holders of our ordinary shares and certain issuer tender or exchange offers as described under "Description of Notes--Conversion of Notes--Conversion Rate Adjustments." The conversion rate will not be adjusted for other events, such as an issuance of ordinary shares for cash, that may adversely affect the trading price of the notes or the ordinary shares. There can be no assurance that an event that adversely affects the value of the notes, but does not result in an adjustment to the conversion rate, will not occur.

CONVERSION OF THE NOTES WILL DILUTE THE OWNERSHIP INTEREST OF EXISTING SHAREHOLDERS, INCLUDING HOLDERS WHO HAD PREVIOUSLY CONVERTED THEIR NOTES.

The conversion of some or all of the notes will dilute the ownership interests of existing shareholders. Any sales in the public market of the ordinary shares issuable upon such conversion could adversely affect prevailing market prices of our ordinary shares. In addition, the existence of the notes may encourage short selling by market participants because the conversion of the notes could depress the price of our ordinary shares.

IF YOU HOLD NOTES, YOU WILL NOT BE ENTITLED TO ANY RIGHTS WITH RESPECT TO OUR ORDINARY SHARES, BUT YOU WILL BE SUBJECT TO ALL CHANGES MADE WITH RESPECT TO OUR ORDINARY SHARES.

If you hold notes, you will not be entitled to any rights with respect to our ordinary shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on our ordinary shares), but you will be subject to all changes affecting the ordinary shares. You will have rights with respect to our ordinary shares only if and when we deliver shares of ordinary shares to you upon conversion of your notes and, in limited cases, under the conversion rate adjustments applicable to the notes. For example, in the event that an amendment is proposed to our Articles of Association requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of ordinary shares to you, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our ordinary shares.

#### OFFERING STATISTICS AND TIMETABLE

The \$450,000,000 aggregate principal of notes and the 10,435,995 ordinary shares issuable upon conversion of the notes are being sold by the selling securityholders listed under the caption "Selling Securityholders" beginning on page 52. The offer will be open until the earlier of (1) the date there are no longer any registrable securities and (2) the date on which all of the securities being offered hereby held by persons that are not our affiliates can be sold under Rule 144(k) under the Securities Act, whichever occurs first.

#### REASONS FOR THE OFFER AND USE OF PROCEEDS

This prospectus relates to the resale by the selling securityholders from time to time of up to \$450,000,000 aggregate principal of notes and the 10,435,995 ordinary shares issuable upon conversion of the notes. We will not receive any proceeds from the sale by the selling securityholders of the notes or the ordinary shares issuable upon conversion of the notes.

#### DIVIDEND POLICY

We have not paid cash dividends since 1998, and we do not anticipate paying cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain our earnings to finance the development of our business. Any future dividend policy will be determined by our Board of Directors based upon conditions then existing, including our earnings, financial condition and capital requirements, as well as such economic and other conditions as the Board of Directors may deem relevant. In addition, future agreements under which we or any of our subsidiaries may incur indebtedness may contain limitations on our ability to pay cash dividends.

THE OFFER AND LISTING

MARKET INFORMATION

Our ordinary shares have been quoted on the NYSE since June 19, 1998, under the symbol "DOX." The following table sets forth the high and low reported sale prices for our ordinary shares for the periods indicated:

	HIGH ----	LOW ---
FISCAL YEAR ENDED SEPTEMBER 30,		
1999 .....	\$ 30.25	\$ 8.75
2000 .....	\$ 96.00	\$ 19.81
2001 .....	\$ 80.50	\$ 25.85
2002 .....	\$ 39.25	\$ 6.10
2003 .....	\$ 27.25	\$ 5.85
QUARTER		
Fiscal 2002:		
First Quarter .....	\$ 35.90	\$ 24.00
Second Quarter .....	\$ 39.25	\$ 23.60
Third Quarter .....	\$ 26.27	\$ 6.62
Fourth Quarter .....	\$ 9.65	\$ 6.10
Fiscal 2003:		
First Quarter .....	\$ 11.98	\$ 5.85
Second Quarter .....	\$ 13.95	\$ 9.86
Third Quarter .....	\$ 25.01	\$ 13.25
Fourth Quarter .....	\$ 27.25	\$ 18.55
Fiscal 2004:		
First Quarter .....	\$ 27.10	\$ 18.90
Second Quarter .....	\$ 29.74	\$ 22.17
Third Quarter (through April 5, 2004) .....	\$ 28.94	\$ 28.05
Most Recent Six Months		
October, 2003 .....	\$ 21.70	\$ 18.90
November, 2003 .....	\$ 25.66	\$ 20.85
December, 2003 .....	\$ 27.10	\$ 20.00
January, 2004 .....	\$ 29.74	\$ 22.17
February, 2004 .....	\$ 29.45	\$ 26.42
March, 2004 .....	\$ 29.20	\$ 25.77

As of February 29, 2004, we had 211,438,162 ordinary shares outstanding and there were approximately 224 holders of record of our ordinary shares. This figure does not reflect persons or entities who hold their ordinary shares in nominee or "street" name through various brokerage firms.

On April 5, 2004, the last reported sale price of our ordinary shares on the NYSE was \$28.84.

EXPENSES OF THE ISSUE

The selling securityholders will pay any underwriting discounts and commissions and expenses incurred by them for brokerage, accounting, tax or legal services or any other expenses incurred by the selling securityholders in disposing of the shares. We will bear all other costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including, without limitation, all registration and filing fees, NYSE listing fees and fees and expenses of our counsel and our accountants. The following table sets forth the various expenses expected to be incurred by us in connection with the sale and distribution of the securities being registered hereby. All amounts shown are estimates except the Securities and Exchange Commission registration fee.

Filing Fee - Securities and Exchange Commission .....	\$ 57,015
Legal fees and expenses.....	\$ 25,000
Registrar and Transfer agent fees and expenses.....	\$ 5,000
Accounting fees and expenses.....	\$ 20,000
Printing, EDGAR formatting and mailing expenses.....	\$ 25,000
Miscellaneous expenses.....	\$ 10,000
	-----
Total Expenses.....	\$ 142,015
	=====

CAPITALIZATION

The following table sets forth:

- our unaudited actual consolidated capitalization as of December 31, 2003; and
- our consolidated capitalization as of December 31, 2003, as adjusted to give effect to the sale on March 5, 2004 of \$450.0 million aggregate principal amount of the notes, and the application of approximately \$170.1 million of the net proceeds from the sale of the notes to repurchase ordinary shares on March 5, 2004, as if the sale of the notes and the repurchase of the shares had occurred on December 31, 2003.

You should read this table in conjunction with "Operating and Financial Review and Prospects," our consolidated financial statements and related footnotes and the other financial information included in our reports filed with the SEC and incorporated by reference in this prospectus.

	AS OF DECEMBER 31, 2003	
	(UNAUDITED)	
	(IN THOUSANDS)	
	ACTUAL	AS ADJUSTED
	-----	-----
Short-term portion of capital lease obligations.....	\$ 26,640	\$ 26,640
Capital lease obligations, less current portion.....	18,142	18,142
Short-term portion of financing arrangement.....	2,366	2,366
2% Convertible Notes due June 1, 2008 (1).....	395,454	395,454
0.50% Convertible Senior Notes due 2024 (1).....	--	450,000
	-----	-----
Total indebtedness.....	442,602	892,602
Shareholders' equity:		
Preferred Shares - Authorized 25,000 shares;(pound)0.01 par value; 0 shares issued and outstanding.....	--	--
Ordinary Shares - Authorized 550,000 shares;(pound)0.01 par value; 224,318 issued and 211,596 outstanding and 205,522 outstanding, as adjusted (2).....	3,589	3,589
Additional paid-in capital.....	1,827,471	1,827,471
Treasury Stock, at cost - 12,722 ordinary shares and 18,796 ordinary shares, as adjusted (2).....	(233,274)	(403,335)
Accumulated other comprehensive income.....	51	51
Accumulated deficit.....	(74,302)	(74,302)
	-----	-----
Total shareholders' equity.....	1,523,535	1,353,474
	-----	-----
Total capitalization.....	\$1,966,137	\$2,246,076
	=====	=====

(1) We may use net proceeds from the sale of the notes and other cash resources to pay the repurchase price for the 2% Notes, which we may be required to repurchase from the holders thereof on June 1, 2004. Amounts presented do not give effect to any repurchases of the 2% Notes.

(2) Reflects the purchase of approximately 6,074 ordinary shares on March 5, 2004, which were sold short by purchasers of the notes in negotiated transactions concurrently with that offering. Does not include 26,640 ordinary shares reserved for issuance upon the exercise of stock options that have been granted under our stock option plan and by companies we have acquired.

## DESCRIPTION OF NOTES

We issued the notes under an indenture dated as of March 5, 2004, between Amdocs, as issuer, and The Bank of New York, as trustee. The notes and the ordinary shares issuable upon conversion of the notes are covered by a registration rights agreement. You may request a copy of the indenture and the registration rights agreement from the trustee. We have also filed the indenture and the registration rights agreement with the SEC. See "Incorporation of Documents by Reference" and "Where You Can Find More Information."

The following description is a summary of the material provisions of the notes, the indenture and the registration rights agreement. It does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the indenture, including the definitions of certain terms used in the indenture, and to all the provisions of the registration rights agreement, including the definitions of certain terms in the registration rights agreement. Wherever particular provisions or defined terms of the indenture, form of note or registration rights agreement are referred to, these provisions or defined terms are incorporated in this prospectus by reference. We urge you to read the indenture and the registration rights agreement because they and not this description define your rights as a holder of notes.

As used in this "Description of Notes" section, references to "Amdocs," "we," "our" or "us" refer solely to Amdocs Limited and not to our subsidiaries, unless the context otherwise requires.

### GENERAL

The notes are senior unsecured debt of Amdocs and rank on a parity with all of our other existing and future senior unsecured debt, including the 2% Notes, and prior to all of our existing and future subordinated debt. The notes are not obligations of or guaranteed by any of our subsidiaries. The notes are convertible into ordinary shares as described under "--Conversion of Notes."

The notes initially will be limited to \$450.0 million aggregate principal amount. The notes were issued in denominations of \$1,000 and multiples of \$1,000. We use the term "note" in this prospectus to refer to each \$1,000 principal amount of notes. The notes will mature on March 15, 2024, unless earlier converted, redeemed or repurchased.

We may, without the consent of the holders, reopen the indenture and issue additional notes under the indenture with the same terms and with the same CUSIP numbers as the outstanding notes in an unlimited aggregate principal amount, provided that no such additional notes may be issued unless fungible with the outstanding notes for U.S. federal income tax purposes. Subject to our compliance with applicable laws, we may also from time to time repurchase the notes in open market purchases or negotiated transactions without prior notice to holders.

The notes are obligations of Amdocs, which is a holding company, and not its subsidiaries. Because we derive substantially all of our revenues from our operating subsidiaries and do not have business operations of our own, we are dependent upon the ability of our subsidiaries to provide us with cash, in the form of dividends or intercompany advances, loans or otherwise, to meet our obligations under the notes. Our subsidiaries will have no obligation to pay amounts due on the notes or to make any funds available to us for payment of the notes upon maturity or upon a redemption or repurchase of the notes as described below.

Neither we nor any of our subsidiaries are subject to any financial covenants under the indenture. In addition, neither we nor any of our subsidiaries are restricted under the indenture from paying dividends, incurring debt, whether senior or junior to the notes, or issuing or repurchasing our securities.

You are not afforded protection under the indenture in the event of a highly leveraged transaction or a change in control of us, except to the extent described below under "--Repurchase at Option of the Holder Upon a Designated Event."

The notes bear interest at an annual rate of 0.50%. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months and accrues from March 5, 2004, or from the most recent date to which interest has been paid or duly provided for. We will pay interest on March 15 and September 15 of each year, beginning September 15, 2004, to record holders at the close of business on the preceding March 1 and September 1, as the case may be.

We will maintain an office in the Borough of Manhattan, The City of New York, where we will pay the principal on the notes and you may present the notes for conversion, registration of transfer or exchange for other denominations, which will initially be an office or agency of the paying agent. The paying agent initially will be the trustee. We may pay interest by check mailed to your address as it appears in the note register, provided that if you are a holder with an aggregate principal amount in excess of \$2.0 million, you will be paid, at your written election, by wire transfer in immediately available funds. However, payments to The Depository Trust Company, New York, New York, which we refer to as DTC, will be made by wire transfer of immediately available funds to the account of DTC or its nominee.

The notes are not subject to a sinking fund provision and are not subject to defeasance or covenant defeasance under the indenture.

#### CONVERSION OF NOTES

You may convert any of your notes, in whole or in part, into ordinary shares prior to the close of business on the final maturity date of the notes, subject to prior redemption or repurchase of the notes, only under the following circumstances:

- subject to certain exceptions, upon satisfaction of a market price condition;
- upon satisfaction of a trading price condition;
- upon the occurrence of certain credit ratings events;
- upon notice of redemption; or
- upon the occurrence of specified corporate transactions.

The number of ordinary shares you will receive upon conversion of your notes will be determined by multiplying the number of \$1,000 principal amount notes you convert by the conversion rate on the date of conversion. You may convert your notes in part so long as such part is \$1,000 principal amount or an integral multiple of \$1,000.

If we call notes for redemption, you may convert the notes until the close of business on the business day immediately preceding the redemption date, unless we fail to pay the redemption price. If you have submitted your notes for repurchase upon a designated event, you may convert your notes only if you withdraw your repurchase election. Similarly, if you exercise your option to require us to repurchase your notes other than upon a designated event, those notes may be converted only if you withdraw your election to exercise your option in accordance with the terms of the indenture. Upon conversion of notes, a holder will not receive any cash payment of interest or liquidated damages, if any, except in the circumstances specified in the next paragraph, and such amounts will be forfeited.

Notwithstanding the preceding paragraph, if notes are converted after a record date but prior to the next succeeding interest payment date, holders of such notes at the close of business on the record date will receive the interest payable on such notes on the corresponding interest payment date notwithstanding the conversion. Such notes, upon surrender for conversion, must be accompanied by funds equal to the amount of interest payable on the notes so converted; provided that no such payment need be made (1) if we have specified a redemption date that is after a record date but on or prior to the next interest payment date, (2) if we have specified a repurchase date following a designated event that is after a record date but on or prior to the next succeeding interest payment date or (3) to the extent of any overdue interest at the time of conversion with respect to such note.



#### CONVERSION UPON SATISFACTION OF MARKET PRICE CONDITION

You may surrender your note for conversion into our ordinary shares prior to the close of business on the maturity date during any fiscal quarter commencing after March 31, 2004, and only during such fiscal quarter if the closing sale price of our ordinary shares exceeds 130% of the then effective conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter.

The "closing sale price" of our ordinary shares on any date means the closing per share sale price (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date as reported in composite transactions for the principal United States securities exchange on which our ordinary shares are traded or, if our ordinary shares are not listed on a United States national or regional securities exchange, as reported by the Nasdaq System or by the National Quotation Bureau Incorporated. In the absence of such a quotation, we will determine the closing sale price on the basis we consider appropriate, and such determination shall be conclusive. The "conversion price" as of any day will equal \$1,000 divided by the conversion rate as of such day.

#### CONVERSION UPON SATISFACTION OF TRADING PRICE CONDITION

You may surrender your notes for conversion into our ordinary shares prior to the close of business on the maturity date during the five business-day period after any five consecutive trading-day period (the "measurement period") in which the "trading price" per \$1,000 principal amount of notes, as determined following a request by a holder of notes in accordance with the procedures described below, for each day of that measurement period was less than 98% of the product of the closing sale price of our ordinary shares and the conversion rate for such date (the "98% Trading Exception"); provided, however, you may not convert your notes in reliance on this provision if on any trading day during such measurement period the closing sale price of our ordinary shares was between 100% and 130% of the then current conversion price of the notes.

The "trading price" of the notes on any date of determination means the average of the secondary market bid quotations obtained by the trustee for \$10,000,000 principal amount of the notes at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers we select; provided that if three such bids cannot reasonably be obtained by the trustee, but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the trustee, that one bid shall be used. If the trustee cannot reasonably obtain at least one bid for \$10,000,000 principal amount of the notes from a nationally recognized securities dealer, then the trading price per \$1,000 principal amount of notes will be deemed to be less than 98% of the product of the "closing sale price" of our ordinary shares and the conversion rate.

In connection with any conversion upon satisfaction of the above trading pricing condition, the trustee shall have no obligation to determine the trading price of the notes unless we have requested such determination; and we shall have no obligation to make such request unless a holder provides us with reasonable evidence that the trading price per \$1,000 principal amount of notes would be less than 98% of the product of the closing sale price of our ordinary shares and the conversion rate. At such time, we shall instruct the trustee to determine the trading price of the notes beginning on the next trading day and on each successive trading day until the trading price per \$1,000 principal amount of notes is greater than or equal to 98% of the product of the closing sale price of our ordinary shares and the conversion rate.

#### CONVERSION UPON CREDIT RATINGS EVENT

After the earlier of (a) the date the notes are rated by both Standard & Poor's and Moody's and (b) five business days from the date the notes are issued, you may surrender your note for conversion into our ordinary shares prior to close of business on the maturity date during any period in which the credit rating assigned to the notes by Standard & Poor's or Moody's (or any successors to these entities) is "BB-" or "Ba3," respectively, or lower, or if

either of these rating agencies no longer rates the notes, or if either of these rating agencies suspends or withdraws the rating assigned to the notes, or if the notes are not assigned a rating by both rating agencies.

#### CONVERSION UPON NOTICE OF REDEMPTION

If we call notes for redemption, you may convert the notes until the close of business on the business day immediately preceding the redemption date, after which time your right to convert will expire unless we default in the payment of the redemption price.

#### CONVERSION UPON SPECIFIED CORPORATE TRANSACTIONS

If we elect to:

- distribute to all holders of our ordinary shares certain rights or warrants entitling them to purchase, for a period expiring within 45 days of the record date for such issuance, our ordinary shares at less than the average of the closing sale prices of our ordinary shares for the 10 trading days preceding the declaration date for such distribution; or
- distribute to all holders of our ordinary shares ordinary shares, assets, debt securities or certain rights to purchase our securities, which distribution has a per share value exceeding 5% of the closing sale price of our ordinary shares on the day preceding the declaration date for such distribution;

we must notify you at least 20 days prior to the ex-dividend date for such distribution. Once we have given such notice, you may surrender your notes for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or any announcement by us that such distribution will not take place. If you will otherwise participate in the distribution without conversion, you will not have the right to convert pursuant to this provision.

In addition, if we are a party to a consolidation, amalgamation, merger, binding share exchange or sale, lease or transfer of all or substantially all of our assets, in each case pursuant to which our ordinary shares would be converted into cash, securities or other property, you may surrender your notes for conversion at any time from and after the date that is 15 days prior to the anticipated effective date of the transaction until and including the date that is 15 days after the actual date of such transaction (or if such consolidation, amalgamation, merger, binding share exchange or sale, lease or transfer also constitutes a designated event, until the repurchase date corresponding to such designated event). If we are a party to a consolidation, amalgamation, merger, binding share exchange or sale, lease or transfer of all or substantially all of our assets, in each case pursuant to which our ordinary shares are converted into cash, securities or other property, then at the effective time of the transaction, your right to convert a note into our ordinary shares will be changed into a right to convert it into the kind and amount of cash, securities and other property that you would have received if you had converted your notes immediately prior to the transaction. If the transaction also constitutes a designated event, you can require us to repurchase all or a portion of your notes as described under "--Repurchase at Option of the Holder Upon a Designated Event."

#### CONVERSION PROCEDURES

The initial conversion rate for the notes is 23.1911 ordinary shares per \$1,000 principal amount of notes, subject to adjustment as described below, which represents an initial conversion price of \$43.12 per share. We will not issue fractional ordinary shares upon conversion of notes. Instead, we will pay cash in lieu of fractional shares based on the closing sale price of the ordinary shares on the trading day prior to the conversion date. Except as described above, you will not receive any accrued interest or dividends upon conversion.

To convert your note into ordinary shares you must do the following (or comply with DTC procedures for doing so in respect of your beneficial interest in notes evidenced by a global note):

- complete and manually sign the conversion notice on the back of the note or facsimile of the conversion notice and deliver this notice to the conversion agent;
- surrender the note to the conversion agent;
- if required, furnish appropriate endorsements and transfer documents;
- if required, pay all transfer or similar taxes; and
- if required, pay funds equal to interest payable on the next interest payment date.

The date you comply with these requirements is the conversion date under the indenture.

#### CONVERSION RATE ADJUSTMENTS

We will adjust the conversion rate if any of the following events occurs:

- (1) We issue ordinary shares as a dividend or distribution on our ordinary shares.
- (2) We issue to all holders of ordinary shares certain rights or warrants to purchase our ordinary shares, for a period expiring within 45 days of the record date for such issuance, at a price per share that is less than the average of the closing sale prices of our ordinary shares for the 10 trading days preceding the declaration date for such distribution.
- (3) We subdivide or combine our ordinary shares.
- (4) We distribute to all holders of our ordinary shares any shares of our capital stock, evidences of indebtedness or assets, including cash and securities but excluding rights or warrants specified above and dividends or distributions specified above.

If we distribute shares of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, then the conversion rate will be adjusted based on the market value of the securities so distributed relative to the market value of our ordinary shares, in each case based on the average of the closing sale prices of those securities (where such closing sale prices are available) for the 10 trading days commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such distribution on the New York Stock Exchange or such other national or regional exchange or market on which the securities are then listed or quoted.

If we distribute cash (excluding any dividend or distribution in connection with our liquidation, dissolution or winding up), then the conversion rate shall be increased so that it equals the rate determined by multiplying the conversion rate in effect on the record date with respect to the cash distribution by a fraction, (1) the numerator of which shall be the current market price of our ordinary shares on the record date, and (2) the denominator of which will be the current market price of our ordinary shares on the record date minus the amount per share of such distribution.

- (5) We or one of our subsidiaries makes a payment in respect of a tender offer or exchange offer for our ordinary shares to the extent that the cash and value of any other consideration included in the payment per share of ordinary shares exceeds the closing sale price per share of ordinary shares on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer.
- (6) Someone other than us or one of our subsidiaries makes a payment in respect of a tender offer or exchange offer in which, as of the closing date of the offer, our board of directors is not recommending rejection of the offer.

The adjustment referred to in this clause (6) will only be made if:

- the tender offer or exchange offer is for an amount that increases the offeror's ownership of ordinary shares to more than 25% of the total ordinary shares outstanding; and
- the cash and value of any other consideration included in the payment per share of ordinary shares exceeds the closing sale price per share of ordinary shares on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to the tender or exchange offer.

However, the adjustment referred to in this clause (6) will generally not be made if as of the closing of the offer, the offering documents disclose a plan or an intention to cause us to engage in a consolidation or merger or a sale of all or substantially all of our assets.

"Current market price" of our ordinary shares on any day means the average of the closing price per share of our ordinary shares for each of the 10 consecutive trading days ending on the earlier of the day in question and the day before the "ex-date" with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, "ex-date" means the first date on which our ordinary shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance or distribution.

To the extent that we have a rights plan in effect upon conversion of the notes into ordinary shares, you will receive, in addition to the ordinary shares, the rights under the rights plan, unless prior to any conversion, the rights have separated from the ordinary shares, in which case the conversion rate will be adjusted at the time of separation as if we distributed to all holders of our ordinary shares, shares of our capital stock, evidences of indebtedness or assets as described above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

In the event of:

- any reclassification of our ordinary shares;
- a consolidation, merger or combination involving us; or
- a sale or conveyance to another person or entity of all or substantially all of our property and assets;

in which holders of our ordinary shares would be entitled to receive stock, other securities, other property, assets or cash for their ordinary shares, upon conversion of your notes you will be entitled to receive the same type of consideration that you would have been entitled to receive if you had converted the notes into our ordinary shares immediately prior to any of these events.

We may, from time to time, increase the conversion rate if our Board of Directors has made a determination that this increase would be in our best interests. Any such determination by our board will be conclusive. In addition, we may increase the conversion rate if our board of directors deems it advisable to avoid or diminish any income tax to holders of ordinary shares resulting from any stock or rights distribution. See "Certain United States Federal Income Tax Considerations--Tax Consequences to U.S. Holders--Adjustment to Conversion Rate."

The holders of the notes may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal income tax as a dividend as a result of the adjustments to the conversion rate described above. See "Certain United States Federal Income Tax Considerations--Tax Consequences to U.S. Holders--Adjustment to Conversion Rate."

We will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate. Except as described above in this section, we will not adjust the conversion rate for any issuance of our ordinary shares or convertible or exchangeable securities or rights to purchase our ordinary shares or convertible or exchangeable securities.

#### OPTIONAL REDEMPTION BY AMDOCS

Beginning March 20, 2009, we may redeem the notes in whole or in part for cash at any time at a redemption price equal to 100% of the principal amount of notes, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the redemption date. If such redemption date falls after a record date but on or prior to the next succeeding interest payment date, we will pay the full amount of accrued and unpaid interest, and liquidated damages, if any, on such interest payment date to the holder of record on the close of business on the corresponding record date. We are required to give notice of redemption by mail to holders not more than 60 but not less than 30 days prior to the redemption date.

If less than all of the outstanding notes are to be redeemed, the trustee will select the notes to be redeemed in principal amounts of \$1,000 or multiples of \$1,000 by lot, pro rata or by another method the trustee considers fair and appropriate. If a portion of your notes is selected for partial redemption and you convert a portion of your notes, the converted portion will be deemed to the extent practicable to be of the portion selected for redemption.

We may not redeem the notes if we have failed to pay any interest on the notes and such failure to pay is continuing, or if the principal amount of the notes has been accelerated.

#### REPURCHASE AT OPTION OF THE HOLDER

You have the right to require us to repurchase your notes, in whole or in part, on March 15 of 2009, 2014 and 2019. We will be required to repurchase any outstanding note for which you deliver a written repurchase notice to the paying agent. This notice must be delivered during the period beginning at any time from the opening of business on the date that is 20 business days prior to the repurchase date until the close of business on the repurchase date. If a repurchase notice is given and withdrawn during that period, we will not be obligated to repurchase the notes listed in the notice. Our repurchase obligation will be subject to certain additional conditions.

The repurchase price payable for a note will be equal to the principal amount to be repurchased, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the repurchase date.

At our option, instead of paying the repurchase price in cash, we may pay it in our ordinary shares or a combination of cash and our ordinary shares valued at 100% of the average of the closing sales prices of such ordinary shares on the NYSE (or such other national or regional exchange or market on which the securities are then listed or quoted) for the five consecutive trading days ending on the third trading day prior to the repurchase date. We may only pay the repurchase price in ordinary shares if we satisfy certain conditions provided in the indenture, including:

- registration of the ordinary shares to be issued upon repurchase under the Securities Act and the Exchange Act, if required;
- qualification of the ordinary shares to be issued upon repurchase under applicable state securities laws, if necessary, or the availability of an exemption therefrom; and
- listing of the ordinary shares on a United States national securities exchange or quotation thereof in an inter-dealer quotation system of any registered United States national securities association.

If any condition is not satisfied, such as the condition that there be no restrictions on any transfer of the shares, the repurchase price may be paid only in cash. For a discussion of the tax treatment of a holder receiving cash, ordinary shares or any combination thereof, see "Certain United States Federal Income Tax Considerations." We may, at any time, irrevocably relinquish our right to pay the repurchase price in ordinary shares by entering into a supplemental indenture with the trustee.

You may withdraw any written repurchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of business on the repurchase date. The withdrawal notice must state:

- the principal amount of the withdrawn notes;
- if certificated notes have been issued, the certificate numbers of the withdrawn notes (or, if your notes are not certificated, your withdrawal notice must comply with appropriate DTC procedures); and
- the principal amount, if any, that remains subject to the repurchase notice.

We must give notice of an upcoming repurchase date to all note holders not less than 20 business days prior to the repurchase date at their addresses shown in the register of the registrar. We will also give notice to beneficial owners as required by applicable law. This notice will state, among other things: whether we will pay the repurchase price of the notes in cash or ordinary shares, or both cash and ordinary shares (in which case the relative percentages will be specified); if we elect to pay all or a portion of the repurchase price in ordinary shares, the method by which we are required to calculate market price of the ordinary shares; and the procedures that holders must follow to require us to repurchase their notes.

Payment of the repurchase price for a note for which a repurchase notice has been delivered and not withdrawn is conditioned upon book-entry transfer or delivery of the note, together with necessary endorsements, to the paying agent at its office in the Borough of Manhattan, The City of New York, or any other office of the paying agent, at any time after delivery of the repurchase notice. Payment of the repurchase price for the note will be made promptly following the later of the repurchase date and the time of book-entry transfer or delivery of the note. If the paying agent holds money sufficient to pay the repurchase price of the note on the business day following the repurchase date, then, on and after the date:

- the note will cease to be outstanding;
- interest will cease to accrue; and
- all other rights of the holder will terminate, other than the right to receive the repurchase price upon delivery of the note.

This will be the case whether or not book-entry transfer of the note has been made or the note has been delivered to the paying agent.

No notes may be repurchased by us at the option of the holders if the principal amount of the notes has been accelerated, and such acceleration has not been rescinded, on or prior to the indicated repurchase date. We may be unable to repurchase the notes if you elect to require us to repurchase the notes pursuant to this provision. If you elect to require us to repurchase the notes on March 15 of 2009, 2014 or 2019, we may not have enough funds to pay the repurchase price for all tendered notes. Any future credit agreements or other agreements relating to our indebtedness may contain provisions prohibiting the repurchase of the notes under certain circumstances. If you elect to require us to repurchase the notes at a time when we are prohibited from repurchasing notes, we could seek the consent of our lenders to repurchase the notes or attempt to refinance this debt. If we do not obtain consent, we would not be permitted to repurchase the notes. Our failure to repurchase tendered notes would constitute an event of default under the indenture, which might constitute a default under the terms of our other indebtedness.

We will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act that may be applicable at the time of the tender offer. To the extent applicable, we will file a Schedule T0 or any other schedule required in connection with any offer by us to repurchase the notes.

#### REPURCHASE AT OPTION OF THE HOLDER UPON A DESIGNATED EVENT

If a designated event occurs at any time prior to the maturity of the notes, you may require us to repurchase your notes, in whole or in part, on a repurchase date that is not less than 20 nor more than 35 business days after the date of our notice of the designated event. The notes will be repurchased only in integral multiples of \$1,000 principal amount.

We will repurchase the notes at a price equal to 100% of the principal amount to be repurchased, plus accrued and unpaid interest, and liquidated damages, if any, to, but excluding, the repurchase date. If such repurchase date falls after a record date and on or prior to the corresponding interest payment date, we will pay the full amount of accrued and unpaid interest payable on such interest payment date to the holder of record on the close of business on the corresponding record date.

At our option, instead of paying the repurchase price in cash, we may pay it in our ordinary shares or, if applicable, our parent's common equity, or a combination of cash and shares valued at 100% of the average of the closing sales prices of such shares on the New York Stock Exchange (or such other national or regional exchange or market on which the securities are then listed or quoted) for the five consecutive trading days ending on the third trading day prior to the repurchase date. We may only pay the repurchase price in shares if we satisfy certain conditions provided in the indenture, including:

- registration of the shares to be issued upon redemption under the Securities Act and the Exchange Act, if required;
- qualification of the shares to be issued upon redemption under applicable state securities laws, if necessary, or the availability of an exemption therefrom; and
- listing of the shares on a United States national securities exchange or quotation thereof in an inter-dealer quotation system of any registered United States national securities association.

If any condition is not satisfied, such as the condition that there be no restrictions on any transfer of the shares, the repurchase price may be paid only in cash. We may, at any time, irrevocably relinquish our right to pay the repurchase price in shares by entering into a supplemental indenture with the trustee.

We will mail to all record holders a notice of a designated event within 15 days after it has occurred. This notice will state, among other things: whether we will pay the repurchase price of the notes in cash, shares of our ordinary shares or, if applicable, our parent's common equity, or both cash and shares (in which case the relative percentages will be specified); if we elect to pay all or a portion of the repurchase price in shares, the method by which we are required to calculate market price of the shares; and the procedures that holders must follow to require us to repurchase their notes. We are also required to deliver to the trustee a copy of the designated event notice. If you elect to require us to repurchase your notes, you must deliver to us or our designated agent, on or before the repurchase date specified in our designated event notice, your repurchase notice and any notes to be repurchased, duly endorsed for transfer. We will promptly pay the repurchase price for notes surrendered for repurchase following the repurchase date.

You may withdraw any written repurchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of business on the repurchase date. The withdrawal notice must state:

- the principal amount of the withdrawn notes;
- if certificated notes have been issued, the certificate numbers of the withdrawn notes (or, if your notes are not certificated, your withdrawal notice must comply with appropriate DTC procedures); and
- the principal amount, if any, that remains subject to the repurchase notice.

Payment of the repurchase price for a note for which a repurchase notice has been delivered and not withdrawn is conditioned upon book-entry transfer or delivery of the note, together with necessary endorsements, to the paying agent at its corporate trust office in the Borough of Manhattan, The City of New York, or any other office of the paying agent, at any time after delivery of the repurchase notice. Payment of the repurchase price for the note will be made promptly following the later of the repurchase date and the time of book-entry transfer or delivery of the note. If the paying agent holds money sufficient to pay the repurchase price of the note on the repurchase date, then, on and after the business day following the repurchase date:

- the note will cease to be outstanding;

- interest will cease to accrue; and
- all other rights of the holder will terminate, other than the right to receive the repurchase price upon delivery of the note.

This will be the case whether or not book-entry transfer of the note has been made or the note has been delivered to the paying agent.

A "designated event" will be deemed to have occurred upon a fundamental change or a termination of trading.

A "fundamental change" is any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, reclassification, recapitalization or otherwise) in connection with which all or substantially all of our ordinary shares are exchanged for, converted into, acquired for or constitute solely the right to receive, consideration that is not all or substantially all common stock (or comparable equity security of a non-U.S. entity) that:

- is listed on, or immediately after the transaction or event will be listed on, a United States national securities exchange, or
- is approved, or immediately after the transaction or event will be approved, for quotation on the NASDAQ National Market or any similar United States system of automated dissemination of quotations of securities prices.

A "termination of trading" will be deemed to have occurred if our ordinary shares (or other securities into which the notes are then convertible) are neither listed for trading on a United States national securities exchange nor approved for trading on the NASDAQ National Market.

We will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act that may be applicable at the time of a designated event. To the extent applicable, we will file a Schedule TO or any other schedule required in connection with any offer by us to repurchase the notes in the event of a designated event.

These designated event repurchase rights could discourage a potential acquirer of Amdocs. However, this designated event repurchase feature is not the result of management's knowledge of any specific effort to obtain control of us by means of a merger, tender offer or solicitation, or part of a plan by management to adopt a series of anti-takeover provisions. The term "designated event" is limited to specified transactions and may not include other events that might adversely affect our financial condition or business operations. Our obligation to offer to repurchase the notes upon a designated event would not necessarily afford you protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us. No notes may be repurchased by us at the option of holders upon a designated event if the principal amount of the notes has been accelerated and such acceleration has not been rescinded.

We may be unable to repurchase the notes in the event of a designated event. If a designated event were to occur, we may not have enough funds to pay the repurchase price for all tendered notes. Any future credit agreements or other agreements relating to our indebtedness may contain provisions prohibiting repurchase of the notes under certain circumstances, or expressly prohibit our repurchase of the notes upon a designated event or may provide that a designated event constitutes an event of default under that agreement. If a designated event occurs at a time when we are prohibited from repurchasing notes, we could seek the consent of our lenders to repurchase the notes or attempt to refinance this debt. If we do not obtain consent, we would not be permitted to repurchase the notes. Our failure to repurchase tendered notes would constitute an event of default under the indenture, which might constitute a default under the terms of our other indebtedness.



## ADDITIONAL TAX AMOUNTS

All amounts payable (whether in respect of principal, interest, liquidated damages or otherwise) in respect of the notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Guernsey or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, levies, assessments or governmental charges is required by law. In that event, we will pay, or cause to be paid, such additional amounts as may be necessary in order that the net amounts receivable by the holder after such withholding or deduction shall equal the respective amounts that would have been receivable by such holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any of the notes:

- to, or to a third party on behalf of, a person who is liable for such taxes, duties, levies, assessments or governmental charges in respect of such note by reason of his having some connection with (including being a citizen of, being incorporated or engaged in a trade or business in, or having a residence or principal place of business or other presence in) Guernsey other than (a) the mere holding of such note or (b) the receipt of principal, interest or other amount in respect of such note; or
- presented for payment more than 30 days after the relevant date (as defined below), except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on or before the expiry of such period of 30 days; or
- on account of any inheritance, gift, estate, personal property, sales, or similar taxes duties, levies, assessments or similar governmental charges; or
- on account of any taxes, duties, levies, assessments or governmental charges that are payable otherwise than by withholding from payments in respect of such note.

The "relevant date" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the trustee on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to holders, notice to that effect shall have been duly given to the holders of the notes.

If Amdocs becomes subject generally at any time to any taxing jurisdiction other than or in addition to Guernsey, references to Guernsey in this section and the following section shall be read and construed as references to such other jurisdiction(s) and/or to Guernsey.

Notwithstanding the foregoing discussion concerning withholding taxes, in the event that any deduction or withholding on account of tax is required to be made, or is made, in connection with the European Union directive on the taxation of savings income adopted on June 3, 2003, or any law, regardless of whether or not enacted by a member state of the European Union or otherwise, required by such directive implementing or complying with, or introduced in order to conform to, such directive, no additional amounts shall be payable or paid by us to any holder in respect of the notes. See "Certain Guernsey Tax Considerations--European Union Savings Tax Directive."

Any reference in this section to "principal" and/or "interest" in respect of the notes shall be deemed also to refer to any additional amounts that may be payable under this section. Unless the context otherwise requires, any reference in this section to "principal" shall include any redemption amount and any other amounts in the nature of principal payable pursuant to this section and "interest" shall include all amounts payable pursuant to this section and any other amounts in the nature of interest payable pursuant to this section, including liquidated damages.

## TAX REDEMPTION

Subject to the conditions described below, the notes may be redeemed for cash, in whole but not in part, at our option, upon not less than 30 days' nor more than 60 days' prior notice to the holders at the redemption price equal to 100% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any, to, but excluding, the date fixed for redemption, if we determine, based on an opinion received from a tax advisor who is an expert in the tax laws of the relevant jurisdiction, that on the next succeeding interest payment date, as a result of any change in or amendment to the laws or treaties, or any regulations or rulings promulgated thereunder, of Guernsey or any political subdivision thereof or any authority or agency therein or thereof having power to tax and affecting taxation, or any proposed change in such laws, treaties, regulations or rulings (including a holding by a court of competent jurisdiction) which change or amendment becomes effective or is proposed on or after the closing date of the sale of the notes, Amdocs has or will become obligated to pay additional amounts on any notes, provided, however, that (i) the obligation to withhold or deduct cannot be avoided by us by using our reasonable best efforts to obtain an exemption from such deduction or withholding obligation (in the event application to the appropriate authorities is reasonably required in order to avoid such obligation) and such application has been denied, and (ii) no such notice of redemption may be given earlier than 90 days prior to the earliest date on which we would be obligated to pay such additional amounts.

Notwithstanding the foregoing, if we give notice of redemption as described above, each holder of notes will have the right to elect that such holder's notes will not be subject to such redemption. If a holder of notes elects not to be subject to such redemption, we will not be required to pay any additional amounts with respect to payments made on that holder's notes (solely as a result of the change in Guernsey tax law that caused additional amounts to be payable) following the redemption date fixed by us, and all subsequent payments on such holder's notes whether in cash or ordinary shares will be subject to applicable Guernsey taxes. In such event, payments of interest on the notes arising on maturity, redemption, purchase or conversion of a note or on an assignment or other transfer of a note to a person resident in Guernsey may be subject to Guernsey taxes, and the tax consequences to holders of notes described under "Certain Guernsey Tax Considerations" will no longer apply.

Because the tax consequences to holders in such circumstances could be material and adverse, holders of notes should consult their own tax advisors in considering whether to elect their option to avoid redemption in such circumstances. In the event that cash payments which a holder would otherwise be entitled to receive from us are insufficient to pay applicable Guernsey taxes, we may require from a holder as a condition to the holder's right to receive any ordinary shares on conversion or other amounts from us an amount of cash sufficient to pay applicable Guernsey taxes. Holders of notes must elect their option to avoid such redemption by written notice to the trustee no later than the 15th day prior to the redemption date fixed by us.

## MERGER AND SALE OF ASSETS BY AMDOCS

The indenture provides that we may not consolidate with or merge with or into any other person or convey, transfer, sell or lease our properties and assets substantially as an entirety to another person, and we may not permit any person to consolidate with or merge into us or convey, transfer, sell or lease such person's properties and assets substantially as an entirety to us, unless among other items:

- the person formed by such consolidation or into or with which we are merged or the person to which our properties and assets are so conveyed, transferred, sold or leased, shall be a corporation, limited liability company, partnership or trust organized and validly existing under either (1) the laws of Guernsey, the United States, any state within the United States or the District of Columbia or any other country (including its political subdivisions) which on the issue date is a member of the Organization for Economic Cooperation and Development or (2) any other country whose legal and jurisprudential system is principally based on, or substantially similar to, English common law so long as the location of that entity in such common law country would not adversely affect the rights of holders and, in each case, if we

are not the surviving person, the surviving person files a supplement to the indenture and expressly assumes the payment of the principal and interest on the notes and the performance of our other covenants under the indenture;

- after giving effect to such transaction, there is no event of default under the indenture, and no event which, after notice or passage of time or both, would become an event of default; and
- other requirements as described in the indenture are met.

#### EVENTS OF DEFAULT; NOTICE AND WAIVER

The following are events of default under the indenture:

- we fail to pay principal when due at maturity, upon redemption, repurchase or otherwise on the notes;
- we fail to pay any interest and liquidated damages, if any, on the notes, when due and such failure continues for a period of 30 days;
- we fail to provide timely notice of a designated event;
- we fail to perform or observe any of the covenants in the indenture for 60 days after written notice to us from the trustee (or to us and the trustee from the holders of at least 25% in principal amount of the outstanding notes);
- payment defaults or other defaults causing acceleration of indebtedness prior to maturity, where the principal amount of the indebtedness subject to such defaults aggregates \$50.0 million or more;
- we fail to deliver our ordinary shares upon conversion of the notes within the time period required by the indenture, and such failure continues for a period of five days; or
- certain events involving our bankruptcy, insolvency or reorganization.

The trustee may withhold notice to the holders of the notes of any default, except defaults in payment of interest or liquidated damages, if any, on the notes. However, the trustee must consider it to be in the interest of the holders of the notes to withhold this notice.

If an event of default occurs and continues, the trustee or the holders of at least 25% in principal amount of the outstanding notes may declare the principal, and accrued interest and liquidated damages, if any, on the outstanding notes to be immediately due and payable. In case of certain events of bankruptcy or insolvency involving us, the principal, and accrued interest and liquidated damages, if any, on the notes will automatically become due and payable. However, if we cure all defaults, except the nonpayment of principal, interest or liquidated damages, if any, that became due as a result of the acceleration, and meet certain other conditions, with certain exceptions, this declaration may be cancelled and the holders of a majority of the principal amount of outstanding notes may waive these past defaults.

Payments of principal or interest or liquidated damages, if any, on the notes that are not made when due will accrue interest from the required payment date at the annual rate of 1% above the then applicable interest rate for the notes.

The holders of a majority of outstanding notes will have the right to direct the time, method and place of any proceedings for any remedy available to the trustee, subject to limitations specified in the indenture.

No holder of the notes may pursue any remedy under the indenture, except in the case of a default in the payment of principal or interest on the notes, unless:

- the holder has given the trustee written notice of an event of default;

- the holders of at least 25% in principal amount of outstanding notes make a written request and offer indemnity reasonably satisfactory to the trustee to pursue the remedy;
- the trustee does not receive an inconsistent direction from the holders of a majority in principal amount of the notes;
- the holder or holders have offered security or indemnity reasonably satisfactory to the trustee against any costs, liability or expense of the trustee; and
- the trustee fails to comply with the request within 60 days after receipt of the request and offer of indemnity.

#### MODIFICATION AND WAIVER

The consent of the holders of a majority in principal amount of the outstanding notes is required to modify or amend the indenture. However, a modification or amendment requires the consent of the holder of each outstanding note if it would:

- extend the fixed maturity of any note;
- reduce the rate or extend the time for payment of interest, or liquidated damages, if any, on any note;
- reduce the principal amount of any note;
- reduce any amount payable upon redemption or repurchase of any note;
- adversely change our obligation to repurchase any note at the option of a holder or upon a designated event;
- impair the right of a holder to institute suit for payment on any note;
- change the currency in which any note is payable;
- impair the right of a holder to convert any note or reduce the number of ordinary shares or the amount of any other property receivable upon conversion;
- reduce the quorum or voting requirements under the indenture;
- subject to specified exceptions, modify certain of the provisions of the indenture relating to modification or waiver of provisions of the indenture; or
- reduce the percentage of notes required for consent to any modification of the indenture.

We are permitted to modify certain provisions of the indenture without the consent of the holders of the notes.

#### FORM, DENOMINATION AND REGISTRATION

The notes were issued:

- in fully registered form;
- without interest coupons; and
- in denominations of \$1,000 principal amount and integral multiples of \$1,000.

#### GLOBAL NOTE, BOOK-ENTRY FORM

Notes are evidenced by one or more global notes. We deposited the global note or notes with DTC and register the global notes in the name of Cede & Co. as DTC's nominee. Except as set forth

below, a global note may be transferred, in whole or in part, only to another nominee of DTC or to a successor of DTC or its nominee.

Beneficial interests in a global note may be held directly through DTC if such holder is a participant in DTC, or indirectly through organizations that are participants in DTC (called "participants"). Transfers between participants will be effected in the ordinary way in accordance with DTC rules and will be settled in clearing house funds. The laws of some states require that certain persons take physical delivery of securities in definitive form. As a result, the ability to transfer beneficial interests in the global note to such persons may be limited.

Holders who are not participants may beneficially own interests in a global note held by DTC only through participants, or certain banks, brokers, dealers, trust companies and other parties that clear through or maintain a custodial relationship with a participant, either directly or indirectly (called "indirect participants"). So long as Cede & Co., as the nominee of DTC, is the registered owner of a global note, Cede & Co. for all purposes will be considered the sole holder of such global note. Except as provided below, owners of beneficial interests in a global note will:

- not receive physical delivery of certificates in definitive registered form; and
- not be considered holders of the global note.

We will pay interest on and the redemption price and the repurchase price of a global note to Cede & Co., as the registered owner of the global note, by wire transfer of immediately available funds on each interest payment date or the redemption or repurchase date, as the case may be. Neither we, the trustee nor any paying agent will be responsible or liable:

- for the records relating to, or payments made on account of, beneficial ownership interests in a global note; or
- for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

Neither we, the trustee, registrar, paying agent nor conversion agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations. DTC has advised us that it will take any action permitted to be taken by a holder of notes, including the presentation of notes for exchange, only at the direction of one or more participants to whose account with DTC interests in the global note are credited, and only in respect of the principal amount of the notes represented by the global note as to which the participant or participants has or have given such direction.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York, and a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the Uniform Commercial Code; and
- a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants. Participants include securities brokers, dealers, banks, trust companies and clearing corporations and other organizations. Some of the participants or their representatives, together with other entities, own DTC. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

DTC has agreed to the foregoing procedures to facilitate transfers of interests in a global note among participants. However, DTC is under no obligation to perform or continue to perform these procedures, and may discontinue these procedures at any time.

We will issue the notes in definitive certificated form if DTC notifies us that it is unwilling or unable to continue as depository or DTC ceases to be a clearing agency registered under the Exchange Act and a successor depository is not appointed by us within 90 days. In addition, beneficial interests in a global note may be exchanged for definitive certificated notes upon request by or on behalf of DTC in accordance with customary procedures. We may determine at any time and in our sole discretion that notes shall no longer be represented by global notes, in which case we will issue certificates in definitive form in exchange for the global notes.

#### REGISTRATION RIGHTS

We entered into a registration rights agreement dated March 5, 2004 with the initial purchasers pursuant to which we have, at our own expense, for the benefit of the noteholders, filed with the SEC the shelf registration statement of which this prospectus is a part, covering resale of the notes and the ordinary shares issuable upon conversion of the notes. Our obligation to keep the shelf registration statement effective terminates upon the earlier of:

- such time as all of the registrable securities have been sold pursuant to the shelf registration statement or sold to the public pursuant to Rule 144 under the Securities Act, or any other similar provision then in force (but not Rule 144A); or
- the expiration of the holding period applicable to such securities held by persons that are not affiliates of Amdocs under Rule 144(k) under the Securities Act, or any successor provision.

When we use the term "registrable securities" in this section, we are referring to the notes and the ordinary shares issuable upon conversion of the notes until the earliest of:

- the effective registration under the Securities Act and the resale of the securities in accordance with the registration statement;
- the expiration of the holding period with respect to the registrable securities under Rule 144(k) under the Securities Act; and
- the sale of the registrable securities to the public pursuant to Rule 144 under the Securities Act.

We may, upon written notice to all the holders of registrable securities, postpone having the shelf registration statement declared effective for a reasonable period not to exceed 90 days if we in good faith reasonably believe that we possess material non-public information, the disclosure of which would have a material adverse effect on us and our subsidiaries taken as a whole.

We may suspend the use of the prospectus under certain circumstances relating to pending corporate developments, public filings with the SEC and similar events. Any suspension period shall not exceed:

- 30 days in any three-month period; or
- an aggregate of 90 days for all periods in any 12-month period.

Notwithstanding the foregoing, we will be permitted to suspend the use of the prospectus for up to 60 days in any three-month period under certain circumstances, relating to possible acquisitions, financings or other similar transactions.

We will pay predetermined liquidated damages on the interest payment dates for the notes if the shelf registration statement is not timely filed or declared effective or if the prospectus included in such registration statement is unavailable for periods in excess of those permitted above:

- on the notes at an annual rate equal to 0.25% of the aggregate principal amount of the notes outstanding for the first 90-day period immediately following the failure to timely file or make effective a shelf registration statement or the failure to make the prospectus available for periods described above, and such rate will increase to 0.50% per annum thereafter until the registration statement is filed or made effective or until the prospectus is made available; and
- on the ordinary shares that have been issued upon conversion of the notes, at an annual rate equal to 0.25% of an amount equal to \$1,000 divided by the conversion rate during such periods for the first 90-day period immediately following the failure to timely file or make effective a shelf registration statement or the failure to make the prospectus available for periods described above, and such rate will increase to 0.50% per annum thereafter until the registration statement is filed or made effective or until the prospectus is made available.

In no event will liquidated damages accrue at an annual rate exceeding 0.50%.

A holder who elects to sell registrable securities pursuant to the shelf registration statement will be required to:

- be named as a selling securityholder in the related prospectus;
- deliver a prospectus to purchasers; and
- be subject to the provisions of the registration rights agreement, including indemnification provisions.

Under the registration rights agreement we will:

- pay all customary expenses with respect to the shelf registration statement;
- provide each registered holder copies of the prospectus;
- notify holders when the shelf registration statement has become effective; and
- take other reasonable actions as are required to permit unrestricted resales of the registrable securities in accordance with the terms and conditions of the registration rights agreement.

The plan of distribution of the shelf registration statement, of which this prospectus is a part, permits resales of registrable securities by selling securityholders through brokers and dealers.

We agreed in the registration rights agreement to give notice to all holders of the filing and effectiveness of the shelf registration statement, of which this prospectus is a part, by issuing a press release to Reuters Economic Services and Bloomberg Business News.

This summary in this prospectus of provisions of the registration rights agreement is not complete. This summary is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement, a copy of which has previously been filed with the SEC.

#### RULE 144A INFORMATION REQUEST

We will furnish to the holders or beneficial holders of the notes or the underlying ordinary shares and prospective purchasers, upon their request, the information required under Rule 144A(d)(4) under the Securities Act until such time as such securities are no longer "restricted securities" within the meaning of Rule 144 under the Securities Act, assuming these securities have not been owned by an affiliate of ours.

#### INFORMATION CONCERNING THE TRUSTEE

We have appointed The Bank of New York, the trustee under the indenture, as paying agent, conversion agent, note registrar and custodian for the notes. The trustee or its affiliates may provide banking and other services to us in the ordinary course of their business.

The indenture contains certain limitations on the rights of the trustee, if it or any of its affiliates is then our creditor, to obtain payment of claims in certain cases or to realize on certain property received on any claim as security or otherwise. The trustee and its affiliates are permitted to engage in other transactions with us. However, if the trustee or any affiliate continues to have any conflicting interest and a default occurs with respect to the notes, the trustee must eliminate such conflict or resign.

#### GOVERNING LAW

The notes and the indenture are governed by, and construed in accordance with, the laws of the State of New York.



## DESCRIPTION OF SHARE CAPITAL

The following description summarizes the most important terms of our share capital. Because it is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our Articles of Association.

The share capital of Amdocs is (pound)5,750,000 divided into (i) 25,000,000 preferred shares with a par value of (pound)0.01 per share and (ii) 550,000,000 ordinary shares with a par value of (pound)0.01 per share, consisting of 500,000,000 voting ordinary shares and 50,000,000 non-voting ordinary shares. As of February 29, 2004, 211,438,162 ordinary shares were outstanding (net of treasury shares) and no non-voting ordinary shares or preferred shares were outstanding. The rights, preferences and restrictions attaching to each class of the shares are as follows:

### PREFERRED SHARES

- Issue-- the preferred shares may be issued from time to time in one or more series of any number of shares up to the amount authorized.
- Authorization to Issue Preferred Shares -- authority is vested in the directors from time to time to authorize the issue of one or more series of preferred shares and to provide for the designations, powers, preferences and relative participating, optional or other special rights and qualifications, limitations or restrictions thereon.
- Relative Rights -- all shares of any one series of preferred shares must be identical with each other in all respects, except that shares of any one series issued at different times may differ as to the dates from which dividends shall be cumulative.
- Liquidation -- in the event of any liquidation, dissolution or winding-up, the holders of our preferred shares are entitled to preference with respect to payment and to receive payment (at the rate fixed in any resolution or resolutions adopted by the directors in such case) plus an amount equal to all dividends accumulated to the date of final distribution to such holders. The holders of preferred shares are entitled to no further payment other than that stated above. If upon any liquidation our assets are insufficient to pay in full the amount stated above, then such assets shall be distributed among the holders of our preferred shares.
- Voting Rights -- except as otherwise provided for by the directors upon the issue of any new series of preferred shares, the holders of shares of preferred shares have no right or power to vote on any question or in any proceeding or to be represented at, or to receive notice of, any meeting of members.

### ORDINARY SHARES AND NON-VOTING ORDINARY SHARES

Except as otherwise provided by the Memorandum of Association and Articles of Association, the ordinary shares and non-voting ordinary shares are identical and entitle holders thereof to the same rights and privileges.

- Dividends -- when and as dividends are declared on our shares, the holders of voting ordinary shares and non-voting ordinary shares are entitled to share equally, share for share, in such dividends except that if dividends are declared which are payable in voting ordinary shares or non-voting ordinary shares, dividends must be declared which are payable at the same rate in both classes of shares.
- Conversion of Non-Voting Ordinary Shares into Voting Ordinary Shares -- upon the transfer of non-voting ordinary shares from the original holder thereof to any third party not affiliated with such original holder, non-voting ordinary shares are redesignated in our books as voting ordinary shares and automatically convert into the same number of voting ordinary shares.

- Liquidation -- upon any liquidation, dissolution or winding-up, any of our assets remaining after creditors and the holders of any preferred shares have been paid in full shall be distributed to the holders of voting ordinary shares and non-voting ordinary shares equally share for share.
- Voting Rights -- the holders of voting ordinary shares are entitled to vote on all matters to be voted on by the members, and the holders of non-voting ordinary shares are not entitled to any voting rights.
- Preferences -- the voting ordinary shares and non-voting ordinary shares are subject to all the powers, rights, privileges, preferences and priorities of the preferred shares as are set out in the Articles of Association.

## COMPARISON OF UNITED STATES AND GUERNSEY CORPORATE LAW

The following discussion is a summary of the material differences between United States and Guernsey corporate law relevant to an investment in the notes and is based on the advice of Hale and Dorr LLP, with respect to the corporate law of the United States, and Carey Olsen, with respect to the corporate law of Guernsey. The following discussion is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change.

Under the laws of many jurisdictions in the United States, controlling shareholders generally have certain "fiduciary" responsibilities to minority shareholders. Shareholder action by controlling shareholders must be taken in good faith and actions by such shareholders that are obviously unreasonable may be declared null and void. Guernsey law protecting the interests of minority shareholders may not be as protective in all circumstances as the law protecting minority shareholders in United States jurisdictions.

Under Guernsey law, an individual shareholder cannot, without the authority of the majority of the shareholders of the corporation, initiate litigation in the corporation's name, but an individual shareholder may seek to enforce the corporation's rights by suing in representative form on behalf of himself and all of the other shareholders of the corporation (except the wrongdoers where the complaint is against other shareholders) against the wrongdoers, who may include directors. In these circumstances, the corporation itself may be joined as a nominal defendant in order that it can be bound by the judgment and, if an action results in any property or damages recovered, such recovery goes not to the plaintiff, but to the corporation. Alternatively, Guernsey law makes specific provision to enable a shareholder to apply to the court for relief on the ground that the affairs of the corporation are being or have been conducted in a manner that is unfairly prejudicial to the interests of certain shareholders (including at least himself) or any actual or proposed act or omission of the corporation is or would be so prejudicial. In such circumstances, the court has wide discretion to make orders to regulate the conduct of the corporation's affairs in the future, to require the corporation to refrain from doing or continuing to do an act that the applicant has complained it has omitted to do, to authorize civil proceedings to be brought in the name and on behalf of the corporation and to provide for the purchase of shares of any shareholder of the corporation by other members or by the corporation itself.

As in most United States jurisdictions, unless approved by a special resolution of our shareholders, our directors do not have the power to take certain actions, including an amendment of our Memorandum of Association or Articles of Association or an increase or reduction in our authorized capital. Directors of a Guernsey corporation, without shareholder approval, in certain instances may, among other things, implement a reorganization and effect certain mergers or consolidations, certain sales, transfers, exchanges or dispositions of assets, property, parts of the business or securities of the corporation; or any combination thereof, if they determine any such action is in the best interests of the corporation, its creditors or its shareholders.

As in most United States jurisdictions, the board of directors of a Guernsey corporation is charged with the management of the affairs of the corporation. In most United States jurisdictions, directors owe a fiduciary duty to the corporation and its shareholders, including a duty of care, pursuant to which directors must properly apprise themselves of all reasonably available information, and a duty of loyalty, pursuant to which they must protect the interests of the corporation and refrain from conduct that injures the corporation or its shareholders or that deprives the corporation or its shareholders of any profit or advantage. Under Guernsey law, directors have comparable fiduciary duties. Many United States jurisdictions have enacted various statutory provisions that permit the monetary liability of directors to be eliminated or limited. Guernsey has not adopted provisions eliminating or limiting the liabilities of directors, although Guernsey law protecting the interests of shareholders may not be as protective in all circumstances as the law protecting shareholders in United States jurisdictions. Under our Articles of Association, we are obligated to indemnify any person who is made or threatened to be made a party to a legal or administrative proceeding by virtue of being a director, officer or agent of Amdocs, provided that

we have no obligation to indemnify any such persons for any claims they incur or sustain by or through their own willful act or default.

## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the anticipated material United States federal income tax consequences of the purchase, ownership and disposition of the notes and ordinary shares into which the notes may be converted, as of the date hereof. The information provided below is based on the Internal Revenue Code of 1986, as amended (the "Code"), and regulations, rulings and judicial decisions all as in effect as of the date hereof, all of which may be repealed, revoked or modified with possible retroactive effect. The summary applies only to holders that purchase notes in the initial offering at their issue price and hold the notes and ordinary shares into which the notes may be converted as capital assets for tax purposes. The summary does not address tax considerations that may be relevant to particular investors because of their specific circumstances, or because they are subject to special rules. For example, this summary does not address tax considerations applicable to investors to whom special tax rules may apply, such as:

- banks or other financial institutions;
- entities treated as partnerships or other flow-through entities for United States federal income tax purposes;
- U.S. Holders (as defined below) whose functional currency is other than the United States dollar;
- tax-exempt entities;
- insurance companies;
- regulated investment companies;
- dealers in securities or currencies; or
- persons that will hold notes or the ordinary shares into which the notes may be converted as a hedge against currency risk or as part of a straddle, synthetic security, conversion transaction or other integrated investment comprised of the notes or the ordinary shares into which the notes may be converted (as the case may be) and one or more other investments.

Finally, the summary does not describe the effect of the federal gift or estate tax laws or the effect of any applicable foreign, state or local laws. This discussion is for general information only and is not intended as legal or tax advice to any particular investor. This summary does not provide a complete analysis or listing of all potential tax considerations. Prospective holders should consult their tax advisors as to the particular tax consequences to them of purchasing, holding or disposing of the notes and the ordinary shares into which the notes may be converted.

For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of a note or our ordinary shares acquired upon conversion of a note that is, for United States federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation or other entity subject to tax as a corporation for United States federal income tax purposes that is created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of source, or (iv) a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have authority to control all of its substantial decisions. A "Non-U.S. Holder" is any beneficial owner of a note or our ordinary shares acquired upon conversion of a note that is not a U.S. Holder. If a partnership or other flow-through entity is a beneficial owner of a note or ordinary shares, the tax treatment of the partner will depend upon the status of the partner or other owner and the activities of the partnership or other entity.

## TAX CONSEQUENCES TO U.S. HOLDERS

### INTEREST

U.S. Holders will be required to recognize as ordinary income any interest paid or accrued on the notes at the time that such payments are accrued or received, in accordance with their regular method of accounting. In general, if the terms of a debt instrument entitle a holder to receive payments, other than fixed periodic interest and certain de minimis payments, that exceed the issue price of the instrument, the holder may be required to recognize the additional amounts as "original issue discount" over the term of the instrument. We believe that the notes will not be issued with original issue discount for U.S. federal income tax purposes.

We may make payments of liquidated damages or certain other contingent payments to holders of the notes:

- if we do not file, or cause to be declared effective, or keep effective, a registration statement, or if the prospectus included in such registration statement is unavailable for specified periods, as described under "Description of Notes -- Registration Rights";
- if Guernsey imposes an obligation to withhold or deduct certain amounts from the payments in respect of the notes, as described under "Description of Notes -- Additional Tax Amounts"; and
- if we choose to pay the repurchase price of the notes in ordinary shares or a combination of cash and ordinary shares, as described under "Description of Notes--Repurchase at Option of the Holder".

We believe that there is only a remote possibility that we will make any of these payments, and therefore we do not intend to treat the notes as subject to the special rules governing certain "contingent payment" debt instruments (which, if applicable, would affect the timing, amount and character of income with respect to a note). Our determination in this regard, while not binding on the U.S. Internal Revenue Service, or the IRS, is binding on holders unless they disclose their contrary position to the IRS. If, contrary to expectations, we make any of the payments described above, U.S. Holders may be required to recognize additional interest income.

### CONVERSION OF NOTES INTO ORDINARY SHARES

A U.S. Holder will not recognize gain or loss upon conversion of the notes solely into our ordinary shares, except with respect to cash received in lieu of a fractional share. The U.S. Holder's basis in the ordinary shares received on conversion will be the same as the U.S. Holder's adjusted tax basis in the notes at the time of conversion (reduced by any basis allocable to any fractional share interest). The holding period for the ordinary shares received on conversion will generally include the holding period of the notes that were converted.

Cash received in lieu of a fractional share upon conversion will generally be treated as a payment in exchange for such fractional share. Accordingly, the receipt of cash in lieu of a fractional share will generally result in capital gain or loss (measured by the difference between the cash received for the fractional share and the holder's adjusted tax basis in the fractional share).

### ADJUSTMENT TO CONVERSION RATE

The conversion rate of the notes will be adjusted if we distribute cash with respect to shares of our ordinary shares and in certain other circumstances. See "Description of Notes - Conversion of Notes." Under section 305(c) of the Code and the applicable Treasury regulations, an increase in the conversion rate as a result of a taxable distribution to our ordinary shareholders will generally result in a deemed distribution to you. Other adjustments in the conversion rate (or failures to make such adjustments) that have the effect of increasing your proportionate interest in our assets or earnings may have the same result. Any deemed distribution to you will be subject to tax as a dividend to the extent of

our current or accumulated earnings and profits. In such a case, U.S. Holders will recognize dividend income as a result of an event pursuant to which they receive no cash or other property that could be used to pay the related tax. See "--Dividends" below. Such deemed dividend income may not qualify for preferential U.S. income tax rates generally afforded to dividend income under recently enacted legislation. Holders of notes are advised to consult with their tax advisors with respect to the potential tax consequences of such constructive distributions.

#### SALE, EXCHANGE, REDEMPTION OR OTHER TAXABLE DISPOSITION OF NOTES

A U.S. Holder will generally recognize capital gain or loss upon the sale, exchange, redemption or other taxable disposition of the notes in an amount equal to the difference between (i) the amount of cash proceeds and the fair market value of any property received (except to the extent such amount is attributable to accrued interest income not previously included in income, which is subject to tax as ordinary income) and (ii) such U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note will generally equal the cost of the note to such holder. Such capital gain or loss will be long-term capital gain or loss if the notes were held for more than one year. The deductibility of capital losses is subject to certain limitations. If we repurchase the notes in exchange for our ordinary shares in certain circumstances at the option of the holder, such a repurchase generally will be treated in the same manner as a conversion to the extent of the portion of the notes exchanged for our ordinary shares. See "--Conversion of Notes into Ordinary Shares."

#### DIVIDENDS

Dividends paid on our ordinary shares will generally be includable in the income of a U.S. Holder as ordinary income to the extent of our current or accumulated earnings and profits, with any excess treated first as a return of capital to the extent of the U.S. Holder's basis in the ordinary shares, which will not be subject to tax, and thereafter as capital gain. Pursuant to recently enacted legislation, dividends on our ordinary shares paid to certain U.S. Holders (including individuals) may qualify for preferential U.S. federal income tax rates (a maximum rate of 15%) if we constitute a "qualified foreign corporation" and certain other conditions are satisfied. We believe that we constitute a "qualified foreign corporation."

#### SALE, EXCHANGE OR OTHER TAXABLE DISPOSITION OF ORDINARY SHARES

Upon the sale, exchange, or other taxable disposition of our ordinary shares, a U.S. Holder will generally recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon the sale or exchange and (ii) such holder's adjusted tax basis in the ordinary shares. Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period of the ordinary shares is more than one year at the time of the sale or exchange. The deductibility of capital losses is subject to certain limitations.

#### PASSIVE FOREIGN INVESTMENT COMPANY CONSIDERATIONS

If, during any taxable year, 75% or more of our gross income consists of certain types of passive income, or the average value during a taxable year of passive assets (generally assets that generate passive income) is 50% more of the average value of all of our assets, we will be treated as a "passive foreign investment company" under U.S. federal income tax law for such year and succeeding years. If we are treated as a passive foreign investment company, a U.S. Holder may be subject to increased tax liability upon the sale of our ordinary shares or upon the receipt of certain distributions, unless such U.S. Holder makes an election to mark our ordinary shares to market annually.

Based on an analysis of our financial position, we believe that we have not been a passive foreign investment company for U.S. federal income tax purposes for any preceding taxable year and expect that we will not become a passive foreign investment company during the current taxable year. However, because the tests for determining passive foreign investment company status are applied as of the end of each taxable year and are dependent upon a number of factors, some of which are beyond our control, including the value of our assets, based on the market price of our ordinary shares, and the amount and

type of our gross income, we cannot assure you that we will not become a passive foreign investment company in the future or that the IRS will agree with our conclusion regarding our current passive foreign investment company status. We intend to use reasonable efforts to avoid becoming a passive foreign investment company.

Rules relating to a passive foreign investment company are very complex. U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax considerations discussed above and the applicability of passive foreign investment company rules to their investments in our ordinary shares.

#### SPECIAL TAX RULES APPLICABLE TO NON-U.S. HOLDERS

Payments (or deemed payments attributable to adjustments in the conversion rate) on the notes or the ordinary shares to a Non-U.S. Holder, or gain realized on the sale, exchange or redemption of the notes or the ordinary shares by a Non-U.S. Holder, will not be subject to U.S. federal income or withholding tax, as the case may be, unless such income is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States, or, in the case of gain, such Non-U.S. Holder is a nonresident alien individual who holds the notes or ordinary shares, as the case may be, as a capital asset and who is present in the United States more than 182 days in the taxable year of the sale and certain other conditions are met.

U.S. trade or business income of a Non-U.S. Holder will generally be subject to regular United States federal income tax in the same manner as if it were realized by a U.S. Holder. Non-U.S. Holders that realize U.S. trade or business income with respect to the notes or ordinary shares should consult their tax advisors as to the treatment of such income or gain.

#### BACKUP WITHHOLDING AND INFORMATION REPORTING

##### U.S. HOLDERS

Payments of interest or dividends made by us on, or the proceeds of the sale or other disposition of, the notes or ordinary shares may be subject to information reporting and United States federal backup withholding tax at the rate of 28% if the U.S. Holder who receives such payments fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against the holder's United States federal income tax, provided that the required information is furnished to the IRS.

##### NON-U.S. HOLDERS.

A Non-U.S. Holder may be required to comply with certification procedures to establish that the holder is not a U.S. person in order to avoid backup withholding tax and information reporting requirements.

THE PRECEDING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR U.S. FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF THE NOTES AND OUR ORDINARY SHARES. TAX ADVISORS SHOULD ALSO BE CONSULTED AS TO THE U.S. ESTATE AND GIFT TAX CONSEQUENCES AND THE FOREIGN TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF THE NOTES AND OUR ORDINARY SHARES, AS WELL AS THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.



## CERTAIN GUERNSEY TAX CONSIDERATIONS

Under the laws of Guernsey, as currently in effect, a holder of the notes (and, upon conversion, a holder of ordinary shares) who is not a resident of Guernsey and who does not carry on business in Guernsey through a permanent establishment situated there, would be exempt from Guernsey income tax on interest and dividends paid with respect to such notes and such ordinary shares, respectively, and would not be liable for Guernsey income tax on gains realized upon the sale or other disposition of such notes and such ordinary shares. In addition, Guernsey would not impose a withholding tax on interest and dividends paid by us to the holders of such notes and such ordinary shares.

There are no capital gains, gift or inheritance taxes levied by Guernsey, and the notes and ordinary shares generally would not be subject to any transfer taxes, stamp duties or similar charges on issuance or transfer.

### EUROPEAN UNION SAVINGS TAX DIRECTIVE

The European Union adopted a directive regarding taxation of savings income on June 3, 2003. It is proposed that, subject to a number of important conditions being met, each EU member state will, from January 1, 2005, be required to provide to the tax authorities of another EU member state details of payments of interest (or other similar income) paid by a person within its jurisdiction to or for the benefit of an individual resident in that other EU member state; however, Austria, Belgium and Luxembourg will instead apply a withholding tax system for a transitional period in relation to such payments.

Although Guernsey is not subject to the EU savings tax directive, the Advisory and Finance Committee of Guernsey has announced that, in keeping with Guernsey's policy of constructive international engagement, Guernsey proposes to introduce a withholding tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU member state by an issuer or paying agent situated in Guernsey. The withholding tax system would apply for a transitional period prior to the implementation of a system of automatic exchange of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU member state will be entitled to request an issuer or paying agent situated in Guernsey not to withhold tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU member state in which the beneficial owner is resident.

As indicated above under "Description of Notes--Additional Tax Amounts," we will not make any additional payments to holders to compensate them for any tax that is required to be withheld as a result of these proposals.

## SELLING SECURITYHOLDERS

We originally issued the notes on March 5, 2004 to Morgan Stanley & Co. Incorporated, Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, whom we refer to as the initial purchasers of the notes. The initial purchasers advised us that the notes were resold by them in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the initial purchasers to be "qualified institutional buyers," as defined in Rule 144A of the Securities Act. These subsequent purchasers, listed below as selling securityholders, or their transferees, pledgees or donees or their successors, may from time to time offer and sell any or all the notes and ordinary shares issuable upon conversion of the notes pursuant to this prospectus.

The selling securityholders have represented to us that they purchased the notes and the ordinary shares issuable upon conversion of the notes for their own account for investment only and not with a view toward selling or distributing them, except through sales registered under the Securities Act or exemptions therefrom. We agreed with the initial purchasers to file this registration statement to register the resale of the notes and the sale of the ordinary shares issuable upon conversion of the notes. We agreed to prepare and file all necessary amendments and supplements to the registration statement to keep it effective until the date on which the notes and the ordinary shares issuable upon conversion of the notes no longer qualify as "registrable securities" under our registration rights agreement.

The following table sets forth, to our knowledge, certain information regarding the selling securityholders based upon information provided by or on behalf of the selling securityholders in a questionnaire and is as of the date specified by the securityholders in those questionnaires. The percentages set forth below are based on 211,438,162 of our ordinary shares outstanding as of February 29, 2004.

The selling securityholders may offer all, some or none of the notes or ordinary shares issuable upon conversion of the notes. Thus, we cannot estimate the amount of the notes or the ordinary shares issuable upon conversion of the notes that will be held by the selling securityholders upon termination of any sales. The column showing ownership after completion of the offering assumes that the selling securityholders will sell all of the securities offered by this prospectus. In addition, the selling securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their notes since the date on which they provided the information about their notes in transactions exempt from the registration requirements of the Securities Act.

The information contained under the column "Ordinary Shares Beneficially Owned Upon Conversion of the Notes" represents ordinary shares issuable upon conversion of the principal amount of notes listed and assumes conversion of the full amount of the notes at the initial conversion rate of 23.1911 shares per each \$1,000 principal of the notes. However, the maximum conversion rate is subject to adjustment as described under "Description of Notes - Conversion of Notes - Conversion Rate Adjustments." As a result, the amount of ordinary shares issuable upon conversion of the notes may increase or decrease in the future.

Except as indicated below, none of the selling securityholders has had any material relationship with us or our affiliates within the past three years. This table assumes that other holders of notes or any future transferees from any such holder do not beneficially own any ordinary shares other than ordinary shares issuable upon conversion of the notes.

NAME OF SELLING SECURITYHOLDER	PRINCIPAL AMOUNT OF NOTES BENEFICIALLY OWNED THAT MAY BE SOLD (\$)	ORDINARY SHARES BENEFICIALLY OWNED UPON CONVERSION OF THE NOTES		PRINCIPAL AMOUNT OF NOTES BENEFICIALLY OWNED AFTER OFFERING	ORDINARY SHARES BENEFICIALLY OWNED AFTER OFFERING	
		NUMBER	PERCENTAGE		NUMBER	PERCENTAGE
Acuity Master Fund, Ltd. ACUITY Capital Management LLC 4 Greenwich Office Park, 3rd Floor Greenwich, CT 06831 USA	3,600,000	83,487	*	0	0	*
Aviva Life Insurance Co. Aviva Life Insurance Co Morley Fund Management No. 1 Poultry London EC2R 8EJ	250,000	5,797	*	0	0	*
Aviva Life Insurance Co. Aviva Life Insurance Co Morley Fund Management No. 1 Poultry London EC2R 8EJ	2,750,000	63,775	*	0	0	*
Bear, Stearns & Co. Inc. Bear, Stearns & Co. Inc. 383 Madison Avenue 23rd Floor, Global Fund New York, NY 10179 USA	10,000,000	231,911	*	0	0	*
Black Diamond Convertible Offshore LDC UBS Fund Services [Cayman] Limited P.O. Box 852 UBS House, 75 Fort Street George Town, Grand Cayman Cayman Islands BWI	1,221,000	28,316	*	0	0	*
Black Diamond Offshore Ltd. UBS Fund Services [Cayman] Limited P.O. Box 852 UBS House, 75 Fort Street George Town, Grand Cayman Cayman Islands BWI	763,000	17,694	*	0	0	*
Cheyne Fund L.P. Cheyne Capital Management Ltd. 13 Park Place London SW1A 1LP	1,425,000	33,047	*	0	0	*
Cheyne Leveraged Fund L.P. Cheyne Capital Management Ltd. 13 Park Place London SW1A 1LP	1,075,000	24,930	*	0	0	*
Citadel Credit Trading Ltd. Citadel Investment Group, L.L.C 131 South Dearborn, 27th Floor Chicago, IL 60603 USA	5,850,000	135,667	*	0	0	*
Citadel Equity Fund Ltd. Citadel Investment Group, L.L.C 131 South Dearborn, 27th Floor Chicago, IL 60603 USA	33,150,000	768,783	*	0	0	*
DKR SoundShore Strategic Holding Fund Ltd. DKR Capital Partners LP 1281 East Main Street Stamford, CT 06902 USA	15,500,000	359,462	*	0	0	*
Double Black Diamond Offshore LDC UBS Fund Services [Cayman] Limited P.O. Box 852 UBS House, 75 Fort Street George Town, Grand Cayman Cayman Islands BWI	3,888,000	90,166	*	0	0	*
Maystone Continuum Master Fund, Ltd. Maystone Partners, LLC 20 East Elm Street Greenwich, CT 06830 USA	250,000	5,797	*	0	0	*
MLQA Convertible Securities Arbitrage Ltd. Merrill Lynch Investment Managers 800 Scudders Mill Road, 2D Trading Plainsboro, NJ 08536 USA	7,500,000	173,933	*	0	0	*
Nomura Securities Int'l Inc. Nomura Securities International Inc. 2 World Financial Center, 18th Floor New York, NY 10281 USA	25,000,000	579,777	*	0	0	*
Teachers Insurance and Annuity Association of America	6,000,000	139,146	*	0	0	*

TIAA-CREF  
 730 Third Avenue  
 New York, NY 10017 USA

Thrivent Financial For Lutherans..... Thrivent Financial for Lutherans 625 Fourth Avenue South Minneapolis, MN 55415 USA	1,000,000	23,191	*	0	0	*
Triborough Partners International LTD..... Paul Berkman & Company, LLC 225 West 34th Street, Suite 1006 New York, NY 10122 USA	4,170,000	96,706	*	0	0	*
Triborough Partners LLC..... Paul Berkman & Company, LLC 225 West 34th Street, Suite 1006 New York, NY 10122 USA	1,830,000	42,439	*	0	0	*
White River Securities L.L.C..... Bear, Stearns & Co. Inc. 383 Madison Avenue 23rd Floor, Global Fund New York, NY 10179 USA	10,000,000	231,911	*	0	0	*
Worldwide Transactions Ltd..... Worldwide Transactions Ltd. Washington Mall-Phase I Church Street, 3rd Floor Hamilton HM 11 Bermuda	128,000	2,968	*	0	0	*
Any other holder of notes or future transferee, pledge, donee or successor of any holder(1)....	314,650,000	7,297,092	3.45	0	0	*
	-----	-----	----	-	-	-
TOTAL.....	\$450,000,000	10,435,995	4.94%	0	0	*

-----  
\* Less than one percent.

(1) Information about other selling securityholders will be set forth in an amendment to the registration statement of which this prospectus is a part or in prospectus amendments or supplements, as required.

## PLAN OF DISTRIBUTION

We will not receive any of the proceeds from the sale of the notes and the ordinary shares issuable upon conversion of the notes offered by this prospectus. The selling securityholders may offer and sell the notes and ordinary shares covered by this prospectus from time to time. The term "selling securityholders" includes donees, pledgees, transferees or other successors-in-interest selling notes and ordinary shares issuable upon conversion of the notes received after the date of this prospectus from a selling securityholder as a gift, pledge, partnership distribution or other transfer. The selling securityholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. If the notes and the ordinary shares issuable upon conversion of the notes are sold through underwriters, broker-dealers or agents, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. Such notes and shares may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time or at negotiated prices. Such sales may be effected in one or more transactions, which may involve block transactions:

- on any national securities exchange or quotation service on which the notes and shares may be listed or quoted at the time of sale;
- in the over-the-counter market; or
- in transactions otherwise than on such exchanges or services or in the over-the-counter market.

In addition, the selling securityholders may sell ordinary shares issuable upon conversion of the notes by one or more of, or a combination of, the following methods:

- purchases by a broker-dealer as principal and resale by such broker-dealer for its own account pursuant to this prospectus;
- ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- block trades in which the broker-dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- in privately negotiated transactions; and
- in options transactions.

In addition, the selling securityholders may sell any shares that qualify for sale under Rule 144 rather than pursuant to this prospectus.

To the extent required, this prospectus may be amended or supplemented from time to time to describe a specific plan of distribution. In connection with distributions of the notes and the ordinary shares issuable upon conversion of the notes, the selling securityholders may pledge the notes and the ordinary shares issuable upon conversion of the notes to a broker-dealer or other financial institution, and, upon a default, such broker-dealer or other financial institution, may effect sales of the pledged notes and the ordinary shares issuable upon conversion of the notes pursuant to this prospectus, as supplemented or amended to reflect such transaction. The selling securityholders may also loan the notes and the ordinary shares issuable upon conversion of the notes to a broker-dealer that in turn may sell the securities.

In effecting sales, broker-dealers or agents engaged by the selling securityholders may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from the selling securityholders in customary or specifically negotiated amounts.

In offering the notes and ordinary shares issuable upon conversion of the notes covered by this prospectus, the selling securityholders and any broker-dealers who execute sales for the selling securityholders may be treated as "underwriters" within the meaning of the Securities Act in connection

with such sales. Any profits realized by the selling securityholders and the compensation of any broker-dealer may be treated as underwriting discounts and commissions.

Our ordinary shares are listed on the New York Stock Exchange.

In order to comply with the securities laws of some states, if applicable, the selling securityholders may be required to sell their notes and ordinary shares issuable upon conversion of the notes in such jurisdictions only through registered or licensed brokers or dealers. In addition, some states may restrict the selling securityholders from selling notes and ordinary shares issuable upon conversion of the notes unless the securities have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We have advised the selling securityholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of notes and ordinary shares issuable upon conversion of the notes in the market and to the activities of the selling securityholders and their affiliates. In addition, we will make copies of this prospectus, as it may be supplemented or amended from time to time, available to the selling securityholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act, which may include delivery through the facilities of the New York Stock Exchange pursuant to Rule 153 under the Securities Act with respect to our ordinary shares. The selling securityholders may indemnify any broker-dealer that participates in transactions involving the sale of the notes and ordinary shares issuable upon conversion of the notes against certain liabilities, including liabilities arising under the Securities Act.

At the time a particular offer of notes and ordinary shares issuable upon conversion of the notes is made, if required, we will distribute a prospectus supplement that will set forth the number of notes and ordinary shares issuable upon conversion of the notes being offered and the terms of the offering, including the name of any underwriter, dealer or agent, the purchase price paid by any underwriter, any discount, commission and other item constituting compensation, any discount, commission or concession allowed or reallocated or paid to any dealer, and the proposed selling price to the public. In addition, to the extent required, we may amend or supplement this prospectus from time to time to describe a particular plan of distribution.

We have agreed to indemnify the selling securityholders against certain liabilities, including certain liabilities under the Securities Act.

We have agreed with the selling securityholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of (1) the date there are no longer any registrable securities and (2) the date on which all of the securities being offered hereby held by persons that are not our affiliates can be sold under Rule 144(k) under the Securities Act, whichever occurs first.

## LEGAL MATTERS

The validity of the ordinary shares offered hereby will be passed upon for us by Carey Olsen, Island of Guernsey. Certain legal matters in connection with the offering will be passed upon for us by Hale and Dorr LLP, New York, New York.

## EXPERTS

The consolidated financial statements and schedule of Amdocs Limited appearing in Amdocs Limited's Annual Report (Form 20-F) for the year ended September 30, 2003, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedule are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Deloitte & Touche, LLP, independent auditors, have audited the Financial Statements of Certen Inc. as set forth in their report included in our Annual Report on Form 20-F for the year ended September 30, 2003, which is incorporated by reference herein. The Financial Statements of Certen are incorporated by reference in reliance on Deloitte & Touche, LLP's report, given on their authority as experts in accounting and auditing.

## ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Island of Guernsey. Several of our directors and officers are not residents of the United States, and a significant portion of our assets and the assets of those persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon those persons or to enforce against them in U.S. courts judgments predicated upon the civil liability provisions of the laws of the United States, including the federal securities laws.

We have been advised by Carey Olsen, our Guernsey counsel, that there is doubt as to the enforceability against our directors and officers in Guernsey, whether in original actions in a Guernsey court or in actions in a Guernsey court for the enforcement of judgments of a U.S. court, of civil liabilities predicated solely upon the laws of the United States, including the federal securities laws. However, subject to certain time limitations, Guernsey courts may base original actions in Guernsey on foreign final executory judgments, including those of the United States, for liquidated amounts in civil matters, obtained after completion of due process before a court of competent jurisdiction (according to the rules of private international law currently prevailing in Guernsey) which recognizes and enforces similar Guernsey judgments, provided that:

- adequate service of process has been effected and the defendant has had a reasonable opportunity to be heard;
- such judgments or the enforcement thereof are not contrary to the law, public policy, security or sovereignty of Guernsey;
- such judgments were not obtained by fraudulent means and do not conflict with any other valid judgment in the same matter between the same parties; and
- an action between the same parties in the same matter is not pending in any Guernsey court at the time the lawsuit is instituted in the foreign court.



PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 8. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Guernsey law permits a company's articles of association to provide for the indemnification of officers and directors except to the extent that such a provision may be held by the courts of Guernsey to be contrary to public policy (for instance, for purporting to provide indemnification against the consequences of committing a crime) and except to the extent that Guernsey law prohibits the indemnification of any director against any specific provisions of Guernsey Company law under which personal liability may be imposed or incurred.

Under our Articles of Association, we are obligated to indemnify any person who is made or threatened to be made a party to a legal or administrative proceeding by virtue of being a director, officer or agent of Amdocs, provided that we have no such obligation to indemnify any such persons for any claims they incur or sustain by or through their own willful act or default.

We have entered into an indemnity agreement with our directors and some of our officers, under which we have agreed to pay the indemnified party the amount of Loss (as defined therein) suffered by that party due to claims made against that party for a Wrongful Act (as defined therein).

ITEM 9. EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
4.1	Memorandum and Articles of Association of Amdocs Limited (incorporated by reference to Exhibits 3.1 and 3.2 to Amdocs' Registration Statement on Form F-1 dated June 19, 1998; Registration No. 333-8826)
4.2	Specimen Certificate for the ordinary shares of Amdocs Limited (incorporated by reference to Exhibit 4.1 to Amdocs' Registration Statement on Form F-1 dated June 19, 1998; Registration No. 333-8826)
4.3	Indenture, dated March 5, 2004, between Amdocs Limited and The Bank of New York, as trustee, for 0.50% Convertible Senior Notes due 2024 (incorporated by reference to Exhibit 99.1 to Amdocs' Report on Form 6-K, filed March 5, 2004)
4.4	Registration Rights Agreement, dated March 5, 2004, among Amdocs Limited and Morgan Stanley & Co. Incorporated, Goldman, Sachs & Co. and Merrill Lynch, Pierce Fenner & Smith Incorporated (incorporated by reference to Exhibit 99.2 to Amdocs' Report on Form 6-K, filed March 5, 2004)
5.1	Opinion of Carey Olsen.
23.1	Consent of Ernst & Young LLP.
23.2	Consent of Deloitte & Touche, LLP.
23.3	Consent of Carey Olsen (included in Exhibit 5.1).
24.1	Power of Attorney (See page II-4 of this Registration Statement).
99.1	Share Purchase Agreement dated as of May 28, 2003 between Amdocs Holdings ULC and Bell Canada (confidential material has been redacted and complete exhibits have been separately filed with the Securities and Exchange Commission).
99.2	Software Master Agreement between Amdocs Software Systems Limited and SBC Services, Inc., effective December __, 2003 (confidential material has been redacted and complete exhibits have been separately filed with the Securities and Exchange Commission).
99.3	Agreement between Amdocs Inc. and SBC Services, Inc. for Software and Professional Services, effective August 7, 2003 (confidential material has been redacted and complete exhibits have been separately filed with the Securities and Exchange Commission).

ITEM 10. UNDERTAKINGS.

Item 512(a) of Regulation S-K. The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

- (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference in this Registration Statement.

- (2) That, for the purposes of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Item 512(b) of Regulation S-K. The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Item 512(h) of Regulation S-K. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the indemnification provisions described herein, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as

expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, State of New York, on this 8th day of April, 2004.

AMDOCS LIMITED

By: /s/ Bruce K. Anderson

-----  
Bruce K. Anderson  
President and Chairman of the Board

POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Amdocs Limited, hereby severally constitute Bruce K. Anderson, Robert A. Minicucci and Thomas G. O'Brien, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Registration Statement on Form F-3 filed herewith and any and all subsequent amendments to said Registration Statement, and generally to do all such things in our names and behalf in our capacities as officers and directors to enable Amdocs Limited to comply with all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by said attorneys, or any of them, to said Registration Statement and any and all amendments thereto.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
/s/ Bruce K. Anderson ----- Bruce K. Anderson	President and Chairman of the Board (Principal Executive Officer)	April 8, 2004
/s/ Robert A. Minicucci ----- Robert A. Minicucci	Vice President and Director (Principal Financial Officer)	April 8, 2004
/s/ Avinoam Naor ----- Avinoam Naor	Director	April 8, 2004

/s/ Adrian Gardner ----- Adrian Gardner	Director	April 8, 2004
/s/ Dov Baharav ----- Dov Baharav	Director	April 8, 2004
/s/ Julian A. Brodsky ----- Julian A. Brodsky	Director	April 8, 2004
/s/ Charles E. Foster ----- Charles E. Foster	Director	April 8, 2004
/s/ Eli Gelman ----- Eli Gelman	Director	April 8, 2004
/s/ James S. Kahan ----- James S. Kahan	Director	April 8, 2004
/s/ Nehmeia Lemelbaum ----- Nehmeia Lemelbaum	Director	April 8, 2004
/s/ John T. McLennan ----- John T. McLennan	Director	April 8, 2004
/s/ Mario Segal ----- Mario Segal	Director	April 8, 2004
/s/ Thomas G. O'Brien ----- Thomas G. O'Brien	Amdocs Limited's Authorized Representative in the United States	April 8, 2004

Exhibit Index

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99.3	Agreement between Amdocs Inc. and SBC Services, Inc. for Software and Professional Services, effective August 7, 2003 (confidential material has been redacted and complete exhibits have been separately filed with the Securities and Exchange Commission).

(Letterhead of Carey Olsen)

Amdocs Limited  
Tower Hill House  
The Bordage  
St. Peter Port  
Guernsey

April 7, 2004

Dear Sirs:

RE: REGISTRATION STATEMENT ON FORM F-3

The following opinion is furnished to you in connection with the filing by Amdocs Limited, a company organised under the laws of Guernsey, Channel Islands (the "Company"), of its registration statement on Form F-3 (the "Registration Statement"), under the Securities Act of 1933, as amended, relating to the registration for resale by the selling securityholders named therein of \$450.0 million principal amount of 0.50% Convertible Senior Notes due 2024 (the "Notes") and the ordinary shares, (pound)0.01 par value, of the Company issuable upon conversion of the Notes (the "Shares"). The Notes were issued pursuant to an Indenture, dated March 5, 2004 (the "Indenture"), among the Company and The Bank of New York, as trustee (the "Trustee").

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion, including the Registration Statement to be filed with the Securities and Exchange Commission with respect to the Notes and the Shares, the Registration Rights Agreement, dated March 5, 2004, the Indenture, resolutions adopted by the board of directors of the Company, and the Articles of Association and Memorandum of Association of the Company.

Based upon such examination, we are of opinion that:

1. The Company has been duly organized and is validly existing as a company under the laws of Guernsey, Channel Islands.
2. The Notes have been duly authorized and are validly issued, executed and delivered by the Company and, assuming they have been authenticated by the Trustee in the manner provided by the Indenture, are valid and binding obligations of the Company, entitled to the benefits provided by the Indenture and enforceable against the Company in accordance with their terms; and
3. The Shares issuable upon conversion of the Notes have been duly authorized by the Company and, when issued upon conversion of the Notes in accordance with the terms of the Indenture, will be validly issued, fully paid and nonassessable.

We express no opinion on any law other than the law of Guernsey as of the date hereof.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement.

Yours sincerely,

/s/ Carey Olsen  
-----  
Carey Olsen

Consent of Ernst & Young LLP, Independent Auditors

We consent to the reference to our firm under the caption "Experts" in this Registration Statement on Form F-3 of Amdocs Limited for the registration of \$450.0 million principal amount of 0.50% Convertible Senior Notes due 2024 (the "Notes") and the ordinary shares, (pound)0.01 par value, of the Company issuable upon conversion of the Notes and to the incorporation by reference therein of our report dated October 30, 2003, with respect to the consolidated financial statements and schedule of Amdocs Limited, included in its Annual Report (Form 20-F) for the year ended September 30, 2003, filed with the Securities and Exchange Commission on December 24, 2003.

/s/ Ernst & Young LLP

New York, New York  
April 7, 2004



Deloitte & Touche LLP  
1 Place Ville Marie  
Suite 3000  
Montreal QC H3B 4T9  
Canada

Tel: (514) 393-7115  
Fax: (514) 390-4113  
[www.deloitte.ca](http://www.deloitte.ca)

Independent Auditors' Consent

We consent to the incorporation by reference in this Registration Statement on Form F-3 of Amdocs Limited of our report dated March 19, 2003 (except for Note 17, which is as of July 2, 2003), related to the consolidated financial statements of Certen Inc., as of and for the years ended December 31, 2001 and 2002, appearing in the Annual Report of Amdocs Limited on form 20-F, for the year ended September 30, 2003, filed with the Securities and Exchange Commission on December 24, 2003. We also consent to the reference to us under the heading "Experts" in the prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Montreal, Quebec

April 7, 2004

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Asterisks denote omissions.

May 28, 2003

BELL CANADA

- AND -

AMDOCS HOLDINGS ULC

SHARE PURCHASE AGREEMENT

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT made as of the 28th day of May, 2003.

B E T W E E N:

AMDOCS HOLDINGS ULC, an unlimited liability company  
incorporated under the laws of Nova Scotia

(the "PURCHASER")

- and -

BELL CANADA, a corporation incorporated under the laws  
of Canada

(the "VENDOR")

RECITALS:

1. The Vendor is the registered and beneficial owner of 918,500.99 918,500.99 Common Shares of the Corporation, which represent approximately 89.9% of the issued and outstanding share capital of the Corporation (the "PURCHASED SHARES"), and Amdocs Canada Inc. is the registered and beneficial owner of 103,190.42 103,190.42 Common Shares of the Corporation, which, together with the Purchased Shares, represent 100% of the issued and outstanding share capital of the Corporation; and

2. The Vendor wishes to sell to the Purchaser and the Purchaser wishes to purchase from the Vendor the Purchased Shares.

NOW THEREFORE in consideration of the mutual covenants in this Agreement and for other consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1  
INTERPRETATION

1.1 DEFINITIONS

In this Agreement, except as otherwise expressly provided, the following words and expressions have the following meanings:

"AFFILIATE" has the meaning given to that term in the Canada Business Corporations Act;

"AGREEMENT", "THIS AGREEMENT", "THE AGREEMENT", "HEREOF", "HEREIN", "HERETO", "HEREBY", "HEREUNDER" and similar expressions mean this share purchase agreement, including all of its Schedules, Exhibits and all instruments supplementing, amending or confirming this Agreement. All references to "ARTICLES" or "SECTIONS" refer to the specified Article or Section of this Agreement;

"AMDOCS GUARANTEE" means the guarantee given by Amdocs Limited in favour of the Vendor to be entered into concurrently with the Closing, in a form satisfactory to the Vendor, acting reasonably;

"ARBITRATION AWARD" has the meaning attributed thereto in Section 10.13;

"ARBITRATOR" has the meaning attributed thereto in Section 10.13;

"ARM'S LENGTH" has the meaning attributed to that term in the Tax Act and the related jurisprudence;

"AUTHORITY" means any federal, provincial, state, municipal, local or district governmental or public department, court, commission, board, bureau, agency, ministry, department, tribunal, or other representative or political subdivision thereof or instrumentality or any law, rule, or regulation making entity in Canada;

"BALANCE SHEETS" means the draft audited balance sheet of the Corporation as at December 31, 2002 and the unaudited balance sheet of the Corporation as at March 31, 2003 forming part of the Financial Statements;

"BUSINESS" means the business of the Corporation presently carried on by the Corporation;

"BUSINESS DAY" means any day which is not a Saturday, a Sunday or a day observed as a holiday under the laws of the Provinces of Ontario and Quebec or the federal laws of Canada applicable to the Provinces of Ontario and Quebec and on which the principal commercial banks located in the relevant city are open for business during normal banking hours;

"CLAIM" has the meaning given in Section 5.1;

"CLOSING" means the completion of the purchase and sale of the Purchased Shares contemplated by this Agreement;

"CLOSING DATE" or "DATE OF CLOSING" means the later of July 1, 2003, or two Business Days after the Business Day in which all Regulatory Approvals are received or such other date as the Purchaser and the Vendor may agree upon in writing;

"COMMON SHARES" means the common shares in the capital of the Corporation, as described in its articles of incorporation;

"CONSENT" means the consent or approval of any party to a Material Contract with the Corporation to the completion of the sale of the Purchased Shares contemplated by this Agreement, the execution of this Agreement and the Closing, as required under the terms of such Material Contract, without any change being made to the existing Material Contract, in a form satisfactory to the Purchaser and the Vendor, acting reasonably;

"CORPORATION" means Certen Inc., a corporation incorporated under the laws of Canada;

"CORPORATION RELEASEES" means the Corporation, the Purchaser, Amdocs Software Systems Ltd., Amdocs Canada Inc. and their respective direct and indirect shareholders, controlling persons, officers, directors, subsidiaries, employees, agents, partners, representatives, advisors, members, Affiliates, predecessors, successors and assigns;

"DISPUTE" has the meaning attributed thereto in Section 10.12;

"ENCUMBRANCE" means any mortgage, lien (including any construction lien or certificate of action filed with respect thereto), pledge, charge, security interest, any third party rights of any nature whatsoever, any payment obligations, royalties, restriction, claim, set-off or encumbrance of any nature whatsoever;

"ENVIRONMENTAL LAWS" means all federal, provincial, municipal or local laws, statutes, regulations, by-laws, ordinances, rules, policies, guidelines, orders, directives and other requirements of any government or political subdivision, agency or instrumentality or of any court, tribunal or other similar body, relating to environmental or health matters, including legislation governing the labelling, use and storage of Hazardous Substances;

"ENVIRONMENTAL ORDERS" means applicable orders, decisions, or the like rendered by any Authority under or pursuant to any Environmental Laws;

"ETA" means the Excise Tax Act (Canada) as amended from time to time;

"FINANCIAL STATEMENTS" means the draft audited financial statements of the Corporation for the fiscal year ended December 31, 2002, and the unaudited financial statements of the Corporation for the fiscal quarter ended March 31, 2003 consisting of a balance sheet as of that date, a statement of income (loss) and retained earnings (deficit) a statement of changes in financial position, and in respect of the draft audited Financial Statements of the Corporation for the fiscal year ended December 31, 2002, the draft report of the auditors with all notes thereto, a copy of which is attached as SCHEDULE 4.1(G)(II);



"GST" means all taxes payable under the ETA and any reference to a specific provision of the ETA shall refer to any successor provision thereto of like or similar effect;

"HAZARDOUS SUBSTANCES" means PCBs, asbestos, urea formaldehyde foam insulation or any other substance or material that is prohibited, controlled or regulated under any Environmental Laws;

"INTELLECTUAL PROPERTY" means any and all domestic and foreign inventions, patents, trade-marks, proposed trade-marks, trade names, copyrights, industrial designs, business names, certification marks, distinguishing guises, business styles and other intellectual property, whether or not registered, that are owned by or licensed to the Corporation, and all applications in respect thereof;

"INDEMNIFIED PARTY" means a Person whom the Vendor or the Purchaser, as the case may be, has agreed to indemnify under Article 5;

"INDEMNIFYING PARTY" means, in relation to an Indemnified Party, the Party to this Agreement that has agreed to indemnify that Indemnified Party under Article 5;

"LOCATION" means any premises utilized in the Business;

"MASTER OUTSOURCING AGREEMENT" means the Amended and Restated Master Outsourcing Services Agreement, dated as of April 26, 2001, entered into by and between the Corporation and Bell Canada, as amended;

"MASTER LICENSE AGREEMENT" means the Master License and Services Agreement, dated as of January 26, 2001, entered into by and between the Corporation and Amdocs Software Systems Ltd., as amended;

"MATERIAL ADVERSE EFFECT" means, where used in relation to the Corporation, a material adverse effect on the business, operations, assets, financial condition or prospects of the Corporation;

"MATERIAL CONTRACTS" means the agreements listed in SCHEDULE 4.1(G)(VIII);

"NOTICE OF ARBITRATION" has the meaning attributed thereto in Section 10.13;

"OPERATIONAL CONSENTS" means those consents listed in Schedule 6.4(a);

"ORST" means tax imposed under the Retail Sales Tax Act (Ontario), regulations thereto, orders, orders in council, by laws and similar laws as applied by the Ontario Ministry of Finance;

"PARTIES" means, collectively, the Vendor and the Purchaser and "PARTY" means any of them;

"PENSION AUTHORITIES" means the applicable federal and provincial pension regulatory authorities, including Canada Customs and Revenue Agency;

"PENSION CONTRACTS" means Plan Terms and all texts and amendments to all collective bargaining agreements, employment contracts, trust and funding agreements and insurance contracts relating to the Plans;

"PENSION DOCUMENTS" means text and amendments to all Plans, trust and funding agreements and amendments, applicable insurance contracts, the most recent actuarial valuation and the most recent annual information return relating to the Plans;

"PENSION LEGISLATION" means the applicable provincial or federal pension benefits legislation and, where applicable, the Tax Act;

"PERSON" includes an individual, partnership, unincorporated association, organization, syndicate, body corporate, joint venture, trust and a trustee, executor, administrator or other legal or personal representative, the Crown, any Environmental Authority and any other entity recognized by law;

"PLANS" means a plan or plans registered under Pension Legislation and which provide pensions for employees and former employees of the Corporation and their beneficiaries and, where applicable, includes:

(i) the assets and funds maintained to provide benefits under the Plans; and

(ii) Plan Terms;

"PLAN TERMS" means the terms and conditions of all Plan texts and amendments thereto;

"PREDECESSORS" means any owner, occupier or Person with or who previously had charge, management or control of any Real Property;

"PRIME RATE" means the rate of interest per annum quoted by Canadian Imperial Bank of Commerce from time to time as its reference rate for Canadian dollar demand loans made to its commercial customers in Canada and which it refers to as its "prime rate", as such rate may be changed by it from time to time;

"PURCHASE PRICE" has the meaning attributed thereto in Section 2.2;

"PURCHASED SHARES" means the 918,500.99 issued and outstanding Common Shares of the Corporation owned by the Vendor, being the only securities of the Corporation owned by the Vendor;

"PURCHASER'S KNOWLEDGE" means (i) actual knowledge of information which has been communicated by the Vendor and/or the Corporation to the Purchaser's

Representatives in writing within the Relevant Period, or (ii) actual knowledge of information which has been communicated by the Vendor and/or the Corporation to any of the Purchaser's representatives in Canada in writing within the Relevant Period, and communicated in writing by such representatives to the Purchaser's Representatives within the Relevant Period;

"PURCHASER'S RELEASE" has the meaning attributed thereto in Section 8.1;

"PURCHASER'S REPRESENTATIVES" means any of the following individuals: [\*\*];

"QST" means all taxes payable under the QSTA, as amended from time to time;

"QSTA" means An Act respecting Quebec Sales Tax (Quebec) and any reference to a specific provision of the QSTA shall refer to any successor provision thereto of like or similar effect;

"REAL PROPERTY" means any real property, whether owned or leased, and used for the conduct of the Business or previously used for such purpose;

"REGULATORY APPROVALS" means all necessary approvals, permits, sanctions, rulings, orders or consents from any Authority or self-regulatory organization within or outside of Canada with respect to the transactions contemplated by this Agreement, including, but not limited to, the regulatory approvals set forth in SCHEDULE 4.1(F);

"RELEVANT PERIOD" means the period of time commencing on [\*\*] and ending on [\*\*];

"SALES AND RELATED TAXES" means GST, QST, ORST, sales and use, land transfer tax, customs or excise duty, excise tax, turnover or value added tax, transfer tax, business transfer tax, telecommunications tax and similar taxes, including any interest, fines, additions and penalties thereon;

"TAX" means all Sales and Related Taxes and all governmental taxes, levies, duties, assessments, reassessments and other charges of any nature whatsoever, whether direct or indirect, including without limitation income tax, profits tax, gross receipts tax, corporation tax, sales and use tax, wage tax, payroll tax, worker's compensation levy, capital tax, stamp duty, real and personal property tax, land transfer tax, customs or excise duty, excise tax, turnover or value added tax on goods sold or services rendered, withholding tax, social security and employment insurance charges or retirement contributions, and any interest, fines, additions to tax and penalties in connection therewith;

"TAX ACT" means the Income Tax Act (Canada);

"TAX RETURN" means any return, report, information return, election, designation or other document (including any related or supporting information) with respect to Taxes, each as amended;

"TERMINATION DATE" shall have the meaning as set forth in Section 9.1;

"THIRD PARTY CLAIM" has the meaning given in Section 5.4;

"TIME OF CLOSING" means 10:00 a.m. (Toronto time) on the Closing Date or such other time as the Purchaser and the Vendor may agree upon;

"TRANSITION AGREEMENT" means the Transition Agreement, dated as of May 28, 2003, entered into by and between the Corporation and the Vendor;

"UNANIMOUS SHAREHOLDERS AGREEMENT" means the Unanimous Shareholders Agreement, dated January 26, 2001, entered into by and between the Vendor, the Corporation and Amdocs Canada Inc., as amended;

"UNANIMOUS SHAREHOLDERS AGREEMENT TERMINATION AGREEMENT" means the agreement terminating the Unanimous Shareholders Agreement to be entered into between the Corporation, the Vendor and Amdocs Canada Inc. concurrently with the Closing, in the form agreed to by the Parties, acting reasonably;

"VENDOR RELEASEES" means the Vendor, and its direct and indirect shareholders, controlling persons, officers, directors, subsidiaries, employees, agents, partners, representatives, advisors, members, Affiliates, predecessors, successors and assigns;

"VENDOR'S KNOWLEDGE" means the knowledge of the Vendor after due inquiry where such due inquiry is limited to the Chief Financial Officer of the Corporation;

"VENDOR'S RELEASE" has the meaning attributed thereto in Section 8.2.

#### 1.2 TIME OF THE ESSENCE

Time shall be of the essence of each provision of this Agreement. Any extension, waiver or variation of any provision of this Agreement shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

#### 1.3 CALCULATION OF TIME

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.

#### 1.4 CURRENCY

Unless otherwise specified, all references to amounts of money in this Agreement refer to Canadian currency.

#### 1.5 HEADINGS AND SECTION AND SCHEDULE REFERENCES

(1) The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.

(2) Unless the context requires otherwise, references in this Agreement to Sections, Exhibits and Schedules are to Sections, Exhibits and Schedules of this Agreement. The Exhibits and Schedules to this Agreement are as follows:

- Exhibit A - Purchaser's Release
- Exhibit B - Vendor's Release
- Schedule 4.1(c) - Binding Agreement, Validity of Transaction
- Schedule 4.1(d) - Capitalization
- Schedule 4.1(f) - Consents and Regulatory Approvals
- Schedule 4.1(g)(ii) - Financial Statements
- Schedule 4.1(g)(v)(a) - Encumbrances
- Schedule 4.1(g)(v)(b) - Leased Property and Licenses
- Schedule 4.1(g)(v)(c) - Real Property Leases and Subleases
- Schedule 4.1(g)(v)(d) - Assets
- Schedule 4.1(g)(vi) - Litigation
- Schedule 4.1(g)(viii) - Material Contracts
- Schedule 4.1(g)(ix)(a) - Employees and Independent Contractors
- Schedule 4.1(g)(ix)(c) - Collective Bargaining
- Schedule 4.1(g)(ix)(d) - Outstanding Labour Claims
- Schedule 4.1(g)(x) - List of Benefits/Pension Plans
- Schedule 4.1(g)(xii) - Intellectual Property

#### 1.6 PLURALS AND GENDER

The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits.

#### 1.7 STATUTORY REFERENCES

Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder) as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

## 1.8 CONSTRUCTION

The words "including", "include", and "includes" shall mean "including without limitation", "include, without limitation" and "includes, without limitation", respectively.

## ARTICLE 2 PURCHASE AND SALE OF PURCHASED SHARES

### 2.1 PURCHASE AND SALE OF PURCHASED SHARES

Subject to the terms and conditions of this Agreement, at the Time of Closing, the Vendor (as beneficial and registered owner) shall sell the Purchased Shares to the Purchaser, free and clear of all Encumbrances, and the Purchaser shall purchase the Purchased Shares. At the Closing hereunder, the Purchaser shall receive good and valid title to such Purchased Shares, free and clear of all Encumbrances.

### 2.2 CONSIDERATION

The consideration to be paid by the Purchaser for the Purchased Shares shall be \$89,145,280 (eight nine million, one hundred and forty five thousand, two hundred eighty Canadian dollars) (the "PURCHASE PRICE").

## ARTICLE 3 CLOSING ARRANGEMENTS

### 3.1 PLACE OF CLOSING

The Closing shall take place at the offices of BLAKE, CASSELS & GRAYDON LLP, SUITE 2300, 199 BAY STREET, TORONTO, ONTARIO at the Time of Closing or at such other place and time as may be agreed upon by the Purchaser and the Vendor.

### 3.2 VENDOR'S DELIVERIES

(1) At the Time of Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) share certificates representing the Purchased Shares duly endorsed in blank for transfer, or irrevocable transfer powers of attorney with respect to the Purchased Shares, duly executed in blank, with such signatures guaranteed to the satisfaction of the Purchaser, acting reasonably;
- (b) the minute books, share certificate books and corporate seals of the Corporation;
- (c) a resignation and release executed by each of the directors of the Corporation which were designated by the Vendor in the form agreed to by the Parties, acting reasonably;

- (d) any documents or instruments required pursuant to the provisions of Section 10.3.

(2) At the Time of Closing, the Vendor shall take such steps as shall be necessary to cause the Corporation to enter the Purchaser upon the books of the Corporation as the holder of the Purchased Shares and to issue a share certificate to the Purchaser representing the Purchased Shares.

### 3.3 PURCHASER'S DELIVERIES

At the Time of Closing, the Purchaser shall deliver or cause to be delivered to the Vendor the following documents and payments:

- (a) the Purchase Price shall be paid by the Purchaser in cash or immediately available funds;
- (b) a release duly executed by the Corporation in favour of each of the directors of the Corporation which were designated by the Vendor in the form agreed to by the parties, acting reasonably;
- (c) the Amdocs Guarantee, duly executed by Amdocs Limited; and
- (d) any documents or instruments required pursuant to the provisions of Section 10.3.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES

### 4.1 REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor represents and warrants to the Purchaser, and acknowledges that the Purchaser is relying on the representations and warranties in completing the transactions contemplated by this Agreement (and the Purchaser acknowledges and agrees that the Vendor is not providing any representations or warranties in this Agreement with respect to the operations of the Corporation after the Closing) that as of the date hereof:

- (a) CORPORATE

The Corporation is a corporation duly incorporated and organized and is validly existing under the laws of Canada. The Corporation has the requisite corporate power and authority to own or lease its properties and to carry on the Business as presently conducted. The Corporation has no subsidiaries and has not agreed to acquire (i) any of the outstanding shares or securities convertible into shares of any Person, or (ii) any participating interest in any Person.

- (b) EXECUTION AND DELIVERY

The Vendor has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder and the execution and

delivery of this Agreement and the performance by the Vendor of its obligations hereunder has been duly authorized by all necessary corporate action on the part of the Vendor and the Corporation.

(c) BINDING AGREEMENT, VALIDITY OF TRANSACTIONS

This Agreement constitutes a legal, valid, and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms (subject, as to the enforcement of remedies, to bankruptcy, reorganization and insolvency laws relating to or affecting creditors' rights generally and subject to the availability of equitable remedies). Except as set out in SCHEDULE 4.1(C), neither the execution and delivery of this Agreement by the Vendor nor the performance or consummation of the transactions contemplated hereby by the Vendor conflict materially with, result in the material breach (with or without the giving of notice or lapse of time, or both) or violation of, or result in the acceleration or change of any material obligations of the Corporation, cause the expiration, termination, loss or change in terms or costs, or cancellation of any material right or privilege and will not cause the creation of any material right or material interest of any third party with respect to the Corporation or the Purchased Shares under (i) any applicable law, rule or regulation, judgment, order, writ, decree, permit or license to which the Vendor is bound, or (ii) any Material Contract.

(d) CAPITALIZATION

The authorized share capital of the Corporation is (i) an unlimited number of Common Shares, of which Common Shares are issued and outstanding, and (ii) an unlimited number of Non Voting Preference Shares, none of which are issued or outstanding. The issued and outstanding share capital has been duly and validly issued and is outstanding as fully paid and non-assessable shares in the capital of the Corporation. Except as set forth in SCHEDULE 4.1(D) attached hereto, there are no outstanding securities convertible into or exchangeable or exercisable for any shares of the capital stock of the Corporation, nor does the Corporation have outstanding any rights to subscribe for or to purchase, or any options for the purchase of, or any agreements providing for the issuance of, any shares of its capital stock or any securities convertible into or exchangeable or exercisable for any shares of its capital stock.

(e) OWNERSHIP OF PURCHASED SHARES

The Purchased Shares constitute approximately % of the issued and outstanding shares in the capital of the Corporation. The Vendor is, and at the Time of Closing will be, the only registered and beneficial owner of the Purchased Shares, free and clear of any Encumbrances or rights of others (other than the rights of the Purchaser hereunder). Following the execution of the Unanimous Shareholders Agreement Termination Agreement, there will be no binding contract, option or other right of another to sell, transfer, assign, pledge, charge, mortgage or in any



other way dispose of or encumber any of the Purchased Shares (or any rights thereof) other than pursuant to this Agreement. Immediately following the Closing and the execution of the Unanimous Shareholders Agreement Termination Agreement, the Vendor shall not (i) own or have any rights in any shares of capital stock of the Corporation, (ii) own or have any rights in any securities convertible into or exchangeable or exercisable for any shares of the capital stock of the Corporation, or (iii) have any rights to subscribe for or to purchase, or any options for the purchase of, or any agreements providing for the issuance of, any shares of capital stock or any securities convertible into or exchangeable or exercisable for any shares of its capital stock of the Corporation.

(f) CONSENTS

Except as set out in SCHEDULE 4.1(F), no Consent, Regulatory Approval, or declaration, filing (other than administrative filings with tax authorities, companies registries and the like) or registration with, any third party or any Authority is required to be made or obtained by the Vendor and/or the Corporation in order to complete the sale of the Purchased Shares as contemplated by this Agreement.

(g) REPRESENTATION RELATING TO THE CORPORATION

(I) LICENSES, PERMITS AND AUTHORIZATIONS

The Corporation has conducted the Business in material compliance with, and the Corporation has made all material filings and registrations and holds all material licenses, permits and authorizations necessary for the lawful operation of the Business pursuant to, all applicable statutes, laws, ordinances, rules and regulations of all Authorities having jurisdiction over the Corporation or over any part of the Business, all of which licenses, permits and authorizations are in good standing with no violations in respect thereof as of the date of this Agreement. Without limitation to the aforementioned, the Business and the Corporation are not subject to, the Telecommunications Act (Canada), the Radiocommunication Act (Canada), the Bell Canada Act (Canada) and any decisions, orders, rulings or regulations made pursuant thereto.

(II) FINANCIAL STATEMENTS

The Financial Statements present fairly and accurately the financial position of the Corporation as of December 31, 2002 and of March 31, 2003, and the results of operation, cash flows and changes in financial position for the period then ended, in all material respects and have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied with prior fiscal years of the Corporation. The Balance Sheets present fairly and accurately a true and complete statement of the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Corporation as at

December 31, 2002 and March 31, 2003, respectively, and the statement of income (loss) and retained earnings (deficit) and statement of changes in financial position forming a part of the Financial Statements accurately set forth the results of the operations of the Corporation and the source and application of the funds thereof throughout the periods covered thereby. The Corporation has not produced nor has it had prepared financial statements for any period ending, or as at a date, after nor is the Vendor in possession of such financial statements.

(III) ABSENCE OF UNDISCLOSED LIABILITIES

Except to the extent reflected or reserved against in the Balance Sheets (including the notes thereto) or incurred subsequent to the date of the Balance Sheet and disclosed as a liability in any of the Schedules attached hereto and except normal trade creditors payable in the ordinary and normal course of business consistent with past practices, the Corporation does not have any outstanding liabilities (whether accrued, absolute or contingent) of the type required to be reflected as liabilities on a balance sheet prepared in accordance with Canadian generally accepted accounting principles.

(IV) TAX MATTERS

- (a) The tax liability of the Corporation for previous taxation periods is as indicated in its Tax Returns. All Taxes shown as due on such Tax Returns or otherwise due or claimed to be due by any governmental entity have been paid. All installments, assessments and reassessments of which the Corporation is aware of or has received notice of and all other Taxes which are due and payable by it have been paid in full. Adequate provision in accordance with Canadian generally accepted accounting principles has been made by the Corporation in the Balance Sheets for any Taxes accrued but not yet due at the date of the Balance Sheets, or for the payment of any Tax installments due in respect of the current taxation year of the Corporation. Except to the extent reflected or reserved against in the Balance Sheets, the Corporation is not liable for any Taxes. No deficiencies for Taxes have been proposed, asserted or assessed against the Corporation that are not adequately reserved against;
- (b) The Corporation has on a timely basis filed all Tax Returns required to be filed by it. All such Tax Returns are true, correct and complete in all material respects;
- (c) The Corporation has properly withheld and remitted to the proper authority on a timely basis and in a form required under the appropriate legislation, all Tax (including income tax, Canada Pension Plan contributions and employment insurance premiums and any other deductions) required to be withheld and remitted by it;
- (d) The Vendor is not a non-resident of Canada within the meaning of the Tax Act;

- (e) The Corporation has charged, collected, remitted, paid and/or self-assessed all applicable Sales and Related Taxes to the appropriate Authority and/or in the manner and as required by the applicable Sales and Related Taxes legislation. The Corporation has not claimed any input tax credit, input tax refund, rebate, credit or other tax recovery pursuant to the ETA, QSTA or other Sales and Related Taxes legislation to which it is not entitled;
- (f) The Vendor and/or Bell Mobility Inc., as applicable, have charged and collected from the Corporation all applicable Sales and Related Taxes in respect of supplies made by the Vendor and/or Bell Mobility Inc. to the Corporation and remitted such Sales and Related Taxes to the appropriate Authority in the manner and as required by the ETA, QSTA and other Sales and Related Taxes legislation; and
- (g) The Vendor and/or Bell Mobility Inc., as applicable, has paid all applicable Sales and Related Taxes on services and tangible personal property provided by the Corporation to the Vendor and Bell Mobility Inc.

(V) PROPERTY

- (a) Except as disclosed in the Financial Statements or in SCHEDULE 4.1(G)(V)(A), the Corporation has good and marketable title to all of its properties, interests in properties and assets, real and personal, including those reflected on the Financial Statements or acquired since the date of the Financial Statements (except as since transferred, sold or otherwise disposed of in the ordinary and normal course of business), free and clear of all Encumbrances of any kind or character.
- (b) SCHEDULE 4.1(G)(V)(B) sets forth a true and complete list of all leases under which material respects of all equipment, other personal property and fixtures in the possession or custody of the Corporation which, as of the date hereof, is leased or held under license or similar arrangement and of the leases, licenses, agreements, or other documentation relating thereto.
- (c) Other than the leases and subleases referred to in SCHEDULE 4.1(G)(V)(C), the Corporation is not a party to or bound by any lease, sublease, license or other instrument relating to real property and the Corporation has not entered into any other instrument relating to real property. All interests held by the Corporation under such leases or subleases are free and clear of any and all Encumbrances of any nature and kind whatsoever. The Corporation does not own any interest in real property (except for the leases referred to in SCHEDULE 4.1(G)(V)(C)).
- (d) All of the tangible assets, machinery, equipment, vehicles, furniture, office equipment, computer hardware and software wherever situated and owned by the Corporation is set out in SCHEDULE 4.1(G)(V)(D) and, except as set out in SCHEDULE 4.1(G)(V)(D), all of the foregoing assets are in good condition, repair and (where applicable) proper working order, having regard to the use and age thereof,

except only for reasonable wear and tear and are owned free and clear of all Encumbrances.

(VI) LITIGATION

Except as disclosed in SCHEDULE 4.1(G)(VI) there are no Claims pending or, to the best of the Vendor's Knowledge, threatened against the Corporation or affecting any of its assets or properties or the Business. There are no facts or circumstances to the Vendor's Knowledge which are likely to give rise to any such Claims. Except as disclosed in SCHEDULE 4.1(G)(VI), there is not presently outstanding against the Corporation any judgment, execution, decree, injunction, rule or order of any court, Authority, administrative agency or arbitrator.

(VII) ABSENCE OF CHANGES

Neither the execution and delivery of this Agreement by the Vendor nor the performance or consummation of the transactions contemplated hereby by the Vendor nor will the change of control in the Corporation due to the sale of the Purchased Shares to the Purchaser cause any material adverse change in any of the assets, business, financial condition, results of operation or prospects of the Corporation or in the ability of the Corporation to carry on the Business substantially the same as the Business was being conducted immediately prior to signing this Agreement.

(VIII) MATERIAL CONTRACTS

Except for the contracts and agreements referred to in SCHEDULE 4.1(G)(VIII) (collectively, the "MATERIAL CONTRACTS"), the Corporation is not a party to or bound by any material contract or commitment either now or in the future, whether oral or written (including all contracts with the Vendor and any affiliates and subsidiaries of the Vendor). The Material Contracts are all in full force and effect unamended and no material default exists in respect thereof on the part of any of the parties thereto. The Corporation is not in material default or breach of any Material Contract and there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute such a default or breach and all Contracts are in good standing and in full force and effect and the Corporation is entitled to all benefits thereunder.

(IX) EMPLOYMENT MATTERS

- (a) SCHEDULE 4.1(G)(IX)(A) lists all of the independent contractors and the employees of the Corporation and the birthdate, position, length of service and compensation of each such employee.

- (b) There are no outstanding, pending, to the Corporation's knowledge threatened or anticipated assessments, actions, causes of action, claims, complaints, demands, orders, prosecutions or suits against the Corporation or its respective directors, officers or agents pursuant to or under any applicable rules, regulations, orders or laws, including Canada Pension Plan, employment insurance, Tax, employer health tax, employment standards, labour relations, occupational health and safety, human rights, workers' compensation and pay equity laws.
- (c) Except as disclosed and detailed in SCHEDULE 4.1(G)(IX)(C): and except with respect to the decision, [\*\*] and that a partial sale of business from the Vendor to the Corporation had taken place and that the Vendor and the Corporation [\*\*] with respect to the employees of the Corporation; and the Corporation [\*\*] with respect to any future agreements.
- (d) Except as disclosed and detailed in SCHEDULE 4.1(G)(IX)(D), the Corporation is not in breach of any of the provisions of its collective agreements and there are no outstanding labour or employment proceedings of any kind (including unfair labour complaints, grievances, arbitrations or applications for declaration of successor employer) in respect of the Corporation.
- (e) all vacation pay, bonuses, commissions and other emoluments relating to the employees of the Corporation are accurately reflected in all respects and have been accrued in the financial records of the Corporation, and all liabilities in respect of employees, have or shall have been paid in full on the Closing Date.

(X) PENSION AND BENEFIT MATTERS

- (a) SCHEDULE 4.1(G)(X) contains a complete and accurate list of all Plans. True, correct, complete and, where applicable, up-to-date copies of Pension Documents have been provided to the Purchaser.
- (b) All Plans are duly registered and in good standing under the applicable Pension Legislation and the Corporation has made all filings required by the Pension Authorities and Pension Legislation and to the Vendor's Knowledge no events have occurred which would affect the registered status of the Plans. The Plans and all investments held by such Plans comply in all material respects with all applicable Pension Legislation and Pension Contracts and have been maintained and administered in material compliance with the Plan Terms.
- (c) All required contributions or premiums to be paid under the terms of the Plans have been fully paid to the date hereof in accordance with the applicable Pension Legislation and Pension Contracts.
- (d) To the Vendor's Knowledge, no improvements to the Plans have been promised and no improvements will be made or promised prior to Closing except as may be required by applicable Pension Legislation and Pension Contracts and any such

promises of benefit improvements shall be communicated to the Purchaser in writing prior to Closing.

- (e) To the Vendor's Knowledge, there have been no withdrawals or transfers of assets from the Plans except to a member or a beneficiary in accordance with the Plan Terms or in accordance with an approval granted by the Pension Authorities or in accordance with Pension Legislation.
- (f) To the Vendor's Knowledge, there are no outstanding actions or claims with respect to the Plans, other than claims for benefits submitted by members or beneficiaries in the normal course; and, to the Vendor's Knowledge, there is no litigation, legal action, suit, investigation, claim, counterclaim or proceeding pending or threatened against or affecting any Plan which could have a material adverse effect on the Vendor, the Corporation or on any Plan maintained as of the Closing Date.
- (g) Except as disclosed in SCHEDULE 4.1(G)(X), there is not now and on the Closing Date there will not be any benefit plans established by or for the Corporation for its employees.

(XI) INSURANCE

The Corporation is not in default, whether as to the payment of premium or otherwise, under the terms of any insurance policy maintained by the Corporation (or under which the Corporation enjoys certain rights) with respect to its assets, property and undertaking and the Business as of the date hereof. The Corporation has not failed to give any notice or present any claim under any such policy in due and timely fashion. Nothing has been done or omitted to be done by the Corporation which could make any policy of insurance void or voidable.

(XII) INTELLECTUAL PROPERTY

SCHEDULE 4.1(G)(XII) lists all the registered Intellectual Property of the Corporation. Except as set forth in SCHEDULE 4.1(G)(XII), the Intellectual Property is free and clear of any claims and Encumbrances. To the Vendor's Knowledge, except as disclosed in SCHEDULE 4.1(G)(XII), there has been no claim of adverse ownership, invalidity or other opposition to or conflict with any of the Intellectual Property. To the Vendor's Knowledge, the Corporation is not currently, nor has it engaged in any activity that violates or infringes any intellectual property rights of any Person (except that the Vendor is not giving this representation with respect to any Intellectual Property that was developed by the Purchaser or any Affiliate of the Purchaser).

(XIII) COMPLIANCE WITH LAWS

The Corporation is in compliance in all material respects with, and will at the Closing Date have filed all reports or returns required under, all laws, regulations, orders, judgments or decrees applicable to it (including without limitation of the generality of the above with all Environmental Laws and Environmental Orders). Without limitation to any of the above, the Corporation is in full compliance with, if applicable, the Personal Information Protection and Electronic Documents Act (Canada).

(XIV) FULL DISCLOSURE

To the Vendor's Knowledge, none of the foregoing representations and statements of fact contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement or representation not misleading to a prospective purchaser of the Purchased Shares seeking full information as to the Corporation and its properties, businesses and affairs.

4.2 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Vendor (and acknowledges that the Vendor is relying on the representations and warranties in completing the transactions contemplated hereby) that as of the date hereof:

(a) CORPORATE

The Purchaser is an unlimited liability company duly incorporated and organized and is validly existing under the laws of Nova Scotia.

(b) AUTHORITY

The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder and the execution and delivery of this Agreement and the performance by the Purchaser of its obligations hereunder has been duly authorized by all necessary corporate action on the part of the Purchaser.

(c) ENFORCEABILITY

This Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms (subject, as to the enforcement of remedies, to bankruptcy, reorganization and insolvency laws relating to or affecting creditors' rights generally and subject to the availability of equitable remedies). The execution and delivery of this Agreement by the Purchaser, the consummation of the transactions contemplated hereby and the fulfillment by the Purchaser of the terms, conditions and provisions hereof will not contravene or violate or result in the breach (with or without the giving of

notice or lapse of time, or both) or acceleration of any obligations of the Purchaser under:

- (A) any judgment, order, writ, injunction or decree of any court or of any Authority which is presently applicable to the Purchaser;
- (B) the articles, by-laws or any resolutions of the Purchaser or any amendments thereto or restatements thereof; or
- (C) the provisions of any agreement, arrangement or understanding to which the Purchaser is a party or by which it is bound.

(d) ACCREDITED INVESTOR

The Purchaser is an "accredited investor" as defined in Ontario Securities Commission Rule 45-501 - Exempt Distributions promulgated under the Securities Act (Ontario), and shall deliver to the Vendor prior to Closing a certificate addressed to Vendor in a form satisfactory to the Vendor.

4.3 NATURE AND SURVIVAL OF VENDOR'S AND PURCHASER'S REPRESENTATIONS AND WARRANTIES

(1) The Vendor's representations and warranties shall survive the Closing and shall remain in full force and effect for the following periods: (i) the representations and warranties of the Vendor contained in Section 4.1(e) (Ownership of Purchased Shares) shall survive the Closing and, notwithstanding the Closing and any inspections or inquiries made by or on behalf of the Purchaser, shall continue in full force and effect for the benefit of the Purchaser, until the expiration of the applicable statute of limitation, (ii) the representations and warranties of the Vendor contained in Section 4.1(g)(iv) (Tax Matters) shall survive the Closing and, notwithstanding the Closing and any inspections or inquiries made by or on behalf of the Purchaser, shall continue in full force and effect for the benefit of the Purchaser, for the entire period during which an assessment or reassessment may be made with respect to any matter contemplated in Section 4.1(g)(iv), and (iii) subject to Sections 4.3(1)(i) and 4.3(1)(ii), the representations and warranties of the Vendor contained in Section 4.1 shall survive the Closing and, notwithstanding the Closing and any inspection or inquiries made by or on behalf of the Purchaser, shall continue in full force and effect for the benefit of the Purchaser until the earlier of (A) [\*\*], and (B) such time as the audited financial statements of the Corporation for the fiscal year ended [\*\*] (including a statement of income, retained earnings, and changes in financial position and the report of the auditors with all notes thereto) have been approved by the Corporation's Board of Directors (the "FINANCIAL STATEMENTS DATE"), after which time the Vendor shall be released from all obligations in respect of such representations and warranties unless a notice of Claim (setting out in reasonable detail the nature of the Claim and the approximate amount of such Claim, if known) shall have been delivered by the Purchaser in accordance with Section 5.4 before the expiry of each of the respective periods of time set forth above, as the case may be, in which case the representation



and warranty to which such notice applies shall survive in respect to that Claim until the final determination or settlement of that Claim.

(2) The representations and warranties of the Purchaser contained in Section 4.2 shall survive the Closing and notwithstanding the Closing and any inspections or inquiries made by or on behalf of the Vendor, shall continue in full force and effect for the benefit of the Vendor until the earlier of (A) [\*\*] and (B) the Financial Statements Date, after which time the Purchaser shall be released from all obligations in respect of such representations and warranties, unless a notice of Claim (setting out in reasonable detail the nature of the Claim and the appropriate amount thereof, if known) shall have been delivered by the Vendor in accordance with Section 5.4 before the expiry of such period, in which case the representation and warranty to which such notice applies shall survive in respect to that Claim until the final determination or settlement of that Claim.

## ARTICLE 5 INDEMNIFICATION

### 5.1 INDEMNITY BY THE VENDOR

Subject to Section 5.3, the Vendor shall indemnify and hold the Purchaser, its directors, officers, employees, agents, representatives and the Purchaser's Affiliates and their respective directors, officers, employees, agents, representatives, harmless in respect of any claim, demand, action, cause of action, damage, loss, cost, liability or expense (hereinafter referred to as a "CLAIM") which may be made or brought against an Indemnified Party or which it may suffer or incur directly or indirectly as a result of, in respect of or arising out of:

(1) any incorrectness in or breach of any representation or warranty of the Vendor contained in this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; or

(2) any breach or non-fulfillment of any covenant or agreement on the part of the Vendor under this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement.

### 5.2 INDEMNITY BY THE PURCHASER

Subject to Section 5.3, the Purchaser shall indemnify and hold the Vendor, its directors, officers, employees, agents, representatives and the Vendor's Affiliates and their respective directors, officers and employees harmless in respect of any Claim which may be made or brought against an Indemnified Party or which it may suffer or incur directly or indirectly as a result of, in respect of or arising out of:

(1) any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; or

(2) any breach or non-fulfillment of any covenant or agreement on the part of the Purchaser under this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to this Agreement.

### 5.3 LIMITATIONS

Notwithstanding any other provision in this Agreement to the contrary:

- (a) subject to Section 5.3(d), the Vendor's liability with respect to any Claim for incorrectness in or breach of any representation or warranty contained in Section 4.1 (with the exception of the representations and warranties contained in Section 4.1(g)(iv)(g)) shall not [\*\*]; and
- (b) subject to Section 5.3(d), the Vendor's liability with respect to each separate Claim arising hereunder (except for Claims with respect to the Vendor's obligation to sell and deliver the Purchased Shares to the Purchaser in accordance with the terms and conditions of this Agreement) shall not exceed \$[\*\*] ([\*\*] Canadian dollars), and the total aggregate liability for all Claims (except for Claims with respect to the Vendor's obligation to sell and deliver the Purchased Shares to the Purchaser in accordance with the terms of this Agreement) shall not exceed \$[\*\*] ([\*\*] Canadian dollars) excluding any liability for Claims under Section 5.3(d); and
- (c) subject to Section 5.3(d) no Claim arising hereunder (except for Claims with respect to the Vendor's obligation to sell and deliver the Purchased Shares to the Purchaser in accordance with the terms and conditions of this Agreement) shall be brought unless the amount of each such Claim exceeds \$[\*\*] ([\*\*] Canadian dollars), in which case such Claim shall be recoverable as provided in this Agreement (from the first dollar and not only on the amount exceeding \$[\*\*] ([\*\*] Canadian dollars)); and
- (d) Notwithstanding any other provision of this Section, the liability of the Vendor for any breach of the representations and warranties contained in Section 4.1(g)(iv)(g) shall, where such breach is in respect of the non-payment of Sales and Related Taxes on services or tangible personal property provided by the Corporation to the Vendor and/or Bell Mobility Inc. and where such breach benefits or has benefited the Vendor and/or Bell Mobility Inc. shall be [\*\*]. For greater certainty it is acknowledged that none of the other Sub-Sections in this Section 5.3 shall apply with respect to Claims under this Sub-Section 5.3(d); and
- (e) the Vendor shall not be liable for any Claim arising hereunder relating to any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement (excluding under Section 4.1(g)(iv)(g)), if, within 30 Business Days following the written notice of such Claim by the Purchaser to the Vendor, the Vendor can prove that the Purchaser had Purchaser's Knowledge of the material facts relating to such Claim; and

- (f) the amount of the Vendor's liability for Direct Claims (as defined below) with respect to any payments made by the Corporation to its Affiliates shall be limited to the Corporation's reasonable costs incurred with respect thereto; and
- (g) the Purchaser's total aggregate liability with respect to each separate Claim arising hereunder (except for Claims with respect to the Purchaser's obligation to purchase the Purchased Shares in accordance with the terms and conditions of this Agreement) shall not exceed \$[\*\*] ([\*\*] Canadian dollars) and the total aggregate liability for all Claims (except for Claims with respect to the Purchaser's obligation to purchase the Purchased Shares in accordance with the terms and conditions of this Agreement) arising hereunder made or brought against the Purchaser by the Vendor shall not exceed \$[\*\*] ([\*\*] Canadian dollars). No Claim arising hereunder shall be brought unless the amount of such Claim exceeds \$[\*\*] ([\*\*] Canadian dollars), in which case such Claim shall be recoverable as provided in this Agreement (from the first dollar and not only on the amount exceeding \$[\*\*] ([\*\*] Canadian dollars)).

#### 5.4 NOTICE OF CLAIM

If an Indemnified Party becomes aware of a Claim in respect of which indemnification is provided for pursuant to either of Section 5.1 or 5.2, as the case may be, the Indemnified Party shall promptly give written notice of the Claim to the Indemnifying Party. Such notice shall specify whether the Claim arises as a result of a claim by a Person against the Indemnified Party (a "THIRD PARTY CLAIM") or whether the Claim does not so arise (a "DIRECT CLAIM"), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, if known.

If, through the fault of the Indemnified Party after becoming aware of a Claim, the Indemnifying Party does not receive notice of any Claim in time effectively to contest the determination of any liability susceptible of being contested, then the liability of the Indemnifying Party to the Indemnified Party under this Article shall be reduced by the amount of any losses incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give such notice on a timely basis.

#### 5.5 DIRECT CLAIMS

In the case of a Direct Claim, the Indemnifying Party shall have 60 days from receipt of notice of the Claim within which to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or before the expiration of

such 60 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be referred to the settlement provisions set forth in Sections 10.12 and 10.13 below.

#### 5.6 THIRD PARTY CLAIMS

In the case of a Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim. If the Indemnifying Party elects to assume such control, the Indemnifying Party shall reimburse the Indemnified Party for all of the Indemnified Party's out-of-pocket expenses incurred as a result of such participation or assumption. Subject to Section 6.6, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel at its expense or unless a representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). The Indemnified Party shall cooperate with the Indemnifying Party so as to permit the Indemnifying Party to conduct such negotiation, settlement and defence and for this purpose shall preserve all relevant documents in relation to the Third Party Claim, allow the Indemnifying Party access on reasonable notice to inspect and take copies of all such documents and require its personnel to provide such statements as the Indemnifying Party may reasonably require and to attend and give evidence at any trial or hearing in respect of the Third Party Claim. If, having elected to assume control of the negotiation, settlement or defence of the Third Party Claim, the Indemnifying Party thereafter fails to conduct such negotiation, settlement or defence with reasonable diligence, then the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

#### 5.7 SETTLEMENT OF THIRD PARTY CLAIMS

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if it is determined that the final settlement or judgement is less favourable taken as a whole than the proposed settlement taken as a whole and any such consent to such proposed settlement is not obtained for any reason within a reasonable time after the request therefor.

#### 5.8 INTEREST ON CLAIMS

The amount of any Claim submitted under Section 5.1 or Section 5.2 as damages or by way of indemnification shall bear interest from and including the date any Indemnified Party is required to make payment in respect thereof at the Prime Rate calculated from and including such date to but excluding the date reimbursement of such Claim by the Indemnifying Party is made, and the amount of such interest shall be deemed to be part of such Claim.

ARTICLE 6  
COVENANTS OF THE PARTIES

6.1 CORPORATION'S ACTIONS PRIOR TO CLOSING

The Parties shall take all actions required in order to ensure that the Corporation, during the period from the date of this Agreement to the Time of Closing, continues and operates its Business in the ordinary and normal course of business, consistent with the way its business has been conducted prior to the date of this Agreement, including, without limitation, that the Corporation shall: (i) continue to pay all payables and collect all receivables in a timely manner in the ordinary course of business consistent with past practice, (ii) not enter into commitments, initiate new business, assume commitments, dispose of material assets or discharge or satisfy any lien or encumbrance, other than changes in the ordinary and normal course of business, none of which might have, either by itself or in the aggregate, a Material Adverse Effect, (iii) not take or initiate any action, procedure, claim, amendment, waive any rights, terminate and/or enter into any agreements or instruments which are material to the Corporation or which may materially affect the Business or the Purchased Shares or Intellectual Property or which are in conflict or inconsistent with the transaction contemplated in this Agreement, (iv) not make any general wage or salary increase, pay any bonuses or extraordinary payments or enter into any employment agreements in respect of personnel which it employs, (v) not initiate or settle any litigation or claim to which the Corporation and/or the Purchaser or any of its Affiliates (except for litigation under this Agreement) may be or may become a party, (vi) take all actions necessary to promote the interest and maintain the goodwill of the Corporation, and of all persons having business relations with the Corporation, and (vii) take any action or exercise any option under the Unanimous Shareholders Agreement.

6.2 VENDOR'S ACTIONS PRIOR TO CLOSING

Except as otherwise contemplated or permitted by this Agreement, during the period from the date of this Agreement to the Time of Closing, the Vendor shall not, without the prior written consent of the Purchaser, take any action or exercise any option under the Unanimous Shareholders Agreement.

6.3 PURCHASER'S ACTIONS PRIOR TO CLOSING

Except as otherwise contemplated or permitted by this Agreement, during the period from the date of this Agreement to the Time of Closing, the Purchaser shall not, without the prior written consent of the Vendor, take any action or exercise any option under the Unanimous Shareholders Agreement.

#### 6.4 APPROVALS AND CONSENTS

- (a) The Vendor agrees to use its commercially reasonable efforts promptly to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. Without limiting the foregoing, the Vendor shall forthwith take all steps reasonably necessary and in the Vendor's control and use its commercially reasonable efforts to obtain as of the Time of Closing all Operational Consents and Regulatory Approvals, all on behalf of, and as required for the consummation of the transactions contemplated hereby, by the Vendor and the Corporation, and shall comply with any conditions thereof, which are required in connection with the completion of the transactions contemplated by this Agreement, the execution of this Agreement, and the Closing or the performance of any of the terms and conditions hereof; provided that the Vendor shall not be required to incur any costs except as provided for in the Further Amended and Restated Master Outsourcing Agreement as such agreement will be executed between the Parties prior to Closing. Without derogating from the provisions of the Further Amended and Restated Master Outsourcing Agreement as such agreement will be executed between the Parties prior to Closing, to the extent that any Operational Consents are not obtained prior to the Time of Closing, the Vendor agrees to continue to use its commercially reasonable efforts to obtain all Operational Consents for a period not to exceed 90 days following the Date of Closing.
- (b) The Purchaser agrees to use its commercially reasonable efforts promptly to do or cause to be done all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. Without limiting the foregoing, the Purchaser shall forthwith take all steps reasonably necessary and in the Purchaser's control and use its commercially reasonable efforts to ensure that the purchase and sale of the Purchased Shares and the completion of the transactions contemplated by this Agreement are allowed under the Investment Canada Act (Canada) and shall make all filings required to be made by the Purchaser under the Competition Act (Canada), and shall comply with any conditions thereof, which are required in connection with the completion of the transactions contemplated by this Agreement, the execution of this Agreement, and the Closing or the performance of any of the terms and conditions hereof provided that the Purchaser shall not be required to incur any costs (other than those expenses incurred in preparing such filings).
- (c) Both Parties agree to use their commercially reasonable efforts promptly to cause the Corporation to take all actions necessary for the completion of the transactions contemplated herein.

## 6.5 ACCESS AND INFORMATION

The Vendor shall at all times during the period from the date of this Agreement until the Time of Closing make available to the Purchaser and its representatives and advisers for examination all books and records of the Corporation (including minute books and accounting ledgers) in its possession or under its control. The Vendor shall provide copies of the foregoing when reasonably requested by the Purchaser. The Vendor shall at all times during the period from the date of Agreement until the Time of Closing give the Purchaser and its representatives and advisers unrestricted access to the premises of the Corporation in order to make such investigations as the Purchaser shall deem advisable. The Vendor shall give such Persons all means necessary to effect such examinations and investigations and shall cause its agents, employees, officers and directors to use their best efforts to aid such Persons in such examinations and investigations. The Vendor shall provide the Purchaser and its representatives and advisers at all times during the period from the date of this Agreement to the Time of Closing with an opportunity to meet with the auditors and any employees, advisers or personnel of the Corporation.

## 6.6 COOPERATION ON TAX MATTERS

During the time period following Closing specified in Section 4.3(1)(ii), the Vendor agrees that it shall, and the Purchaser agrees that it shall cause the Corporation to, fully cooperate with each other to:

- (a) enable the Vendor and the Corporation to more accurately determine their respective Transfer Tax liability [\*\*];
- (b) without restricting the generality of paragraph (a), the Purchaser shall (1) cause the Corporation to provide to the Vendor copies of any interpretations or rulings, if any, obtained from any Sales and Related Taxes authority to substantiate the Sales and Related Taxes treatment in respect of the amounts payable by the Vendor to the Corporation prior to Closing, and (2) use its best efforts to cause the Corporation to provide to the Vendor any other information or document with respect to any amounts payable by the Vendor to the Corporation prior to Closing, which reasonably may be requested by the Vendor, including but not limited to the information or documents specified in the Input Tax Credit (GST/HST) Information Regulations;
- (c) the Purchaser further agrees to notify the Vendor promptly, but no later than five days following, the receipt by the Corporation of notification of an audit by a Sales and Related Taxes authority in respect of any amounts payable by the Vendor to the Corporation in the time period prior to Closing; and
- (d) in the event of any assessment against the Corporation in respect of any amounts payable by the Vendor to the Corporation in the time period prior to Closing, the

Purchaser agrees that the Vendor has the right, at its option and at its expense, to be actively involved in any appeal of the assessment, including the right to file a notice of objection, correspond with relevant government officials and appeal any resulting decision to the appropriate court or courts. For purposes of this section, the phrase "be actively involved in" means that the Corporation will cooperate with Vendor with a view to minimizing the amount of the assessment and, in this connection, the Vendor and the Corporation will agree by consensus on the strategies and positions to be taken. In the case of disagreement, the Purchaser shall cause the Corporation to select, together with the Vendor, a professional accounting firm or law firm not then acting as auditors or principal external counsel for any of the Vendor (or an Affiliate of the Vendor), Purchaser or Corporation, for an independent opinion on the strategies and positions to be taken in respect of any matter in respect of an assessment in connection with any amounts payable by the Vendor to the Corporation in the time period prior to Closing. The fees and costs associated with the appointment of such professional accounting or law firm shall be [\*\*], provided that [\*\*] the scope of work to be [\*\*] by such professional accounting or law firm.



6.7 POST RETIREMENT BENEFITS DISPUTE

The Parties acknowledge that in the event that the Closing does not occur then the Purchaser reserves the right to renew its claim as to the proper treatment and payment into the Corporation of post retirement benefits, which claim the Purchaser shall desist upon Closing.

6.8 VENDOR'S RELEASE

Prior to the Closing the Vendor and the Purchaser shall take all actions necessary and cause the Corporation to sign the Vendor's Release and the director's release in accordance with Section 3.3(b).

6.9 COOPERATION ON PREPARATION OF FINANCIAL STATEMENTS

Prior to the Closing Date, the Vendor agrees that it shall, and the Purchaser agrees that it shall cause the Corporation to, fully cooperate with each other to prepare and deliver to the Purchaser, at no cost to the Vendor, the following:

(a) financial statements of the Corporation, prepared in accordance with United States generally accepted accounting principles or in accordance with Canadian generally accepted accounting principles, including a note adjusting results to United States generally accepted accounting principles:

(i) Audited financial statements for the fiscal year ended December 31, 2002,

(ii) Financial statements, reviewed by the Corporation's auditors, for the last interim period ended before the Closing Date,

(b) financial statements of the Corporation, reviewed by the Corporation's auditors, prepared in accordance with United States generally accepted accounting principles and translated to the United States dollar, for the following periods:

(i) Three months ended December 31, 2001.

(ii) Nine months ended September 30, 2002.

(iii) Three months ended December 31, 2002.

(iv) Three months ended March 31, 2003.

(v) Three months ended June 30, 2003.

(vi) Six months ended June 30, 2003.

(c) The financial statements of the Corporation for the Closing Date, reviewed by the Corporation's auditors, prepared in accordance with United States generally accepted accounting principles and translated to the United States dollar. The financial statements will include a balance sheet as of the closing date and a statement of income (loss) for the period from the beginning of the quarter in which the Closing Date fall and ending at the Closing Date.

(d) The auditors consent letter regarding the Corporation's audited financial statements for the fiscal year ended December 31, 2002, and the audit letter for the same period.

ARTICLE 7  
CONDITIONS PRECEDENT TO THE PERFORMANCE  
BY THE PARTIES OF THEIR OBLIGATIONS UNDER THIS AGREEMENT

7.1 THE PURCHASER'S CONDITIONS

The obligation of the Purchaser to complete the purchase of the Purchased Shares hereunder shall be subject to the satisfaction of, or compliance with, at or before the Time of Closing, each of the following conditions (each of which is hereby acknowledged to be inserted for the exclusive benefit of the Purchaser):

(a) REPRESENTATIONS AND WARRANTIES

All representations and warranties of the Vendor made pursuant to this Agreement shall be true and correct in all material respects with the same force and effect as if made at and as of the Time of Closing, and the Vendor shall have delivered to the Purchaser at the Time of Closing a certificate dated the Closing Date under corporate seal, duly executed by an officer of the Vendor acceptable to the Purchaser, to such effect. The receipt of such certificate and the closing of the transaction of purchase and sale provided for in this Agreement shall not be nor deemed to be a waiver of the representations and warranties of the Vendor contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of the Purchaser as provided in Article 4.3.

(b) PERFORMANCE OF OBLIGATIONS

The Vendor shall have performed or complied with, in all material respects, all of its obligations, covenants and agreements in this Agreement which are to be performed or complied with by the Vendor at or prior to the Time of Closing, and the Vendor shall have delivered to the Purchaser at the Time of Closing a certificate dated the Closing Date under corporate seal, duly executed by an officer of the Vendor acceptable to the Purchaser, to such effect.

(c) RECEIPT OF CLOSING DOCUMENTATION

All documentation relating to the due authorization and completion of the purchase and sale of the Purchased Shares and all actions and proceedings taken on or prior to the Closing Date in connection with the performance by the Vendor of its obligations under this Agreement shall be satisfactory to the Purchaser and its counsel, acting reasonably, and the Purchaser shall have received copies of all

such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith in compliance with these conditions, in form and substance satisfactory to the Purchaser and its counsel, acting reasonably.

(d) BOARD APPROVAL

The board of directors of the Vendor shall have authorized and approved the execution and delivery of this Agreement and the performance by the Vendor of its obligations hereunder.

(e) COMPETITION ACT

The Purchaser shall have obtained an advance ruling certificate pursuant to Section 102 of the Competition Act (Canada) to the effect that the Director of Investigation and Research under that Act is satisfied that there would not be sufficient grounds upon which to apply to the Competition Tribunal under Section 92 of such Act with respect to the transactions contemplated by this Agreement.

(f) INVESTMENT CANADA ACT

Either:

- (i) the Purchaser shall have received written confirmation that the Minister responsible for the Investment Canada Act (Canada) is satisfied that the purchase of the Purchased Shares by the Purchaser is likely to be of net benefit to Canada; or
- (ii) the time within which the Minister is required to advise the Purchaser whether the Minister is satisfied that the purchase of the Purchased Shares is likely to be of net benefit to Canada has expired (unless within that time the Minister has sent a notice to the Purchaser confirming that the Minister is not satisfied that the purchase of the Purchased Shares is likely to be of net benefit to Canada).

(g) NO ACTION TO RESTRAIN

No action or proceeding shall be pending or threatened by any Authority or any other Person (including a Party other than the Purchaser or its Affiliates) to restrain or prohibit the completion of the transactions contemplated by this Agreement or to prevent or restrain the Corporation from carrying on the Business as presently carried on.

(h) CORPORATION'S COMPLIANCE

The Corporation shall have performed or complied with, in all material respects, all of the obligations agreed to be imposed on it under the provisions of Section 6.1 which are to be performed or complied with at or prior to the Time of Closing.

(i) PURCHASER'S RELEASES

The Purchaser shall have received the executed Purchaser's Release.

(j) OTHER CLOSING CONDITIONS

Any other conditions to Closing agreed to between the Parties in writing.

7.2 CONDITIONS OF THE VENDOR

The obligation of the Vendor to complete the sale of the Purchased Shares hereunder shall be subject to the satisfaction of or compliance with, at or before the Time of Closing, of each of the following conditions (each of which is hereby acknowledged to be inserted for the exclusive benefit of the Vendor):

(a) REPRESENTATIONS AND WARRANTIES

All representations and warranties of the Purchaser made pursuant to this Agreement shall be true and correct in all material respects with the same force and effect as if made at and as of the Time of Closing, and the Purchaser shall have delivered to the Vendor at the Time of Closing its certificate dated the Closing Date under corporate seal, duly executed by a senior officer of the Purchaser acceptable to the Vendor, to such effect. The receipt of such certificate and the Closing of the transaction of purchase and sale provided for in this Agreement shall not be nor be deemed to be a waiver of the representations and warranties of the Purchaser contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of the Vendor as provided in Section 4.3.

(b) PERFORMANCE OF AGREEMENT

The Purchaser shall have performed or complied with, in all respects all of its obligations, covenants and agreements in this Agreement which are to be performed or complied with by the Purchaser at or prior to the Time of Closing and shall have delivered to the Vendor at the time of Closing a certificate dated the Closing Date under corporate seal, duly executed by a senior officer of the Purchaser acceptable to the Vendor, to such effect.

(c) RECEIPT OF CLOSING DOCUMENTATION

All documentation relating to the due authorization and completion of the purchase and sale of the Purchased Shares and all actions and proceedings taken on or prior to the Closing Date in connection with the performance by the Purchaser of its obligations under this Agreement shall be satisfactory to the Vendor and its counsel, acting reasonably, and the Vendor shall have received copies of all such documentation or other evidence as it may reasonably request in order to establish the consummation of the transactions contemplated hereby and the taking of all corporate proceedings in connection therewith in compliance with these conditions, in form and substance satisfactory to the Vendor and its counsel, acting reasonably.

(d) NO ACTION TO RESTRAIN

No action or proceeding shall be pending or threatened by any Authority or any other Person (including a Party other than the Corporation, the Vendor or its Affiliates) to restrain or prohibit the completion of the transactions contemplated by this Agreement or to prevent or restrain the Corporation from carrying on the Business as presently carried on.

(e) BOARD APPROVAL

The board of directors of the Purchaser shall have authorized and approved the execution and delivery of this Agreement and the performance by the Purchaser of its obligations hereunder.

(f) COMPETITION ACT

The Purchaser shall have obtained an advance ruling certificate pursuant to Section 102 of the Competition Act (Canada) to the effect that the Director of Investigation and Research under that Act is satisfied that there would not be sufficient grounds upon which to apply to the Competition Tribunal under Section 92 of such Act with respect to the transactions contemplated by this Agreement.

(g) INVESTMENT CANADA ACT

Either:

- (i) the Purchaser shall have received written confirmation that the Minister responsible for the Investment Canada Act (Canada) is satisfied that the purchase of the Purchased Shares by the Purchaser is likely to be of net benefit to Canada; or
- (ii) the time within which the Minister is required to advise the Purchaser whether the Minister is satisfied that the purchase of the Purchased Shares

is likely to be of net benefit to Canada has expired (unless within that time the Minister has sent a notice to the Purchaser confirming that the Minister is not satisfied that the purchase of the Purchased Shares is likely to be of net benefit to Canada).

[\*\*]The Vendor shall be [\*\*] by the Vendor, with respect to [\*\*] prior to the Time of Closing after [\*\*], the Purchaser shall [\*\*].

(h) VENDOR'S RELEASES

The Vendor shall have received the executed Vendor's Releases.

(i) OTHER CLOSING CONDITIONS

Any other conditions to Closing agreed to between the Parties in writing.

7.3 WAIVER BY PURCHASER

Subject to Article 9 below, if any of the conditions set forth in Section 7.1 have not been fulfilled, performed or satisfied at or prior to October 1, 2003, the Purchaser may, by written notice to the Vendor terminate all of its obligations hereunder and the Purchaser shall be released from all its obligations under this Agreement. Any of such conditions may be waived in whole or in part by the Purchaser by instrument in writing given to the Vendor without prejudice to any of the Purchaser's rights of termination in the event of non-performance of any other condition, obligation or covenant in whole or in part, and without prejudice to its right to complete the transaction of purchase and sale contemplated by this Agreement and claim damages for breach of representation, warranty or covenant.

7.4 WAIVER BY VENDOR

Subject to Article 9 below, if any of the conditions set forth in Section 7.2 have not been fulfilled, performed or satisfied at or prior to October 1, 2003, the Vendor may, by written notice given to the Purchaser, terminate all of its obligations hereunder and the Vendor shall be released from all its obligations under this Agreement. Any of such conditions may be waived in whole or in part by the Vendor by instrument in writing given to the Purchaser, without prejudice to any of the Vendor's rights of termination in the event of non-performance of any other condition, obligation or covenant in whole or in part, and without prejudice to its right to complete the transaction of purchase and sale contemplated by this Agreement and claim damages for breach of representation, warranty or covenant.

ARTICLE 8  
ADDITIONAL COVENANTS

8.1 [\*\*] THE CORPORATION AND THE PURCHASER

In consideration of the transactions contemplated by this Agreement and the covenants and agreements of the Purchaser contained herein, effective as of the Closing, [\*\*].

8.2 [\*\*] THE VENDOR

In consideration of the transactions contemplated by this Agreement and the covenants and agreements of the Vendor contained herein, effective as of the Closing, [\*\*].

ARTICLE 9  
TERMINATION

9.1 TERMINATION

This Agreement may be terminated prior to the Closing as follows:

- (a) at any time on or prior to the Closing Date, by mutual written consent of the Vendor and the Purchaser;
- (b) by either Purchaser or Vendor, if all conditions to consummation of the transactions contemplated herein have not been satisfied or waived on or before October 1, 2003 (the "TERMINATION DATE"); provided that the right to terminate this Agreement under this clause (b) shall not be available to any Party whose failure to fulfill any obligation of such Party under this Agreement has been the primary cause of, or resulted in, the failure of the Closing to occur on or before the Termination Date.

ARTICLE 10  
GENERAL

10.1 PUBLIC NOTICES

All public notices to third parties and all other publicity concerning the matters contemplated by this Agreement shall be jointly planned and co-ordinated by the Parties and no Party shall act unilaterally in this regard without the prior approval of the other Parties, except where the Party making such notice is required to do so by law or by the applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange, provided that such Party will use reasonable efforts to notify the other Party in advance of such disclosure so as to permit the other Parties to seek a protective order or otherwise contest such disclosure.

10.2 EXPENSES

Each Party to this Agreement shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation or execution of this Agreement and all documents and instruments executed or delivered pursuant to this Agreement, as well as any other costs and expenses incurred and, for greater certainty, no costs shall be incurred by the Corporation. The Vendor shall pay any and all

income tax payable by the Vendor, if any, as a result of the transfer and sale of the Purchased Shares to the Purchaser.

#### 10.3 FURTHER ASSURANCES

The Parties shall do all such things and actions (including voting) and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after Closing.

#### 10.4 ASSIGNMENT AND ENUREMENT

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by the Vendor without the prior written consent of the Purchaser, acting reasonably. The Purchaser may, in its sole discretion without the consent of the Vendor, assign this Agreement, in whole or in part, to any Affiliate of the Purchaser (whose ultimate parent is Amdocs Limited) at any time before or after the Closing; provided that reasonable prior notice of such assignment is delivered to the Vendor. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns. Notwithstanding the foregoing, following an assignment as contemplated herein, the Vendor shall continue to be liable for its duties accruing hereunder.

#### 10.5 ENTIRE AGREEMENT

This Agreement, together with any Schedules and Exhibits attached hereto and any documents delivered pursuant to this Agreement, constitutes the entire agreement between the Parties with respect to the matters herein and supersedes all prior agreements, understandings, negotiations, discussions, representations, promises or statements, whether oral or written, relating to the subject matter hereof. This Agreement shall not be amended, altered or qualified except by written agreement signed by all of the Parties.

#### 10.6 WAIVER

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

#### 10.7 NOTICES

All payments and communications which may be or are required to be given by any Party to any other Party, shall be in writing and (i) delivered personally, (ii) sent by prepaid



courier service or mail, or (iii) sent by prepaid telecopier or other similar means of electronic communication to the Parties at their following respective addresses:

For the Purchaser:

c/o Goodmans LLP  
Suite 2400  
250 Yonge Street  
Toronto, Ontario M5B 2M6

Attention: David Matlow

For the Vendor:

Bell Canada  
483 Bay Street  
Toronto, Ontario M5G 2C9  
Attention: Eugene Roman

with a copy to:

Bell Canada  
483 Bay Street  
Toronto, Ontario M5G 2C9  
Attention: Vice President, Law Department, Toronto

Any such notice so given shall be deemed conclusively to have been given and received when so personally delivered or delivered, by courier or on the day on which termination is confirmed if sent by telecopier or other electronic communication or on the fifth day following the sending thereof by mail. Any Party may from time to time change its address hereinbefore set forth by notice to the other Parties in accordance with this Section.

#### 10.8 SEVERABILITY

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or enforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction.

10.9 EXECUTION BY FACSIMILE

The signature of any of the Parties hereto may be evidenced by a facsimile copy of this Agreement bearing such signature.

10.10 COUNTERPARTS

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution of any counterpart, each counterpart shall be deemed to bear the effective date set forth below.

10.11 GOVERNING LAW

The construction, interpretation and performance of this Agreement and all transactions under it shall be governed by the laws of the Province of Ontario (without regard to its rules on conflicts of laws) and the laws of Canada applicable therein. For the purposes of and solely where court action is expressly permitted under this Agreement, the Parties each submit to the exclusive jurisdiction of the courts of the Province of Ontario.

10.12 RESOLUTION BY NEGOTIATION

- (a) Except as set forth below, the Vendor and the Purchaser agree to promptly utilize all reasonable efforts to resolve any controversy, claim or dispute relating to the interpretation, validity, construction, meaning, performance or effect of this Agreement or the rights or liabilities of the Parties or any matter arising out of or in connection with this Agreement (a "DISPUTE").
- (b) If a Dispute prior to Closing cannot be resolved by mutual agreement within a five (5) Business Day period from receipt of written notification by one Party to the other (which notice shall set forth full details of the matter in dispute), either Party may refer the Dispute to resolution by the Chief Executive Officers of the Parties, such resolution to occur within a further five (5) Business Day period of the referral of the matter to these two executives
- (c) If a post Closing Dispute cannot be resolved by mutual agreement within a thirty (30) Business Day period from receipt of written notification by one Party to the other (which notice shall set forth full details of the matter in dispute), either Party may refer the Dispute to resolution by the Chief Executive Officers of the Parties, such resolution to occur within a further thirty (30) Business Day period of the referral of the matter to these two executives.

10.13 ARBITRATION

Any Dispute that has not been resolved within the second five (5) Business Day or thirty (30) Business Day period, as applicable, described in Section 10.12, shall be submitted for arbitration in accordance with the laws of Ontario then in effect and the provisions

contained herein, it being understood that such forum shall have exclusive jurisdiction to deal with such matters.

- (a) The arbitration procedure shall be instituted by any Party by the sending of a written notice to that effect to the other Party setting forth a description of the Dispute and, if appropriate, the provision of this Agreement as to which such matter relates (the "NOTICE OF ARBITRATION"). Any arbitration to be conducted under this Section 10.13 shall be conducted by a single arbitrator (the "ARBITRATOR") chosen by the Parties to the arbitration within Five Business Days with respect to pre-Closing Disputes and thirty (30) Business days with respect to post Closing Disputes, following the Notice of Arbitration. In the event that the Parties fail to agree upon the appointment of the Arbitrator within the stipulated delay, then the Arbitrator shall be selected and appointed at the request of either Party in accordance with the Arbitration Act (Ontario). The arbitration shall be conducted in the English language.
- (b) As soon as practicable after his/her appointment, the Arbitrator shall convene a meeting or a telephone conference call with the Vendor and the Purchaser or their representatives to determine the procedure to be followed in the arbitration. If the Parties cannot agree on the procedure to be followed, the Arbitrator shall, subject to the other provisions of this Section 10.13, determine his/her own procedure, which may or may not require the submission of written arguments by the Parties or the holding of hearings. In any event, the Parties agree that any arbitration hearing shall take place in the Province of Ontario.
- (c) The Parties to the arbitration shall be entitled to be represented at any arbitration hearing by legal counsel and to be accompanied by an interpreter.
- (d) Notwithstanding the provisions of this Section 10.13, if either of the Parties hereto believes that it is entitled to any provisional measure or injunctive relief, such Party shall be entitled to seek such measure or injunctive relief through civil action before any court having jurisdiction.
- (e) The Arbitrator shall be entitled to appoint an expert, if necessary, subject to agreement of the Parties. Any costs or fees charged by experts shall form part of the costs of the arbitration and be paid in the manner hereinafter contemplated.
- (f) The Arbitrator shall endeavour to render his/her decision (the "ARBITRATION AWARD"), within thirty (30) days following the date of commencement of the deliberation, but shall not lose jurisdiction by reason of his/her failure to respect this delay. The Arbitration Award must be made in writing stating the reasons upon which it is based and a copy thereof must be delivered to each Party to the arbitration. The Arbitrator, in the Arbitration Award, shall apportion costs and expenses in the manner he sees fit, taking into consideration the intent of the Parties as set forth in paragraph (g) below.

- (g) The intent of the Parties is to have the Party who is most at fault and most responsible for the time and cost of arbitration to be required to pay for the costs thereof in order that each Party has significant economic incentive to work together to resolve any differences that may arise between them.
- (h) The Arbitration Award shall be final and binding upon the Parties to the arbitration for all purposes and shall preclude, in respect of the subject matter in dispute, any further or other recourse to any Court otherwise having jurisdiction.

10.14 CONSENT

Where a provision of this Agreement requires an approval or consent by a Party to this Agreement and written notification of such approval or consent is not delivered within the applicable time in accordance with this Agreement, then the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

10.15 LANGUAGE

The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, Schedules, Exhibits and authorizations, have been and shall be drawn up in the English language only. Les Parties aux presentes confirment leur volonte que cette convention, de meme que tous les documents, y compris tous avis, decules et autorisations s'y rattachant, soient rediges en anglais seulement.

10.16 TENDER OF DOCUMENTS AND PAYMENT OF MONEY

Any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel and money shall be tendered by wire transfer or other method that provides immediately available funds.

10.17 NON-MERGER

Each Party hereby agrees that all provisions of this Agreement, other than (a) the conditions in Article 6 and (b) the representations and warranties contained in Article 4 and the related indemnities in Article 5 hereof (which shall be subject to the special arrangements provided in such Articles) shall forever survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement.

- Signature Pages to Follow -

IN WITNESS WHEREOF the Parties have hereunto duly executed this Agreement on the date first above written.

AMDOCS HOLDINGS ULC

Per: /s/ Burt Podbere c/s  
-----  
Authorized Signing Officer

BELL CANADA

Per: /s/Eugene Roman c/s  
-----  
EUGENE ROMAN  
GROUP PRESIDENT - SYSTEMS AND TECHNOLOGY

Per: /s/John Sheridan c/s  
-----  
JOHN SHERIDAN  
GROUP PRESIDENT - BUSINESS MARKETS

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. Asterisks denote omissions.

Software Master Agreement

No. 03032360

Between

Amdocs Software Systems Limited

And

SBC Services, Inc.

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PROPRIETARY INFORMATION

The information contained herein is not for use or disclosure outside SBC, Supplier, their affiliated and subsidiary companies, and their third party representatives, except under written agreement.

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PROPRIETARY INFORMATION

The information contained herein is not for use or disclosure outside SBC, Supplier, their affiliated and subsidiary companies, and their third party representatives, except under written agreement.

1.0 Preamble

1.1 PREAMBLE AND EFFECTIVE DATE

This Agreement, effective on December \_\_, 2003 ("Effective Date"), is between Amdocs Software Systems Limited, an Irish corporation (hereinafter referred to as "Supplier" or "Amdocs"), and SBC Services, Inc., a Delaware corporation (hereinafter referred to as "SBC"), each of which may be referred to in the singular as "Party" or in the plural as "Parties."

1.2 TERM OF AGREEMENT

This Agreement shall remain in effect from the Effective Date for a term ending five years thereafter unless earlier terminated or canceled as provided in this Agreement. The Parties may extend the term of this Agreement by mutual agreement in writing.

1.3 SCOPE OF AGREEMENT

The provisions of this Agreement shall govern all purchases of Software licenses and certain Services (e.g., maintenance services) made by SBC from Supplier during the term of this Agreement. SBC may make purchases under this Agreement by placing Orders with Supplier. The applicable price for certain Software and Services is provided in Appendix A.

2.0 Definitions

2.1 ACCEPTANCE

"ACCEPT" or "ACCEPTANCE" means SBC's acceptance of the Software pursuant to Section 3.1.

2.2 ACCEPTANCE DATE

"ACCEPTANCE DATE" means the date on which the Software or Services are Accepted in accordance with Section 3.1.

2.3 ACCEPTANCE LETTER

"ACCEPTANCE LETTER" means a notice, given by SBC to Supplier upon acceptance of Software, in accordance with the Section entitled "Acceptance or Rejection."

2.4 ACCEPTANCE TEST PERIOD

"ACCEPTANCE TEST PERIOD" means the length of time specified in an Order for SBC to perform Acceptance Tests (which period shall not be less than [\*\*] days or more than [\*\*]days, unless extended pursuant to Section 3.1) during which the Acceptance Tests are performed.

2.5 ACCEPTANCE TESTS

"ACCEPTANCE TESTS" means tests and demonstrations of the Software in operation that SBC may perform [\*\*].

PROPRIETARY INFORMATION

The information contained herein is not for use or disclosure outside SBC, Supplier, their affiliated and subsidiary companies, and their third party representatives, except under written agreement.

2.6 AMDOCS AFFILIATE

"AMDOCS AFFILIATE" means any current or future business firm, whether incorporated or not, which controls, is controlled by or is under common control with Amdocs, where "control" means the ownership, directly or indirectly, of a majority interest in an entity by another entity.

2.7 AMDOCS DIRECT COMPETITORS

"AMDOCS DIRECT COMPETITORS" means as of the Effective Date, [\*\*] Amdocs Direct Competitors, [\*\*] under this Agreement.

2.8 AMDOCS LEADERSHIP COUNCIL

"AMDOCS LEADERSHIP COUNCIL" has the meaning given to such term in the MSA.

2.9 CINGULAR

"CINGULAR" means Cingular Wireless, LLP.

2.10 COMPUTER PROGRAM

"COMPUTER PROGRAM" means a set of instructions or code intended to cause a computer to produce certain results.

2.11 CONCURRENT USERS

"CONCURRENT USERS" means different Users who are accessing and using a Computer Program at the same time.

2.12 DELIVERY

"DELIVERY", and its derivatives, means delivery of the Software at SBC's expense via (i) electronic transfer; (ii) hand delivery of the media in which the Software is contained; (iii) carrier selected by Amdocs; or (iv) the manner described in the applicable Order.

2.13 DELIVERY DATE

"DELIVERY DATE" means the date on which the Parties agree Supplier is scheduled in this Agreement or an Order to complete its Delivery.

2.14 DESIGN MATERIALS

"DESIGN MATERIALS" includes the source code statements for a Computer Program; all requirements documents, record layouts, outlines, flowcharts, and other materials intended for use in the preparation of the source code statements; and all comments included in the source code statements as a reference to other materials.

PROPRIETARY INFORMATION

The information contained herein is not for use or disclosure outside SBC, Supplier, their affiliated and subsidiary companies, and their third party representatives, except under written agreement.

2.15 DESIGNATED SITE

"DESIGNATED SITE" means SBC's building or complex of buildings within which SBC is authorized to use the Software.

2.16 DESIGNATED SYSTEM

"DESIGNATED SYSTEM" means the particular computer system designated by type, serial number(s) and location on the applicable Order.

2.17 DOCUMENTATION

"DOCUMENTATION" means written explanations of the intended functionality of the Software and other written material intended to guide the user in the installation of the Software, the use of the Software, the Modification of the Software and the capabilities needed to diagnose and troubleshoot Errors. Documentation includes written explanations provided on screens displayed by the Software itself as well as instructions provided in separate user manuals and training materials.

2.18 ENHANCEMENT

"ENHANCEMENT" means a Modification made to include additional Functionality in a Computer Program. An Enhancement may otherwise be referred to as an improvement or an upgrade.

2.19 [\*\*] LICENSE

"[\*\*] LICENSE" means a license to Use Software as set forth in Section 4.2, [\*\*]; for [\*\*] Licenses[\*\*].

2.20 ERROR

"ERROR" means [\*\*] in the [\*\*] that causes [\*\*], that causes [\*\*], that [\*\*] as prescribed by the Specifications, or that causes [\*\*] as prescribed by the Specifications. An Error may otherwise be referred to as a bug or defect.

2.21 FUNCTIONALITY

"FUNCTIONALITY" means a particular result or set of results that a Computer Program is intended to cause a computer to produce.

2.22 HARMFUL CODE

"HARMFUL CODE" includes any and all instructions designed to prevent a computer from producing intended results or to cause a computer to produce unintended results, including, but not limited to the following: instructions designed to halt or disrupt the operation of a computer program at an arbitrary time ("time bombs") or upon the execution of an arbitrarily designated instruction ("logic bombs"); instructions designed to cause the computer to duplicate these

PROPRIETARY INFORMATION

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instructions and retransmit those instructions to others, with or without additional disabling effects or instructions designed to cause the computer to erase its own data files ("viruses/worms"); instructions designed to override security features and facilitate access to the computer by unauthorized users ("back doors," "trap doors," and "undocumented passwords") or to place the operation of the computer under the control of unauthorized remote users ("Trojan horses").

#### 2.23 INFORMATION

"INFORMATION" means all ideas, discoveries, concepts, know-how, trade secrets, techniques, designs, specifications, drawings, sketches, models, manuals, samples, tools, computer programs, technical information, and other confidential business, customer or personnel information or data, whether provided orally, in writing, or through electronic or other means.

#### 2.24 LIABILITY

"LIABILITY" means all legal or contractual responsibility for losses, damages, expenses, costs, penalties, fines, and fees (except as set forth in an applicable Order), including reasonable attorneys' fees, arising from a claim or cause of action related to performance or omission of acts under this Agreement or any Order, including, but not limited to, claims or causes of actions brought by third parties.

#### 2.25 LIQUIDATED DAMAGES

"LIQUIDATED DAMAGES" shall mean pre-defined damages described in Sections 3.20 and 5.4 of this Agreement.

#### 2.26 MAINTENANCE

"MAINTENANCE" means the Services provided by Supplier under Article 5.0 of this Agreement and the applicable Order, which include, but are not limited to; help desk assistance, telephone assistance, Documentation and Revisions and may additionally include training and on-site assistance. Participation in customer or user groups that compare experiences with and/or make suggestions for further Enhancements to the Software, may also be included.

#### 2.27 MAINTENANCE FEE

"MAINTENANCE FEE" means the fee SBC pays to Supplier for the Maintenance provided by Supplier as specified in an Order. No Maintenance Fee shall be due during the Warranty Period.

#### 2.28 MAJOR RELEASE

"MAJOR RELEASE" means a new base version of a Computer Program that Supplier may provide under this Agreement. A Major Release is generally identified by the first number that appears to the left of the first decimal point in a version number.

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2.29 MINOR RELEASE

"MINOR RELEASE" means a Modification made by Supplier to add Enhancements, Resolutions, Updates, or any combination thereof, to a Major Release. A Minor Release is generally identified by one or more numbers preceding or following one or more decimal points to the right of the first decimal point in a version number.

2.30 MODIFICATION AND MODIFY

"MODIFICATION" and "MODIFY" mean the addition, deletion, correction, and alteration of code in the Software.

2.31 MSA

"MSA" means the master services Agreement No. 02026713 between SBC and Amdocs Inc. for Software and Professional Services, dated August 7, 2003, as amended.

2.32 NAMED USERS

"NAMED USERS" means Users identified by a proper name, a unique numerical identifier, or other unique symbol, and a password.

2.33 NEW RELEASE

"NEW RELEASE" means any change in Functionality to an existing Software program or new Functionality added to an existing Software program, which Supplier offers to SBC and other customers.

2.34 NOTICE OF COMPLETION

"NOTICE OF COMPLETION" means a notice, given by Supplier to SBC upon Delivery of Software or installation of Software, in accordance with the Section entitled "Acceptance or Rejection."

2.35 ORDER

"ORDER" means such purchase orders, work orders, forms, memoranda or other written or electronic communications as may be delivered to Supplier for the purpose of ordering Software and Services hereunder.

2.36 PERMITTED THIRD PARTIES

"PERMITTED THIRD PARTIES" are [\*\*] for the purpose of [\*\*] between them, whether arising under contract, law, or regulation. Without limiting the generality of the foregoing, "Permitted Third Parties" may [\*\*]; "Permitted Third Parties" may also include [\*\*].

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2.37 PUBLISHED SPECIFICATIONS

"PUBLISHED SPECIFICATIONS" means those descriptions of the Software Functionality including, without limitation, user manuals, whether summarized or set forth in complete detail, that Supplier normally provides with the Software, and any other Supplier publication specified in an Order.

2.38 RESOLUTION

"RESOLUTION" means a Modification that provides a permanent correction of an Error. A Resolution may also be referred to as a bug fix, correction, fix, permanent fix, or solution.

2.39 RESTORAL

"RESTORAL" means a Modification made as a temporary measure to compensate for an Error until a Resolution can be provided. A Restoral may also be referred to as a bypass, patch, temporary fix, or workaround.

2.40 REVISION

"REVISION" means an update to the Documentation to reflect the addition, deletion or correction of the previous version of the Documentation. A Revision may also be referred to as a documentation update.

2.41 SBC AFFILIATE

"SBC AFFILIATE" means any current or future domestic United States business firm, whether incorporated or not, which controls, is controlled by or is under common control with SBC, where "control" means the ownership, directly or indirectly, of a majority interest in an entity by another entity. Notwithstanding anything to the contrary in the foregoing, [\*\*].

2.42 SBC'S SPECIFICATIONS

"SBC'S SPECIFICATIONS" means any descriptions of SBC's unique Functionality requirements that are incorporated into an Order, whether expressly stated, by reference, or by an attachment.

2.43 SERVICE(S)

"SERVICE(S)" means, but is not limited to, any consultation, installation, removal, training, technical support, repair, and Maintenance (including associated engineering and programming) provided herein or pursuant to an Order.

2.44 SEVERITY LEVEL

"SEVERITY LEVEL" means the classification assigned by SBC to an Error.

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2.45 SOFTWARE

"Software" means a Computer Program that Supplier will provide pursuant to an Order under this Agreement and the associated Documentation for that Computer Program, which Computer Programs will be Amdocs' generally released Computer Programs.

2.46 SPECIFICATIONS

"SPECIFICATIONS" means descriptions of those Functionalities that are included in the Software. The term includes specifications in the applicable Order, Published Specifications, and SBC's Specifications.

2.47 UPDATE

"UPDATE" means generally released Modifications made by Supplier for the purpose of maintaining the Software's compatibility/interoperability with other technologies with which the Software is intended to inter-operate.

2.48 USERS

"USERS" means any SBC employees, agents, temporary workers, and contractors permitted to access and operate the Software.

2.49 VULNERABILITY

"VULNERABILITY" means a condition in the instructions of the Software, whether consistent with its Specifications or not, that renders the computer on which the Software is operating susceptible to unauthorized access and use.

2.50 WARRANTY PERIOD

"WARRANTY PERIOD" means a term as set forth in the Order of not less than [\*\*] beginning on the date when SBC Accepts the Software.

2.51 WORK

"WORK" means all Software and Services, collectively, that Supplier is providing pursuant to Orders placed under this Agreement.

3.0 GENERAL TERMS

3.1 ACCEPTANCE OR REJECTION

- A. After the Delivery of the Software or SBC's receipt of Amdocs' certificate of installation, if applicable, SBC will start the system certification testing ("Acceptance Test Period").

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- B. During the Acceptance Test Period, SBC will notify Amdocs immediately in writing of any inconsistency(ies) with the Specifications found by SBC, and Amdocs will promptly correct such inconsistency(ies) and Deliver to SBC the resulting corrections. SBC shall have the right to test the Software after such corrected and/or completed Software is re-Delivered to SBC, and such corrected and/or completed Software shall thereafter be subject to SBC's acceptance or rejection under this Section. The Acceptance Test Period shall be [\*\*]; provided, however, [\*\*].
- C. If the Software conforms with the terms of the applicable Order during the Acceptance Test Period, SBC shall sign and deliver a copy of an Acceptance Letter substantially in the form of Appendix B ("Acceptance Letter") to Amdocs after the completion of the Acceptance Test Period. [\*\*] Acceptance Letter, [\*\*] after the conclusion of the Acceptance Test Period, [\*\*] the end of such Acceptance Test Period.
- D. [\*\*] during the Acceptance Test Period, [\*\*] under the applicable Order [\*\*] under that Order.
- E. In no event shall [\*\*] during the Acceptance Test Period [\*\*] following the Acceptance Test Period [\*\*].

### 3.2 SUBCONTRACTING

- A. Supplier may subcontract Work or engage an Amdocs Affiliate to grant licenses pursuant to the terms of this Section 3.2. Where a portion of the Work is subcontracted or when an Amdocs Affiliate grants licenses, Supplier remains fully responsible for performance thereof and shall be responsible to SBC for the acts and omissions of any licensor, subcontractor and any temporary worker engaged by Amdocs. Any use of a subcontractor that is not an Amdocs Affiliate (but not of a temporary worker) must be either set forth in the applicable Order or otherwise communicated to SBC before commencement of the Work. Supplier shall endeavor to obtain and maintain insurance for acts and omissions of subcontractor in material conformity with the Section 3.17. The Supplier agrees to execute a subcontract with every subcontractor that materially conforms to the terms of this Agreement and, specifically, with the Section 3.17. Furthermore, Supplier agrees to have its subcontractors under the Agreement execute the non-disclosure agreement attached as Appendix K.
- B. The Parties agree that the temporary workers and subcontractors engaged by Amdocs may from time to time require access to the premises and facilities of SBC for their participation in the performance of this Agreement and the Orders issued hereunder, and that if so requested by Amdocs, SBC shall deal with the personnel of the subcontractors and with any reasonable requests of the

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subcontractors, in all respects, as if such personnel were the personnel, and such requests were the requests, of Amdocs.

### 3.3 AMENDMENTS AND WAIVERS

This Agreement and any Orders placed hereunder may be amended or modified only through a subsequent written document signed by the Parties; provided, however, that [\*\*]. An equitable adjustment shall be made if such change substantially affects the time of performance or the cost of the Work to be performed under this Agreement. Nothing in this Section 3.3 shall be deemed to limit SBC's right to terminate Maintenance pursuant to Section 5.6(e). No course of dealing or failure of either Party to strictly enforce any term, right or condition of this Agreement shall be construed as a general waiver or relinquishment of such term, right or condition. A waiver by either Party of any default shall not be deemed a waiver of any other default.

### 3.4 ASSIGNMENT

Neither SBC nor Supplier may assign, delegate, subcontract, or otherwise transfer its rights or obligations under this Agreement except with the prior written consent of the other Party; provided, however, that [\*\*] this Agreement and/or its rights or obligations hereunder [\*\*], except that each of Supplier and SBC may assign its right to receive money due from the other Party hereunder without the prior consent of the Party obligated to pay money due. It is expressly agreed that any assignment of a right to receive money due will be void if (a) the assignor fails to give the non-assigning Party hereto at least thirty (30) days prior written notice, or (b) such assignment imposes or attempts to impose upon the non-assigning Party hereto additional costs or obligations in addition to the payment of such money or attempts to preclude SBC from dealing solely and directly with Supplier (or its assignee-Affiliate) in all matters pertaining to this Agreement, or (c) denies, alters or attempts to alter any rights of the non-assigning Party hereto. Any attempted assignment not in compliance with the terms of this Section 3.4 will be void.

### 3.5 TERMINATION

- A. Termination for Cause. Subject to the provisions of Section 3.13, either Party may terminate for cause an Order, prior to Acceptance of the Software under such Order, if the arbitrator specified in Section 3.13(C) of this Agreement has made a determination that the other Party has committed a material breach of the applicable Order, provided that (i) before terminating, the first Party has given the defaulting Party a written notice specifying the breach with seventy-five (75) days right to cure, and (ii) the arbitrator has determined that the defaulting Party has committed a material breach of the applicable Order, and has determined the circumstances and/or terms and conditions which shall constitute a cure of such material breach. The arbitrator shall retain jurisdiction over the dispute until such cure has been made. This Section 3.5A shall not be construed as limiting the rights of SBC of rejection provided under Section 3.1D.

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- B. Termination of Affected Orders. The right to terminate an Order for cause shall also include the right to terminate any other Order for cause (including orders under other agreements between SBC and Supplier) which is/are directly affected by the termination of the initially terminated Order.
- C. Termination for Convenience of the Agreement. Either Party may terminate for convenience this Agreement upon ninety (90) days prior written notice to the other Party setting forth the effective date of such termination.
- D. Effect of Termination on Orders. The termination of this Agreement for any reason shall not affect the obligations of either Party pursuant to any Orders previously executed hereunder, and the terms and conditions of this Agreement shall continue to apply to such Orders as if this Agreement had not been terminated.

### 3.6 COMPLIANCE WITH LAWS

- a. Supplier shall comply with all applicable federal, state, county and local rules, including, without limitation, all statutes, laws, ordinances, regulations and codes ("Laws"). Supplier's obligation to comply with all Laws includes the procurement of permits, certificates, approvals, inspections and licenses, when needed, in the performance of this Agreement. Supplier further agrees to comply with all applicable Executive and Federal regulations, as set forth in "Executive Orders and Federal Regulations," a copy of which is attached hereto as Appendix D, and by this reference made a part of this Agreement. Supplier shall [\*\*] comply with this Section.
- b. Supplier shall be responsible for export control - complying with Export Administration Regulations (EAR) as defined by the U.S. Bureau of Industry and Security (BIS) and embargo regulations. Each Order must be reviewed for compliance with the EAR and embargo compliance. Additionally each access to SBC systems and all applications that the Supplier will access must be reviewed to ensure that such access is in compliance with the EAR and embargo regulations.
- c. The Parties acknowledge that certain Software and Services to be provided hereunder may be subject to export controls under the laws and regulations of the United States, the European Union, the United Nations and other jurisdictions. No Party shall export or re-export any such items or any direct product thereof or undertake any transaction or service in violation of any such laws or regulations. Supplier shall be responsible for, and shall coordinate and oversee, compliance with such export laws or embargo regulations in respect of such items exported or imported by Supplier hereunder.
- d. Supplier is familiar with the Foreign Corrupt Practices Act ("FCPA") and in particular the Act's prohibition on payments, or giving anything of value, either directly or indirectly, by an American company or a company that issues United States securities, to an official of a foreign government or to other forbidden recipients for the purpose of influencing an act or decision in the official's or recipients capacity, or inducing the same

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to influence the foreign government, to assist a company in obtaining or retaining business.

- e. Supplier agrees that no part of Supplier's compensation will be used for any purpose that could constitute a violation of the FCPA. SBC agrees that it does not desire and will not request any service or action by Supplier that would constitute such a violation. Supplier agrees that it will not hire or in any other way retain a foreign official, a foreign political party, or official thereof, or official of an international organization or a candidate for foreign political office for any purpose relating to or in connection with the Work Supplier will perform.

### 3.7 CONFLICT OF INTEREST

Supplier represents and warrants that no officer, director, employee or agent of SBC has been or will be employed, retained or paid a fee, or otherwise has received or will receive, any personal compensation or consideration, by or from Supplier or any of Supplier's officers, directors, employees or agents in connection with the obtaining, arranging or negotiation of this Agreement or other documents entered into or executed in connection with this Agreement.

### 3.8 CONSTRUCTION AND INTERPRETATION

- a. The language of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The Parties agree that this Agreement has been prepared jointly and has been the subject of arm's length and careful negotiation. Each Party has been given the opportunity to independently review this Agreement with legal counsel and other consultants, and each Party has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, the drafting of the language of this Agreement shall not be attributed to either Party.
- b. Article, Section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. The use of the word "include" shall mean "includes, but is not limited to." The singular use of words shall include the plural and vice versa under this Agreement. All obligations and rights of the Parties are subject to modification as the Parties may specifically provide in an Order. "Services" and "Software" shall be treated as "goods" for purposes of applying the provisions of the Uniform Commercial Code ("UCC"). If there is an inconsistency or conflict between the terms in this Agreement and in an Order, the terms in the Order shall take precedence for that Order only.

### 3.9 CUMULATIVE REMEDIES

Except as specifically identified as a Party's sole remedy, any rights of cancellation, termination, Liquidated Damages or other remedies prescribed in this Agreement, are cumulative and are not

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exclusive of any other remedies to which the injured Party may be entitled. Neither Party shall retain the benefit of inconsistent remedies.

### 3.10 DELIVERY

Supplier shall Deliver the Software (including all Restorals, Resolutions, Updates, and New Releases provided under this Agreement) by remote telecommunications from the Supplier's computer at Supplier's place of business to SBC's computer identified in the Order. If Delivery by remote telecommunications is not practicable, the Supplier shall Deliver the Software by copying the Software directly onto SBC's computer. Supplier will not transfer any disks, tapes or other tangible property containing the Software (or any Restorals, Resolutions, Updates, or New Releases) to SBC unless the Order expressly requires it to do so. If Supplier provides Documentation in tangible form, Supplier will Deliver tangible copies of Documentation and Revisions to SBC as follows: (i) if Supplier Delivers the Software to SBC by remote telecommunications, Supplier will ship copies to SBC in the manner selected by SBC, either by U.S. Mail or a private carrier; or (ii) if Supplier Delivers Software by copying the Software directly onto SBC's computer, Supplier will Deliver tangible copies of the Documentation to SBC at that time. Supplier will also deliver a Notice of Completion (Appendix C) to SBC at the time Delivery of the Software and Documentation is completed.

### 3.11 FORCE MAJEURE

- a. Neither Party shall be deemed in default of this Agreement or any Order to the extent that any delay or failure in the performance of its obligations results from any cause beyond its reasonable control and without its fault or negligence, such as acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods or strikes ("Force Majeure").
- b. If any Force Majeure condition affects Supplier's ability to perform, Supplier shall give immediate notice to SBC, and SBC may elect to either: (i) terminate the affected Order(s) or any part thereof, (ii) suspend the affected Order(s) or any part thereof for the duration of the Force Majeure condition, with the option to obtain material and Services to be furnished under such Order(s) elsewhere, and deduct from any commitment under such Order(s), the quantity of the material and Services obtained elsewhere or for which commitments have been made elsewhere, or (iii) resume performance under such Order(s) once the Force Majeure condition ceases, with an option in SBC to extend any affected Delivery Date or performance date up to the length of time that the Force Majeure condition existed. Unless SBC gives written notice within thirty (30) days after being notified of the Force Majeure condition, option (ii) shall be deemed selected.

### 3.12 FORM OF ORDER

Every Order shall be numbered according to SBC's numbering system and include an effective date. Every Order, whether submitted in electronic or paper form shall be deemed to incorporate the provisions of this Agreement by reference. An Order shall establish the term during which the Parties are obliged to perform their obligations under the Order, which may extend past the

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term of this Agreement. An Order shall provide such of information as the clause governing the purchase transaction may require. If any form (including any electronic form presented on a Web page or other screen display) containing pre-printed provisions different from the provisions of this Agreement is used, such different pre-printed terms shall not apply but shall be disregarded for all purposes, even if such pre-printed terms are deemed to be additional to, and not inconsistent with, the terms of this Agreement.

3.13 GOVERNING LAW; DISPUTE RESOLUTION

- A. This Agreement and performance hereunder shall be interpreted, construed, and enforced in accordance with the Laws of the State of Texas, exclusive of its choice of law provisions, except that, if Texas should at any time enact the Uniform Computer Information Transactions Act, otherwise referred to as "UCITA", then this Agreement shall be interpreted, construed, and enforced in accordance with the laws as they stood prior to such enactment, as though UCITA had not been enacted in Texas. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.
- B. Executive Escalation Process. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement or any Order promptly by negotiation between the Parties, including the following escalation process:

SBC's IT Director/Exec Director and Amdocs' Director	Between seven (7) and fourteen (14) days
SBC's Asst. Vice President and Amdocs Vice President	Between seven (7) and Fourteen (14) days
SBC - Amdocs Leadership Council	Between seven (7) and fourteen (14) days
SBC Vice President and Amdocs Division President	Between seven (7) and fourteen (14) days

If any escalation level does not resolve any matter to the Parties' mutual satisfaction, the persons at such level will jointly brief and provide the next level with all information and background material necessary to resolve the matter through negotiations. Such procedure shall not prejudice any other rights hereunder (e.g., specified time periods shall be extended as necessary to allow for completion of the escalation procedure time periods).

- C. Binding Arbitration. If the Parties are unable to promptly resolve a dispute informally as specified in the preceding Section, the matter shall be escalated to the SBC chief information officer and the Amdocs chief executive officer. After such senior management escalation, if the dispute nonetheless remains unresolved, the Party alleging a material breach (the "Moving Party") may initiate arbitration by providing the other Party written notice of its intent to arbitrate. For the avoidance of doubt, any controversy or claim arising out of or relating to this Agreement, or any breach thereof, which cannot be resolved using the

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executive escalation procedures, shall be finally resolved under the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then in effect. If the Parties are unable to agree upon an arbitrator within twenty (20) business days of the Moving Party's written notice to arbitrate, the Moving Party may request the American Arbitration Association ("AAA") to appoint an arbitrator. The AAA shall select an arbitrator who can promptly proceed with and strive to conclude the arbitration as specified herein. If a dispute is submitted to an arbitrator, it shall be finally resolved through binding arbitration in New York, New York, according to the Rules of the AAA, except as modified herein. The award rendered by the arbitrator shall be final and binding on the Parties and shall be deemed enforceable in any court having jurisdiction thereof. The arbitration shall be heard by a single arbitrator who shall by training, education, or experience have knowledge of the general subject matter of this Agreement. The arbitrator shall have only the power to award damages, injunctive relief and other remedies to the extent the same would be available in a court of law having jurisdiction of the matter, except that the arbitrator shall not have the power to vary from the provisions of this Agreement. The arbitrator shall promptly commence the arbitration proceeding with the intent to conclude the proceedings and issue a written decision stating in reasonable detail the basis for the award, which must be supported by law and substantial evidence, as promptly as the circumstances demand and permit, but generally no later than ten (10) weeks after the arbitrator's appointment. Each Party acknowledges that it is giving up judicial rights to a jury trial, discovery and most grounds for appeal under the foregoing provision.

- D. The prevailing Party shall be entitled to recover from the non-prevailing Party the reasonable attorneys' fees, expenses and costs incurred by the prevailing Party in any arbitration.
- E. The exercise of any remedy provided in this Agreement does not waive the right of either Party to resort to arbitration.
- F. During dispute resolution proceedings, including arbitration, the Parties shall continue to perform their obligations under this Agreement, except for those obligations directly related to the dispute at issue.

#### 3.14 INDEMNITY

- A. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY AND ITS AFFILIATES, (INCLUDING THEIR EMPLOYEES, OFFICERS, DIRECTORS, AGENTS AND CONTRACTORS) AGAINST ANY LIABILITY ARISING FROM A PARTY'S OBLIGATIONS UNDER THIS AGREEMENT OR THE MATERIAL OR SERVICES PROVIDED BY SUPPLIER FOR THIRD PARTY CLAIMS ALLEGING: (1) INJURIES TO PERSONS, INCLUDING DEATH OR DISEASE; (2) DAMAGES TO TANGIBLE PROPERTY,

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INCLUDING THEFT BUT NOT INCLUDING LOSS OF DATA OR PROGRAMMING;  
AND (3) FAILURE TO COMPLY WITH ALL LAWS.

- B. THE LIABILITY OF THE INDEMNIFYING PARTY SHALL NOT EXTEND TO COVER ANY LIABILITIES (OR PORTION THEREOF) ARISING FROM THE ACTIONS OR OMISSIONS OF THE INDEMNIFIED PARTY. THIS INDEMNITY SHALL SURVIVE THE DELIVERY, INSPECTION, AND ACCEPTANCE OF THE MATERIAL OR SERVICES.
- C. IF ANY SERVICES ARE PERFORMED IN OHIO OR ANY OTHER STATE WHICH PROVIDES EMPLOYER IMMUNITY FROM EMPLOYEE CLAIMS UNDER WORKERS COMPENSATION STATUTES OR SIMILAR LAWS, STATUTES OR CONSTITUTIONAL PROVISIONS, IT IS EXPRESSLY AGREED THAT SUPPLIER SHALL WAIVE ANY IMMUNITY TO THE EXTENT THAT SUPPLIER IS CONTRACTUALLY OBLIGATED HEREUNDER TO DEFEND, INDEMNIFY AND HOLD HARMLESS SBC AND ITS AFFILIATES AGAINST ANY CLAIMS BY EMPLOYEES OF SUPPLIER, WHICH CLAIMS WOULD OTHERWISE BE SUBJECT TO IMMUNITY BY OPERATION OF SUCH LAW, STATUTE OR CONSTITUTIONAL PROVISION (In Ohio, Ohio Revised code 4123.74 and 4123.741 and Section 35, Article, II, Ohio Constitution).
- D. THE PARTY SEEKING INDEMNIFICATION ("INDEMNIFIED PARTY") SHALL NOTIFY THE OTHER PARTY ("INDEMNIFYING PARTY") WITHIN A REASONABLE PERIOD OF TIME OF ANY WRITTEN CLAIM, DEMAND, NOTICE OR LEGAL PROCEEDINGS ("CLAIM") FOR WHICH THE INDEMNIFYING PARTY MAY BE RESPONSIBLE UNDER THIS INDEMNITY OBLIGATION. A DELAY IN NOTICE SHALL NOT RELIEVE THE INDEMNIFYING PARTY OF ITS INDEMNITY OBLIGATION EXCEPT TO THE EXTENT IT CAN SHOW IT WAS PREJUDICED BY THE DELAY.
- E. THE INDEMNIFYING PARTY SHALL ASSUME, AT ITS EXPENSE, THE SOLE DEFENSE OF THE CLAIM THROUGH COUNSEL SELECTED BY THE INDEMNIFYING PARTY AND SHALL KEEP THE INDEMNIFIED PARTY FULLY INFORMED AS TO THE PROGRESS OF SUCH DEFENSE. UPON REASONABLE REQUEST OF THE INDEMNIFYING PARTY AND AT ITS EXPENSE, THE INDEMNIFIED PARTY SHALL COOPERATE WITH THE INDEMNIFYING PARTY IN THE DEFENSE OF THE CLAIM. AT ITS OPTION AND EXPENSE, THE INDEMNIFIED PARTY MAY RETAIN OR USE SEPARATE COUNSEL TO REPRESENT IT, INCLUDING IN-HOUSE COUNSEL. HOWEVER, IN SUCH EVENT THE INDEMNIFYING PARTY SHALL NEVERTHELESS MAINTAIN CONTROL OF THE DEFENSE. SUBJECT TO THE LIMITATION OF LIABILITY CONTAINED IN SECTION 3.19(B)(1), THE INDEMNIFYING PARTY SHALL PAY THE FULL AMOUNT OF ANY ADVERSE JUDGMENT, AWARD OR SETTLEMENT WITH RESPECT TO THE CLAIM AND ALL OTHER REASONABLE

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EXPENSES OF THE INDEMNIFIED PARTY DIRECTLY RELATED TO THE RESOLUTION OF THE CLAIM, INCLUDING REASONABLE ATTORNEYS' FEES. IF THE INDEMNIFIED PARTY IS REQUIRED TO TAKE ANY ACTION TO ENFORCE ITS INDEMNITY RIGHTS UNDER THIS AGREEMENT OR TO ASSUME THE DEFENSE OF ANY CLAIM FOR WHICH IT IS ENTITLED TO RECEIVE AN INDEMNITY UNDER THIS AGREEMENT BECAUSE OF THE INDEMNIFYING PARTY'S FAILURE TO PROMPTLY ASSUME SUCH DEFENSE, THEN THE INDEMNIFIED PARTY MAY ALSO RECOVER FROM THE INDEMNIFYING PARTY ANY REASONABLE ATTORNEYS' FEES (INCLUDING COST OF IN-HOUSE COUNSEL AT MARKET RATES FOR ATTORNEYS OF SIMILAR EXPERIENCE) AND OTHER REASONABLE COSTS OF ENFORCING ITS INDEMNITY RIGHTS OR ASSUMING SUCH DEFENSE.

3.15 INFORMATION

A. Information furnished by SBC.

1. Any Information furnished to Supplier by SBC in connection with this Agreement, including Information provided under a separate nondisclosure agreement in connection with discussion prior to executing this Agreement ("SBC Materials"), shall remain SBC's property. Unless such Information (a) was previously known to Supplier free of any obligation to keep it confidential, or (b) has been or is subsequently made public by SBC or a third party, without violating a confidentiality obligation, or (c) is independently invented by Supplier without reference to the SBC Information, or (d) is required to be disclosed pursuant to law, regulation, judicial or administrative order, or governmental request by an entity authorized by law to make such request, it shall be kept confidential by Supplier, shall be used only in performing under this Agreement (and may be disclosed by Amdocs to Amdocs Affiliates for such purposes), and may not be used for other purposes, except as may be agreed upon between Supplier and SBC in writing. Supplier is granted no rights or license to such Information. All copies of such Information, in written, graphic or other tangible form, shall be destroyed or returned to SBC upon the earlier of (i) SBC's request or (ii) upon termination or expiration of this Agreement. All copies of such Information in intangible form, such as electronic records, including electronic mail, shall be destroyed upon the earlier of (i) SBC's request or (ii) upon termination, or expiration of this Agreement, and upon request Supplier shall certify to SBC the destruction of all intangible copies of such Information.
2. Subject to Section 3.28 Supplier understands and agrees that any and all field trial results prepared by SBC are and shall remain the property of SBC and are hereby considered SBC's proprietary Information. Therefore, it shall be SBC's option, in its sole discretion, to furnish Supplier copies of such documents or to discuss such documents with Supplier.  
Supplier's use of field

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trial reports furnished by SBC shall be governed by Section 3.28 in addition to the provisions contained in this Section 3.15.

B. Information furnished by Supplier.

1. Any Information furnished to SBC by Supplier under this Agreement ("Supplier Information") shall remain Supplier's property. SBC shall use the same degree of care to prevent disclosure of the Supplier Information to others as SBC uses with respect to its own proprietary or confidential Information. Unless such Information (a) was previously known to SBC free of any obligation to keep it confidential, or (b) has been or is subsequently made public by Supplier or a third party, without violating a confidentiality obligation, or (c) is independently invented by SBC without reference to the Supplier Information, or (d) is required to be disclosed pursuant to law, regulation, judicial or administrative order, or governmental request by an entity authorized by law to make such request, the Supplier Information shall be kept confidential by SBC, shall be used only in accordance with this Agreement, and may not be used for other purposes, except as may be agreed upon between Supplier and SBC in writing. All copies of such Information, in written, graphic or other tangible form, excluding materials owned by or licensed to SBC, shall be destroyed or returned to Supplier upon the earlier of (i) Supplier's request or (ii) upon termination or expiration of this Agreement. All copies of such Information in intangible form, such as electronic records, including electronic mail but excluding materials owned by or licensed to SBC, shall be destroyed upon the earlier of (i) Supplier's request or (ii) upon termination, or expiration of this Agreement, and upon request SBC shall certify to Supplier the destruction of all intangible copies of such Information.
2. Supplier Information relating to the installation, operation, repair, or maintenance of the Software and Services which are the subject of this Agreement shall be considered to be proprietary or confidential Supplier Information, however SBC may disclose such Information to others for the purpose of installing, operating, repairing, replacing, removing and maintaining the Software for which it was initially furnished in the manner described as follows. All Supplier Information [\*\*] provided to SBC [\*\*] solely for purposes of allowing such vendors to perform their duties on behalf of SBC; prior to [\*\*], SBC will [\*\*] to this Agreement, [\*\*]; but this exclusion does not, and shall not be construed to, limit SBC's rights to disclose its own patented and copyrighted information or its own confidential Information to any party, including materials owned in whole or in part by or assigned to SBC under this Agreement. [\*\*] in the applicable Order [\*\*]Amdocs to SBC. However, [\*\*].

3.16 INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS

A. Amdocs' Duty to Indemnify SBC.

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PROPRIETARY INFORMATION

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1. Supplier agrees to defend, indemnify and hold SBC harmless from and against any Liability, including increased damages for willful infringement, that may result by reason of any infringement, or claim of infringement, of any trade secret, or registered U.S. or Canadian patent, trademark, copyright or other proprietary interest of any third party recognized in the U.S. or Canada based on the Software or Services furnished by Supplier to SBC.
2. Supplier represents and warrants that it has made reasonable independent investigation to determine the legality of its right to sell or license the Software or provide Services as specified in this Agreement.
3. In addition to Supplier's other obligations set forth in this Section, if an injunction or order is obtained against SBC's use of any Software or Service, or, if, in Supplier's opinion, any Software or Service is likely to become the subject of a claim of infringement, Supplier will, at its expense:
  - i. Procure for SBC the right to continue using the Software or Service; or
  - ii. After consultation with SBC, replace or modify the Software or Service to make it a substantially similar, functionally equivalent, non-infringing Software or Service.
4. If the Software or Service is purchased or licensed, and neither Subsection 3(i) nor (3)(ii) above is reasonably possible SBC may terminate the applicable Order and require Supplier to remove, or cause the removal and return of, such Software or Service from SBC's location and refund any charges paid by SBC, with a credit for use pro-rated based upon a usable life based on the historical use by SBC of similar Computer Programs.
5. In no event will SBC be liable to Supplier for any charges incurred after the date that SBC no longer uses any Software or Service because of actual infringement.
6. Supplier agrees to defend or settle, at its own expense, any action or suit for which it is responsible under this Section. SBC agrees to notify Supplier promptly of any claim of infringement and cooperate in every reasonable way to facilitate the defense. Supplier shall afford SBC, at its own expense and with counsel of SBC's choice, an opportunity to participate with Supplier in the defense or settlement of any such claim, provided however that Supplier shall have sole control of such defense or settlement.
7. LIMITATIONS. Supplier has no obligation or Liability under this Section 3.16 with respect to any infringement claim which is based upon or results from (i) the combination of any Software with any equipment, device, firmware or software not furnished by Supplier; (ii) any modification of the Software by SBC or its contractors; (iii) unauthorized use of the Software; (iv) SBC's

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failure to install or have installed changes, revisions or updates as instructed by Supplier; or (v) compliance by Supplier with SBC or its contractor's specifications, designs or instructions. SBC agrees to indemnify, defend and hold harmless Supplier against any claim involving acts or omissions by SBC or its contractors as described in items (i)-(v), inclusive, of this Section 3.16(A)(7).

B. SBC Duty to Indemnify Supplier.

1. SBC agrees to defend, indemnify and hold Supplier harmless from and against any Liability, including increased damages for willful infringement, that may result by reason of any infringement, or claim of infringement, of any trade secret, or registered U.S. or Canadian patent, trademark, copyright or other proprietary interest of any third party recognized in the U.S. or Canada based on SBC materials furnished by SBC to Supplier.
2. SBC represents and warrants that it has made reasonable independent investigation to determine the legality of its right to license SBC materials as specified in this Agreement.
3. In addition to SBC's other obligations set forth in this Section, if an injunction or order is obtained against Supplier's use of any SBC materials, or, if, in SBC's opinion, any SBC materials are likely to become the subject of a claim of infringement, SBC will, at its expense:
  - i. Procure the right to continue using the SBC materials; or
  - ii. After consultation with Supplier and failure to obtain (i) after commercially reasonable efforts, replace or modify SBC materials to make them substantially similar, functionally equivalent, non-infringing materials or Software.
4. SBC agrees to defend or settle, at its own expense, any action or suit for which it is responsible under this Section. Amdocs agrees to notify SBC promptly of any claim of infringement and cooperate in every reasonable way to facilitate the defense. SBC shall afford Supplier, at its own expense and with counsel of Supplier's choice, an opportunity to participate with SBC in the defense or settlement of any such claim, provided however that SBC shall have sole control of such defense or settlement.
5. Limitations. SBC has no obligation or Liability under this Section 3.16 with respect to any infringement claim which is based upon or results from (i) the combination of any SBC materials with any equipment, device, firmware or software not furnished by SBC; (ii) any modification of the SBC materials by Amdocs or its contractors; (iii) unauthorized use of SBC materials; (iv) Amdocs' failure to install or have installed changes, revisions or updates

PROPRIETARY INFORMATION

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as instructed by SBC; or (v) compliance by SBC with Amdocs' specifications, designs or instructions. Amdocs agrees to indemnify, defend and hold harmless SBC against any claim involving acts or omissions by Amdocs or its contractors as described in items (i)-(v), inclusive, of this Section 3.16(B)(5).

### 3.17 INSURANCE

- A. With respect to performance hereunder, and in addition to Supplier's obligation to indemnify, Supplier agrees to maintain, at all times during the term of this Agreement, the following minimum insurance coverages and limits and any additional insurance and/or bonds required by law:
1. Workers' Compensation insurance with benefits afforded under the laws of the state in which the Services are to be performed and Employers Liability insurance with minimum limits of \$[\*\*] for Bodily Injury-each accident, \$500,000 for Bodily Injury by disease-policy limits and \$[\*\*] for Bodily Injury by disease-each employee.
  2. Commercial General Liability insurance with minimum limits of: \$[\*\*] General Aggregate limit; \$[\*\*] each occurrence sub-limit for all bodily injury or property damage incurred in any one occurrence; \$[\*\*] each occurrence sub-limit for Personal Injury and Advertising Injury; \$[\*\*] Products/Completed Operations Aggregate limit, with a \$[\*\*]each occurrence sub-limit for Products/Completed Operations.  
  
SBC and its Affiliated companies will be listed as an Additional Insured on the Commercial General Liability policy.
  3. If use of a motor vehicle is required, Automobile Liability insurance with minimum limits of \$[\*\*] combined single limits per occurrence for bodily injury and property damage, which coverage shall extend to all owned, hired and non-owned vehicles.
  4. SBC requires that companies affording insurance coverage have a rating of B+ or better and a Financial Size Category rating of VII or better rating, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies.
  5. A certificate of insurance stating the types of insurance and policy limits provided the Supplier shall be received within a reasonable time after any request for same by SBC. If a certificate is not received, Supplier hereby authorizes SBC, and SBC may, but is not required to, obtain insurance on behalf of Supplier as specified herein. SBC will either invoice Supplier for the costs incurred to so acquire insurance or will reduce by an applicable amount any amount owed to Supplier.

#### PROPRIETARY INFORMATION

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6. The cancellation clause on the certificate of insurance will be amended to read as follows:
- "THE ISSUING COMPANY WILL MAIL THIRTY (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER PRIOR TO CANCELLATION OR A MATERIAL CHANGE TO POLICY DESCRIBED ABOVE."
7. The Supplier shall also require all subcontractors performing Work on the project or who may enter upon the work site to maintain the same insurance requirements listed above.

3.18 INVOICING AND PAYMENT

- A. Payment for Software shall be as set forth in the applicable Order; or if no payment schedule is described in the Order, then as follows: [\*\*]% invoiced upon execution of the Order and [\*\*]% invoiced upon Acceptance of the Software.
- B. The invoice shall specify in detail, where applicable (1) quantities of each ordered item, (2) unit prices of each ordered item, (3) the estimated amount of tax per item, (4) any relevant item and commodity codes known to Supplier, (5) total amounts for each item, (6) total estimated amount of applicable sales or use taxes, (7) discounts, (8) shipping charges, and (9) total amount due. SBC shall pay Supplier in accordance with the prices set forth in this Agreement within [\*\*] days of the date of receipt of the invoice. Payment for material or Services not conforming to the Specifications (in the event of payments due upon Acceptance), and portions of any invoice in dispute, may be withheld by SBC until such problem has been resolved in accordance with the escalation and arbitration mechanisms described in Section 3.13. If SBC disputes any invoice rendered or amount paid, SBC shall promptly so notify Supplier. The Parties shall use their best efforts to resolve such dispute expeditiously, including escalation to the SBC - Amdocs Leadership Council if necessary.
- C. Supplier agrees to accept standard, commercial methods of payment and evidence of payment obligation including, but not limited to electronic fund transfers in connection with the purchase of the material and Services.
- D. Notwithstanding any other remedies available to Amdocs under this Agreement or under applicable law, payment in arrears of more than [\*\*] days shall bear interest from the date payment is due at the rate of two percent (2%) per annum above the prime rate published by the New York Wall Street Journal unless the amount in arrears is disputed in good faith and until such dispute is resolved. Additionally, and without affecting the foregoing, SBC failure to pay any undisputed payment of material amounts under this Agreement within [\*\*] days after such payment becomes due shall be considered a material breach of this Agreement by SBC, subject to the provisions of Section 3.13.

PROPRIETARY INFORMATION

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- E. All amounts invoiced and paid under this Agreement shall be invoiced and paid in U.S. Dollars.

3.19 LIMITATION OF LIABILITY

- A. EXCLUSION OF INDIRECT AND CONSEQUENTIAL DAMAGES. EXCEPT AS PROVIDED IN THIS SECTION 3.19, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING LOST REVENUE, LOST DATA OR LOST PROFITS, ARISING OUT OF ANY BREACH OF THE OBLIGATIONS OF THIS AGREEMENT, REGARDLESS OF THE THEORY OF RECOVERY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. HOWEVER, THE FOLLOWING ELEMENT OF LOSS OR DAMAGE, IF PROVED, SHALL BE DEEMED DIRECT OR GENERAL DAMAGES NOT EXCLUDED OR LIMITED BY THE PRECEDING SENTENCE:
1. LIABILITY, LOSS, OR DAMAGE FOR WHICH ONE PARTY IS OBLIGATED TO INDEMNIFY THE OTHER UNDER THE SECTIONS ENTITLED "COMPLIANCE WITH LAWS," "INDEMNITY," "INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS," AND "INDEPENDENT CONTRACTOR";
  2. LOSS OR DAMAGE PROXIMATELY CAUSED BY A PARTY'S BREACH OF ITS OBLIGATIONS UNDER THE SECTION ENTITLED "INFORMATION"; AND
  3. LIQUIDATED DAMAGES AND CREDITS PROVIDED UNDER ANY PROVISION OF THIS AGREEMENT.
- B. LIMITATION OF DIRECT AND GENERAL DAMAGES. EXCEPT AS PROVIDED IN THIS SECTION 3.19, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY WITH RESPECT TO ANY ORDER OR THIS AGREEMENT FOR ANY DAMAGES IN EXCESS OF ONE MILLION DOLLARS WITH RESPECT TO ANY ORDER, NOR FOR ANY DAMAGES IN EXCESS OF FIVE MILLION DOLLARS UNDER ALL ORDERS OR THIS AGREEMENT. HOWEVER, THE FOLLOWING ELEMENTS OF LOSS OR DAMAGE, IF PROVED, SHALL NOT BE EXCLUDED OR LIMITED BY THE PRECEDING SENTENCES:
1. LIABILITY, LOSS, OR DAMAGE FOR WHICH ONE PARTY IS OBLIGATED TO INDEMNIFY OR TO REFUND THE OTHER UNDER THE SECTIONS ENTITLED "COMPLIANCE WITH LAWS," "INDEMNITY," "INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS," AND "INDEPENDENT

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CONTRACTOR" ; PROVIDED, HOWEVER, THAT, WITH RESPECT TO LOSS, LIABILITY, OR DAMAGE WHICH MAY BE COVERED BY LIABILITY INSURANCE OF THE TYPES REQUIRED IN THE SECTION ENTITLED "INSURANCE," EACH PARTY SHALL AND HEREBY DOES WAIVE ANY CLAIMS DAMAGES IN EXCESS OF THE LIMITS ON INSURANCE MENTIONED IN THAT SECTION;

- 2. LOSS OR DAMAGE PROXIMATELY CAUSED BY A PARTY'S BREACH OF ITS OBLIGATIONS UNDER THE SECTION ENTITLED "INFORMATION";
- 3. [\*\*] SOFTWARE THAT IS REJECTED UNDER SECTION 3.1(D).
- 4. AMDOCS' LIABILITY [\*\*], WHICH IS, HOWEVER, SEPARATELY LIMITED AS PROVIDED IN SECTION 3.20 AND SECTION 5.4; AND
- 5. SBC's liability to pay for LICENSES GRANTED, Services rendered OR EXPENSES INCURRED UNDER THIS AGREEMENT OR ANY ORDER THERETO.

3.20 [\*\*]

[\*\*] the following [\*\*] provisions and procedures:

- a. [\*\*] Software and/or Services [\*\*]. The Parties shall [\*\*]. If the Parties [\*\*] with respect to the [\*\*], (ii) [\*\*] specified hereunder, and/or (iii) [\*\*] shall [\*\*] shall be [\*\*].
- b. Notwithstanding the above paragraph, in the event of [\*\*] pursuant to Section 3.20(a[\*\*]):

[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]
[**]	[**]

[\*\*] shall be [\*\*] and shall be [\*\*]; provided, however, that the amount of Liquidated Damages taken by SBC shall be [\*\*]. Notwithstanding this Section 3.20(b), there shall [\*\*] under this Section 3.20(b) [\*\*] under this Agreement [\*\*].

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3.21 MBE/WBE/DVBE (AND APPENDICES)

- A. SBC seeks to give minority-, women- and Disabled Veteran-owned businesses the maximum opportunity to participate in the performance of its contracts; current goals are MBE-15%, WBE-5%, and DVBE-1.5%. Within twelve (12) months of the Effective Date of this Agreement, and for each year thereafter, Amdocs commits to goals for the participation of MBE/WBE and DVBE firms (as defined in Section 3.22 below entitled "MBE/WBE/DVBE Termination") as follows: MBE - 4% percent annual MBE participation; WBE - 2% percent annual WBE participation; and DVBE - 0% percent annual DVBE participation. These goals apply to all annual expenditures by any entity pursuant to this Agreement with Amdocs. Amdocs agrees to meet in good faith to evaluate with SBC on annual basis whether Amdocs can increase participation over the life of the Agreement.

3.22 MBE/WBE/DVBE TERMINATION CLAUSE

- A. Supplier agrees that falsification or misrepresentation of, or failure to report a disqualifying change in, the MBE/WBE/DVBE status of Supplier or any subcontractor utilized by Supplier, or Supplier's failure to comply in good faith with any MBE/WBE/DVBE utilization goals established by Supplier, or Supplier's failure to cooperate in any investigation conducted by SBC, or by SBC's agent, to determine Supplier's compliance with this Section, will constitute a material breach of this Agreement. In the event of any such breach, SBC may, at its option, pursue termination through the Dispute Resolution procedures of Section 3.13 upon thirty (30) days notice where such breach remains uncured by Amdocs at the end of the notice period. Supplier acknowledges and agrees that SBC shall not be subject to Liability, nor shall Supplier have any right to suit for damages as a result of such termination.
- B. For purchases under this Agreement by Pacific Bell, Pacific Bell Directory, Pacific Bell Mobile Services, Pacific Bell Information Services, Pacific Bell Communications, and any other entity operating principally in California (collectively "California Affiliates"), Minority and Women Business Enterprises (MBEs/WBES) are defined as businesses which satisfy the requirements of Subsection D below and are certified as MBEs/WBES by the California Public Utilities Commission Clearinghouse ("CPUC-certified").
- C. For purchases under this Agreement by any entity that is not a California Affiliate, MBEs/WBES are defined as businesses which satisfy the requirements of Subsection D below and are either CPUC-certified or are certified as MBEs/WBES by a certifying agency recognized by SBC.

PROPRIETARY INFORMATION

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- D. MBEs/WBEs must be at least fifty-one percent (51%) owned by a minority individual or group or by one or more women (for publicly-held businesses, at least fifty-one percent (51%) of the stock must be owned by one or more of those individuals), and the MBEs/WBEs' management and daily business operations must be controlled by one or more of those individuals, and these individuals must be either U.S. citizens or legal aliens with permanent residence status. For the purpose of this definition, minority group members include male or female Asian Americans, Black Americans, Filipino Americans, Hispanic Americans, Native Americans (i.e., American Indians, Eskimos, Aleuts and Native Hawaiians), Polynesian Americans, and multi-ethnic (i.e., any combination of MBEs and WBEs where no one specific group has a fifty-one percent (51%) ownership and control of the business, but when aggregated, the ownership and control combination meets or exceeds the fifty-one percent (51%) rule). "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means actively involved in the day-to-day management of the business and not merely acting as officers or directors.
- E. For purchases under this Agreement by California Affiliates, DVBEs are defined as business concerns that satisfy the requirements of Subsection G below and are certified as DVBEs by the California State Office of Small and Minority Business (OSMB). The DVBE must be a resident of the State of California, and must satisfy the requirements of Subsection G below.
- F. For purchases under this Agreement by any entity that is not a California Affiliate, DVBEs are defined as any business concern that satisfies the requirements of Subsection G below and is either a defined DVBE for purchases by California Affiliates, or is certified as a DVBE by a certifying agency recognized by SBC.
- G. The DVBE must be (i) a non publicly-owned enterprise at least fifty-one percent (51%) owned by one or more disabled veterans; or (ii) a publicly-owned business in which at least fifty-one percent (51%) of the stock is owned by one or more disabled veterans; or (iii) a subsidiary which is wholly owned by a parent corporation, but only if at least fifty-one percent (51%) of the voting stock of the parent corporation is owned by one or more disabled veterans; or (iv) a joint venture in which at least fifty-one percent (51%) of the joint venture's management and control and earnings are held by one or more disabled veterans. In each case, the management and control of the daily business operations must be by one or more disabled veterans. A disabled veteran is a veteran of the military, naval or air service of the United States with a service-connected disability. "Management and control" in this context means exercising the power to make policy decisions and actively involved in the day-to-day management of the business and not merely acting as officers or directors.

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3.23 [INTENTIONALLY OMITTED]

3.24 NON-EXCLUSIVE MARKET

It is expressly understood and agreed that this Agreement does not grant Supplier an exclusive privilege to provide to SBC any or all materials and services of the type described in this Agreement, nor does it require SBC to purchase or license any material or services. It is understood, therefore, that SBC may contract with other manufacturers and suppliers for the procurement or trial of comparable material and services and that SBC may itself perform any services of the type described herein.

3.25 NOTICES

a. Except as otherwise provided in this Agreement or an applicable Order, all notices or other communications hereunder shall be deemed to have been duly given when made in writing and either (i) delivered in person, or (ii) when received, if provided via electronic communications, including, but not limited to, electronic mail and facsimile communications, or (iii) when received, if provided by an overnight or similar delivery service, or (iv) when received, if deposited in the United States Mail, postage prepaid, return receipt requested, and addressed as follows:

To: AMDocs Software Systems Limited  
Regus House, 2nd Floor  
Harcourt Centre, Harcourt Road  
Dublin 2, Ireland  
Attn: General Manager

To: SBC Services Inc.  
2600 Camino Ramon 4E453  
San Ramon, CA 94583  
Attn: Director, Enterprise Application Software Contracting

with copy to:

SBC Services, Inc.  
2600 Camino Ramon - 2W803  
San Ramon, CA 94583  
Attn: Senior Counsel

b. The addresses and facsimile telephone numbers to which notices or communications may be given by either Party may be changed by written notice given by such Party to the other pursuant to this Section.

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3.26 ORDER PLACED BY OR ON BEHALF OF SBC AFFILIATES

SBC Affiliates may place Orders with Supplier that incorporate the provisions of this Agreement, or SBC may place an Order on behalf of an SBC Affiliate. In either case, when incorporating the provisions of this Agreement into any such Order, the name "SBC" shall be deemed to refer to such SBC Affiliate, in lieu of SBC Services, Inc. An SBC Affiliate will be responsible for its own obligations under such Order, including, but not limited to, all charges incurred in connection with such Order. Nothing in this Agreement will be [\*\*] anything in this Agreement [\*\*].

3.27 ORDER OF PRECEDENCE

In the event of any conflict or inconsistency between provisions of this Agreement and the provisions of an Order the following order precedence shall control: (i) the Order; (ii) the Agreement; but only for purposes of such Order and, except for such Order, the terms and conditions of this Agreement shall not be deemed to be waived, amended or modified.

3.28 PUBLICITY

Supplier shall not use SBC's or its affiliates' names or any language, pictures, trademarks, service marks or symbols which could, in SBC's judgment, imply SBC's or its affiliates' identity or endorsement by SBC, its affiliates or any of its employees in any (i) written, electronic or oral advertising or presentation or (ii) brochure, newsletter, book, electronic database or other written matter of whatever nature, without SBC's prior written consent (hereafter the terms in subsections (i) and (ii) of this Section shall be collectively referred to as "Publicity Matters"). Supplier will submit to SBC for written approval, prior to publication, all Publicity Matters that mention or display SBC's or its affiliates' names, trademarks or service marks, or that contain any symbols, pictures or language from which a connection to said names or marks may be inferred or implied.

3.29 QUALITY ASSURANCE

For the term of this Agreement, Amdocs software development organization(s) will have a quality program in place.

- A. [\*\*]ASSESSMENT. Amdocs' software development organization(s) that are supporting SBC software development will endeavor in good faith to apply for, schedule, and complete a [\*\*] Assessment within [\*\*] years from the Effective Date, as prescribed by the [\*\*]. Amdocs' Maintenance resources shall follow the SBC quality assurance program and process.
- B. SUPPLIER PERFORMANCE PROGRAM. Both Parties hereby agree to participate in the Supplier Performance Program ("Program") described below. The Program will assist Amdocs in self-identifying areas of deficiency that may develop in Amdocs' performance as it relates to fulfilling its obligations under this Agreement. Participation in or use of, the Program does not negate or diminish Amdocs' responsibilities as it relates to its requirements to perform its obligation

as defined elsewhere in this Agreement nor does it negate, diminish or waive SBC's rights or remedies as defined elsewhere in this Agreement. If there is a conflict between the Program and other sections of this Agreement the other sections of this Agreement shall control. The Parties intent is that documentation requirements under the Program will be satisfied by other documentation obligations provided for elsewhere in this Agreement. Accordingly, the Parties do not anticipate that compliance with the Program will impose upon Amdocs obligations above that otherwise provided for in this Agreement.

Amdocs shall:

1. Monitor its performance relative to certain mutually agreed measurable performance indices such as Software performance, service performance, and on time Delivery. Performance measurements collected for the purposes of the Program will be defined by the Parties from time to time.
2. Collect and report to SBC the data relating to Amdocs' performance. The data must be entered by Amdocs in SBC's Amdocs Website (currently [www.sbcsuppliers.com](http://www.sbcsuppliers.com)) in a format that is designated by SBC. Data will be collected and reported periodically.
3. Conduct a self-evaluation of its performance based on the analysis of the data reported. In those areas where Amdocs' performance deviates from agreed and identified acceptable performance levels, Amdocs shall develop and submit specific performance improvement plans to SBC detailing Amdocs' plans to correct such deficiencies.
4. Cooperate fully with SBC's supplier performance management team to coordinate Amdocs' activities as they relate to the Program. This includes but is not limited to participation in planning meetings, audits, feedback sessions, and issue resolution.

SBC shall:

1. Work with Amdocs to define by mutual agreement the data requirements that Amdocs will monitor and report.
2. Provide Amdocs with access to SBC's supplier website for the purposes of entering Amdocs' data.
3. Generate performance reports summarizing the data and provide Amdocs with periodic feedback evaluating its performance. SBC's supplier performance management team will assist Amdocs in resolving any internal SBC issues that may impact Amdocs' performance.

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4. Cooperate with Amdocs to address areas in which the Parties agree that SBC can help to improve Amdocs' ability to meet agreed performance metrics.

### 3.30 RECORDS AND AUDITS

Supplier agrees that it will:

- A. Maintain complete and accurate records of all amounts billable to and payments made by SBC related to Software and Services provided by Supplier to SBC, in accordance with Generally Accepted Accounting Principles and Practices, uniformly and consistently applied in a format that will permit audit;
- B. Retain such records and reasonable billing detail for a period of at least [\*\*] years from the date of final payment for Software and Services;
- C. Provide reasonable supporting documentation to SBC concerning any disputed invoice amount within thirty (30) calendar days after receipt of written notification of such dispute; and
- D. Provide all records required under this Section 3.30 for audit by a mutually acceptable independent third party auditor (who shall have signed a confidentiality agreement with Amdocs substantially in the form of Appendix I) appointed by SBC at its expense, on reasonable advance notice, no more than once in any twelve (12) month period, and during normal business hours, either (i) in the event of a dispute between SBC and Amdocs hereunder, or (ii) for the purpose of verifying that Amdocs is complying with its obligations hereunder.

### 3.31 SEVERABILITY

If any provision of this Agreement is held invalid or unenforceable, such invalidity or non-enforceability shall not invalidate or render unenforceable any other portion of this Agreement. The entire Agreement will be construed as if it did not contain the particular invalid or unenforceable provision(s), and the rights and obligations of Supplier and SBC will be construed and enforced accordingly.

### 3.32 SURVIVAL OF OBLIGATIONS

Obligations and rights in connection with this Agreement, which by their nature would continue beyond the termination, cancellation or expiration of this Agreement, including, but not limited to, those in the Sections entitled "Compliance with Laws," "Indemnity," "Information," "Infringement of Third Party Intellectual Property Rights," "License Fee," "Publicity," "Severability," "Software License," "Support and Maintenance," and "Warranties and Representations," will survive the termination, cancellation or expiration of this Agreement.

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3.33 TAXES

- A. Supplier's rates, fees, and other charges set forth in the Agreement and any Order excludes taxes that Supplier may be called upon to pay as a result of the transaction, such as U.S. taxes that are levied upon or measured by the value of sale, services, or license furnished under an Order, or any price or fee paid by SBC under this Agreement, such as a sales tax, service tax, excise tax, and other similar taxes (collectively "excluded taxes"). SBC is not obligated to pay or to reimburse Supplier for Supplier's income taxes, U.S. withholding taxes, non-U.S. withholding taxes, or for any other taxes that would not be payable if Supplier were a U.S. licensor (including value added taxes imposed by jurisdictions outside the U.S.), which are expressly excepted from the category of excluded taxes. Supplier shall invoice SBC for excluded taxes as a separate item on the invoice, listing the taxing jurisdiction imposing the tax and SBC shall pay or reimburse Supplier for such excluded tax when SBC pays its invoice. Non-taxable charges must be separately stated. SBC agrees to pay all applicable excluded taxes to Supplier. Supplier agrees to remit such excluded taxes to the appropriate taxing authorities.

Alternatively, each Party agrees that it will honor properly prepared tax exemption certificates or other mandated document evidencing a Party's exemption from payment, which may be submitted, pursuant to the relevant tax provisions of the taxing jurisdiction.

Should any non-excluded tax be imposed in connection with transactions governed by the Agreement and any Order, Supplier shall accept the rate, fee, or other charge set forth in the Agreement or any Order net of any non-excluded tax as full settlement of the invoice. In no event shall SBC be required to "gross-up" or increase any payment to Supplier under this Agreement due to such payment being subject to a lawfully levied withholding tax.

Supplier agrees to provide to SBC all relevant tax information and documents required by statute, regulation, administrative pronouncement or tax treaty by reason that Supplier is an Irish Corporation.

- B. Except as stated in subparagraph C of this Section, Supplier agrees to pay, and to hold SBC harmless from and against, any penalty, interest, additional tax, or other charge that may be levied or assessed as a result of the delay or failure of Supplier, to pay any tax or file any return or information required by law, rule or regulation or by this Agreement to be paid or filed by Supplier. [\*\*].
- C. Upon SBC's request, the Parties shall consult with respect to the basis and rates upon which Supplier shall pay any taxes or fees for which SBC is obligated to reimburse Supplier under this Agreement. If SBC determines that in its opinion any such taxes or fees are not payable, or should be paid on a basis less than the full price or at rates less than the full tax rate, Supplier shall make payment in

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accordance with such determinations and SBC shall be responsible for such determinations. If collection is sought by the taxing authority for a greater amount of taxes than that so determined by SBC, Supplier shall promptly notify SBC. Supplier shall cooperate with SBC and consider any request to contest such determination, but SBC shall be responsible and shall reimburse Supplier for any tax, interest, or penalty in excess of its determination. If SBC desires to request Supplier to contest such collection, SBC shall promptly notify Supplier. If SBC determines that in its opinion it has reimbursed Supplier for sales or use taxes in excess of the amount that SBC is obligated to reimburse Supplier, SBC and Supplier shall consult to determine the appropriate method of recovery of such excess reimbursements. Supplier shall credit any excess reimbursements against tax reimbursements or other payments due from SBC if and to the extent Supplier makes corresponding adjustments to its payments to the relevant tax authority. At SBC's request, Supplier will consider timely filing any claims for refund and any other documents required to recover any other excess reimbursements, and shall promptly remit to SBC all such refunds and interest received.

- D. If any taxing authority advises Supplier that it intends to audit Supplier with respect to any taxes for which SBC is obligated to reimburse Supplier under this agreement, Supplier shall (i) promptly so notify SBC, (ii) afford SBC an opportunity to participate with Supplier in such audit with respect to such taxes and (iii) keep SBC fully informed as to the progress of such audit. Each Party shall bear its own expenses with respect to any such audit, and the responsibility for any additional tax, penalty or interest resulting from such audit shall be determined in accordance with the applicable provisions of this Section. Supplier's failure to comply with the notification requirements of this Section shall relieve SBC of its responsibility to reimburse Supplier for taxes only if Supplier's failure materially prejudiced SBC's ability to contest imposition or assessment of those taxes.
- E. If either Party is audited by a taxing authority or other governmental entity, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in an appropriate and timely manner, so that the audit and any resulting controversy may be resolved expeditiously.
- F. SBC and Supplier agree that they will reasonably cooperate with each other with respect to any tax planning to minimize taxes. The degree of cooperation contemplated by this Section is to enable any resulting tax planning to be implemented and includes, but is not limited to: (i) Supplier's installing and loading all of the Software licensed by SBC under this Agreement and retaining possession and ownership of all tangible personal property, (ii) Supplier installing, loading and/or transferring the Software at a location selected by SBC, and (iii) Supplier Delivering all of the Software in electronic form. SBC agrees to bear all reasonable external (paid to third parties), additional expenses incurred by Supplier to comply with the provisions of this subsection. Supplier's cooperation

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shall not be viewed as any agreement with, or guarantee of, the taxability or non-taxability of the transaction.

3.34 WARRANTIES AND REPRESENTATIONS

- A. Supplier warrants and represents that:
- a. Supplier shall take commercially reasonable actions and precautions to cause Software Delivered under this Agreement to be free of Vulnerabilities and Harmful Code and without limiting Amdocs' other obligations under this Agreement, [\*\*] under this Agreement, Amdocs shall provide [\*\*] such Vulnerabilities and Harmful Code and shall [\*\*] such Vulnerabilities and Harmful Code and, if the Vulnerabilities and Harmful Code [\*\*];
  - b. Following Delivery, Supplier shall [\*\*] under [\*\*];
  - c. During the Warranty Period, all Software delivered under this Agreement shall comply with the Specifications in all material respects;
  - d. SBC's Use and display of the Software in the form delivered, and in accordance with Specifications and the terms of this Agreement, will not result in the infringement of any copyright, trademark, service mark, mask work, or United States patent, nor will such Use result in a valid claim of misappropriation of any trade secret;
  - e. Supplier possesses sufficient rights, interests, licenses, and title to the Software to enable Supplier to perform its obligations under this Agreement, whether derived from invention, creation, authorship, assignment, or license from another party or parties;
  - f. To the best of Supplier's knowledge, there is no pending or threatened litigation which, if resolved against Supplier as a party, would have a material adverse effect upon Supplier's ability to perform under this Agreement;
  - g. All Software delivered under this Agreement shall be free of liens, encumbrances, and security interests of any kind;
  - h. No consent, approval, or withholding of objection of any other party, including any branch or agency of government, is required as required as a condition of Supplier's entering into or performing under this Agreement;
  - i. The foregoing warranties are not subject to any condition to be performed by SBC; and
  - j. The foregoing warranties shall survive Delivery, installation, Acceptance, and payment.

Amdocs shall, [\*\*] in Section 3.34(A)(c), [\*\*] in accordance with the provisions of Article 5.0.

- B. THE WARRANTIES STATED IN THIS AGREEMENT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY,

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EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH AMDOCS EXPRESSLY DISCLAIMS.

#### 4.0 Software License

##### 4.1 ORDER

An Order, substantially in the form of Appendix G, placed under this Agreement shall include the information specified in Subsection a, and may include the information in Subsection b as applicable.

- a. The following should be included in any Order at a minimum:
1. SBC Order number;
  2. The Software to be licensed under the Order, identified by its name, the number of its Major Release, and the number of the latest Minor Release to be included in the Delivery. An obligation to Deliver an identified Minor Release includes a cumulative obligation to Deliver all earlier Minor Releases to the same Major Release;
  3. The date of Delivery and method of Delivery elected by SBC (that is, by "telecommunications" or by Supplier installation).
  4. The license fee and subsequent license fees, if any.
  5. The Maintenance Fee, if any, for the initial Maintenance Period, if the license is perpetual;
  6. The billing address at which Supplier's invoices shall be rendered for payment;
  7. The telephone number that SBC may call to report Errors and Vulnerabilities; and
  8. Any specially negotiated terms conditions unique to the transaction at hand.
- b. The following should be considered in each Order, if applicable:
1. The Published Specifications of the Software and the SBC Specifications, if any;
  2. A statement that provides for the inclusion of source code and Design Materials if it is to be included in the Delivery;
  3. The Designated System;
  4. The Designated Site;
  5. The maximum number of permitted Users, Concurrent Users and Named Users, and servers permitted under this license;

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6. The maximum aggregate processing speed of all the machines on which Software may be installed and operated, if applicable, expressed in terms of "million of instructions per second" (MIPS), "megahertz," (MHz) or other similar measures of limitation;
7. If Design Materials are to be Delivered in the Order, the location of where they shall be Delivered; and
8. Training requirements.

c. Amdocs shall, [\*\*] under this Agreement, [\*\*] that will [\*\*].

#### 4.2 LICENSE GRANT

Supplier grants to SBC a non-exclusive, non-transferable (except as set forth in Section 3.4), perpetual, irrevocable (subject to full payment (except of amounts in good faith dispute)) license to copy (as expressly permitted herein), Modify (as expressly permitted herein), and operate (collectively, "Use") (i) the Software identified in an Order, and (ii) all New Releases, Restorals, Resolutions, and Updates, and all Revisions relating to them, that Supplier shall make to such Software which are provided by Supplier to SBC under this Agreement. A license granted under this Agreement does not convey or transfer ownership of any copy of Software. SBC promises to limit its Use of the Software as set forth in the following Section entitled "Limitations on Use" and in the applicable Order.

#### 4.3 LICENSE FEE

- a. The license fee shall be specified in the Order. If the license fee is based upon a limitation on the number of Users, Named Users, or Concurrent Users authorized to use the Software and servers (as all may be detailed in the Order) (the "Use Parameters") then SBC may amend the Order at any time, to increase such Use Parameters, by paying an additional fee, as agreed by the Parties, which shall be set forth in the applicable Order.
- b. SBC's Use Parameters, if applicable, will be reviewed every six (6) months, commencing on the first business day of the last calendar month of the first full calendar quarter following execution of this Agreement and on each six month anniversary thereafter (the "Verification Date") to verify whether SBC's use has exceeded the Use Parameters set forth in the applicable Order. The use levels as of each Verification Date shall be notified by SBC to Amdocs, and upon Amdocs' request, certified to Amdocs by an officer of SBC within thirty (30) days of the Verification Date. If the level of SBC's use at the time of such review, as compared to the level of use at the previous Verification Date has increased, then SBC will pay Amdocs subsequent license fees if and to the extent specified in the applicable Order, in accordance with such increase. Upon reasonable prior notice, but no more than once per calendar year, Amdocs shall have the right, through an independent auditor of national standing reasonably acceptable to SBC to be appointed by Amdocs at Amdocs' expense, to audit during normal business hours SBC's records relating to SBC's use levels relating to the Software solely for the purpose

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of confirming SBC's use levels. Such audit shall be subject to SBC's standard confidentiality and security requirements. If the use level revealed by such audit is seven percent (7%) or more larger than the level provided to Amdocs by SBC, then without derogating from Amdocs' rights hereunder, Amdocs may issue an invoice to SBC for, and SBC shall reimburse Amdocs against such invoice, the costs of such independent audit. Amdocs may issue an invoice to SBC for, and SBC will pay against such invoice, subsequent license fees in its entirety to Amdocs no later than thirty (30) days following the Verification Date or, if applicable, thirty (30) days after an audit report issued in accordance with this Section showing subsequent license fees are due.

#### 4.4 LIMITATIONS ON USE

- a. Internal Use - SBC will Use the Software only to perform and record the transactions of SBC [\*\*]. SBC will not Use the Software to operate a commercial time-sharing service or commercial service bureau (i.e., providing transaction services as a part of an independent revenue-creating business) for anyone [\*\*]. SBC may [\*\*] to the extent that [\*\*]. Notwithstanding the foregoing, [\*\*]. For the avoidance of doubt, the Parties may [\*\*].
- b. Designated Site - SBC may [\*\*] a Designated Site. [\*\*] at a Designated [\*\*] the Designated Site, SBC may [\*\*] Designated Site [\*\*] the Designated Site, and during [\*\*] the Designated Site. SBC may maintain backup and archival copies of the Software at a location other than the Designated Site. SBC may conduct Acceptance Tests at a location other than the Designated Site. If an Order identifies both a Designated Site and a Designated System, the license granted under the Order shall be a Designated System license and not a Designated Site license. In such a case, the information concerning the Designated Site shall be deemed to be included only for the purpose of identifying the location of the Designated System at the time of Delivery.
- c. Designated System - [\*\*], SBC may [\*\*] a Designated System. If SBC moves the work operations previously performed on a Designated System to a new machine, system, or network, then SBC may transfer the license to such new machine, system, or network, which shall thereupon become the new Designated System in place of the former Designated System. During [\*\*], SBC may [\*\*] the Designated Site.
- d. Users - SBC may [\*\*] Use the Software. SBC may [\*\*]. SBC [\*\*]. SBC may reassign Named User passwords as long as they do not exceed the limit of Named Users. SBC may permit Permitted Third Parties to access the Software in order to complete their transactions with SBC, subject to any limit an Order may place on the number or type of Users.
- e. Processing Speed - SBC may [\*\*] processing speed [\*\*].
- f. Number of Copies - SBC may make, store, and operate any number of copies of the Software, unless an Order expressly promises to limit the number of copies that SBC may operate under the license. If an Order expressly limits the number of copies that SBC may operate, then SBC may make and store a reasonable number of additional copies, above that limit, solely for backup and archival purposes.

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- g. Distribution and Transfer - Except as permitted in Section 3.4, SBC will not distribute any copy of any Software or transfer license granted under this Agreement to any unlicensed entity, or grant a sublicense to any other party, without the prior written consent of Supplier.
- h. Modification - SBC may Modify the Software only by use of the capabilities provided within the Software itself unless the provisions of this Agreement or an Order expressly entitle SBC to receive and use source code and other Design Materials associated with the Software.
- i. Reverse Engineering - SBC will not engage in any reverse engineering process intended to uncover and disclose the source code, when the modification capabilities provided within the Software do not enable it to do so, unless provisions of this Agreement or the Order expressly provide that SBC has the right to receive source code or other Design Materials associated with the Software and Supplier or its escrow agent have failed to turn them over following a proper demand from SBC.

#### 4.5 MODIFICATION

SBC may alter, modify, add or make other changes to Software provided hereunder at its own risk and expense or, subject to Section 3.15, contract with third parties for such modifications. SBC shall notify such third parties of their non-disclosure obligations. The conditions and charges, if any, for Supplier support of such modifications shall be subject to separate agreement between SBC and Supplier. Such Modifications shall be subject to the limitations on Maintenance set forth in Section 5.1(e). [\*\*] Modification shall [\*\*].

#### 4.6 SOURCE CODE AVAILABILITY

- a. [\*\*], Supplier shall provide [\*\*]. Supplier shall [\*\*], during the term of this Agreement, Supplier shall [\*\*].
- b. Supplier shall [\*\*] subject to and in accordance with [\*\*], Supplier shall [\*\*] pursuant to the [\*\*] during the term of [\*\*]. SBC shall [\*\*] shall be [\*\*].

#### 4.7 TITLE

SBC acknowledges Supplier's representation and agrees that, as between the Parties, all right, title, and interest to, and all copyrights, patents, trade secrets and/or any other intellectual property rights in, the Software are and will remain solely the property of Supplier and/or Supplier's licensors (or affiliates). SBC is granted no title or ownership rights in the Software.

#### 5.0 Support and Maintenance

##### 5.1 ERROR SEVERITY LEVEL CLASSIFICATION

- a. Supplier's Obligation to Provide a Resolution - If SBC encounters an Error, Harmful Code or Vulnerability in the course of SBC's use of the Software and reports the Error to Supplier as provided in this Section, then Supplier shall proceed to provide a Restoral, if applicable, and a Resolution to SBC within the time required by this Section.

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- b. Reporting and Classification of Errors - SBC's authorized representative may report an Error, Harmful Code or Vulnerability by placing a telephone call to Supplier's nationwide toll free number designated by Supplier to receive such reports. When making such a report, SBC's representative shall: report local time at which the call is placed; identify the Computer Program affected by name, Major Release, and Minor Release; identify the computer on which the Error was encountered; describe the unintended results that the computer is producing or the intended results that the computer is failing to produce; provide the call-back telephone number at which SBC's authorized representative can be reached; and assign a Severity Level to the Error as follows. SBC's authorized representative shall assign:
1. "Severity Level 1" [\*\*] at a time [\*\*] normal business operations;
  2. "Severity Level 2" to an Error, other than an Error of Severity Level 1, that [\*\*] at a time [\*\*] normal business operations;
  3. "Severity Level 3" to an Error, other an Error of Severity Level 1 or Severity Level 2, that [\*\*] normal business [\*\*]; and
  4. "Severity Level 4" to any Error other than an Error of Severity Level 1, Severity Level 2, or Severity Level 3.
- c. Variations - The obligations of Section 5.2 ("Error Severity Resolutions Plan") through Section 5.4 ("Error Severity [\*\*]") may be adjusted by mutual agreement of the Parties reflected [\*\*] this Article 5.0).
- d. Installation of Maintenance Modifications and Bug Fixes - SBC shall install Maintenance Modifications and bug fixes provided by Amdocs, test and implement such corrections and perform any clean-up activity required to correct side effects of the Error.
- e. Limitations on Maintenance/Warranty - Amdocs shall not be obligated to correct problems in Computer Programs or Software developed or modified by SBC or any third party, including Computer Programs added to or interoperating with the Software or arising from use inconsistent with requirements stated in the Documentation; provided, however, that Amdocs shall be required to respond to service calls reporting such problems and to determine to SBC's reasonable satisfaction that the Amdocs Software is not responsible for the problem or the inconsistent use giving rise to the reported problem. Amdocs may correct an Error by providing SBC with reasonable operating instructions that correct the Error if such operating instructions do not conflict with, and are not inconsistent with, the terms of this Agreement or the applicable Order. All corrections to the Software will be performed only by Amdocs. Amdocs shall not be responsible to the extent any party other than Amdocs corrects the Software in any manner. Additionally, Maintenance does not encompass the remediation of problems or bugs determined by Amdocs to have been caused by the failure or malfunction of any software, tools, equipment, or facilities not provided by Amdocs. In the event a problem has been reported to Amdocs and it is found that the problem is not an Error, Amdocs shall have no obligation to correct such problem; provided, however, that, if Amdocs incurs any out-of-pocket expenses in dispatching an Amdocs employee to work on-site at SBC to fix a problem that is found not to be an Error, SBC shall reimburse Amdocs for such documented expenses incurred, in accordance with SBC's expense policy. Amdocs shall only be required to provide Maintenance [\*\*].

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5.2 ERROR SEVERITY RESOLUTION PLAN

Supplier shall respond to a Severity Level report from SBC, as follows:

- a. Supplier's authorized representative shall [\*\*] Supplier has [\*\*], in the case of a Severity Level 1 report; (ii) [\*\*], in the case of a Severity Level 2; (iii) [\*\*] in the case of Severity Level 3; [\*\*], in the case of a Severity Level 4.
- b. Supplier shall [\*\*], in the case of a Severity Level 1 report; [\*\*], in the case of a Severity Level 2; and (iii) [\*\*], in the case of a Severity Level 3.
- c. [\*\*], Supplier shall [\*\*] in the case of a Severity Level 1; (ii) [\*\*], in the case of a Severity Level 2; (iii) [\*\*], in the case of a Severity Level 3; and (iv) [\*\*], in the case of a Severity Level 4.
- d. In any event, Supplier shall [\*\*], in the case of a Severity Level 1; (ii) [\*\*], in the case of a Severity Level 2; (iii) [\*\*], in the case of Severity Level 3; and (iv) [\*\*], in the case of a Severity Level 4.
- e. [\*\*], in the case of a Severity Level 1 or (ii)[\*\*], in the case of a Severity Level 2, then, [\*\*] under this Agreement, Supplier shall [\*\*].
- f. Continuation of Obligation Resolution Plan - Supplier's obligations under this Section 5.2 shall [\*\*].

5.3 ERROR SEVERITY ESCALATION PLAN

If Supplier's should fail at any time to communicate the reports required under Error Severity Resolution Plan, or if the content of any such report that SBC receives may give reasonable cause for concern that Supplier may fail to provide a Resolution in the required time, then SBC may bring its concerns to the personal attention of highest executive manger in Supplier's administrative organization responsible for providing a Restoration until SBC's concerns are satisfied. If that executive manager is unable to satisfy SBC's reasonable concerns, promptly after having been apprised of them, then SBC may bring them to the personal attention of the highest executive officer of Supplier until SBC's concerns are satisfied. Supplier will provide to SBC, and keep current, an escalation document that includes names, titles and telephone numbers, including after-hours telephone numbers, of Supplier personnel responsible for providing technical support to SBC. Supplier will maintain a streamlined escalation process to speed resolution of reported problems.

5.4 ERROR SEVERITY [\*\*]

[\*\*] WITHIN THE TIME REQUIRED [\*\*]. THEREFORE, [\*\*] UNDER THIS AGREEMENT, [\*\*]:

- a. [\*\*]SEVERITY LEVEL 1 OR SEVERITY LEVEL 2, AND
- b. [\*\*] SEVERITY LEVEL 3, [\*\*].

The foregoing [\*\*]shall be [\*\*] and shall be [\*\*]; provided, however, that [\*\*] shall be [\*\*].

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5.5 SUPPORT DURING THE WARRANTY PERIOD

- a. Elements of Support - In addition to its obligation to provide Restorals and Resolutions to SBC in accordance with its obligations under the Section entitled "Error Severity Level Classification" and "Error Severity Resolution Plan," Supplier shall during the Warranty Period (i) [\*\*], as set forth in [\*\*], (ii) provide [\*\*] as set forth in [\*\*].
- b. Enhancements and New Releases - Upon Delivery of a New Release and associated Revisions, SBC shall have the right, but no obligation, to conduct Acceptance Tests of the New Release, and in no event shall SBC be required to accept, install, use, or continue to use any Enhancement or New Release as a condition of retaining, maintaining (except as applicable to supported releases described in Section 5.1(e) above), or extending any license, warranty, or indemnity promised by Supplier with respect to any Major Release or Minor Release previously licensed and delivered under this Agreement or any Order. Amdocs shall ensure that New Releases and associated Revisions do not materially reduce Functionality to SBC.
- c. Technical Support and Training
  - 1. Help-Desk Support - Supplier shall provide telephone support and technical advice to assist SBC in diagnosing and solving any problems it may encounter in the installation, operation and use of the Software. Supplier shall provide SBC with an escalation document, identifying persons and telephone numbers to whom it may direct problems that are not solved at the Help Desk. If Supplier does not operate its Help Desk around the clock, over weekends, or on holidays, then Supplier shall provide an additional telephone number to which SBC may direct problems in cases of emergency arising after the normal business hours of the Help Desk, over weekends, and on holidays.
  - 2. [\*\*] - Supplier shall [\*\*].
  - 3. Revisions - Whenever Supplier provides SBC with any Enhancement Modification of any Computer Program provided under this Agreement or any Order, Supplier shall also provide SBC with a Revision to the corresponding Documentation; provided, however, that Supplier may provide necessary Revisions to the corresponding Documentation, if any, with a subsequent release of the Documentation if the Enhancement Modification is minor.
  - 4. Training - Following Delivery of Software under an Order, Supplier shall provide SBC the number of hours of training in the use of the Software, or training classes in the use of the Software, set forth in the Order, at no additional or separate charge to SBC. SBC may purchase additional hours of training or training classes at a price to be determined in the Order.
  - 5. SBC's Point(s) of Contact - If the Order designates one (1) or more identified persons or an administrative organization within SBC to act on SBC's behalf in dealing with Supplier in relation to Supplier's support obligations under this Agreement, then Supplier shall conduct its dealings with SBC through such identified persons or organization.
- d. Customer Groups - If Supplier maintains any customer board or user group to exchange information about, or compare experiences with, or suggest further developments to any

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Software licensed to SBC under this Agreement or any Order, then Supplier shall permit SBC to participate in such board or group on an equal basis with Supplier's other customers.

5.6 MAINTENANCE SUPPORT FOLLOWING EXPIRATION OF THE WARRANTY PERIOD

- a. Continuing Obligation to Provide Restorals, Resolutions and Updates - Following the expiration of any Warranty Period, Supplier shall continue to perform its obligation to provide Restorals, Resolutions, Updates and related Revisions to SBC in accordance with its obligations under the Sections entitled "Error Severity Level Classification" and "Error Severity Resolution Plan" at no additional charge or cost (above the Maintenance Fee) to SBC, and if SBC purchases and pays for other elements of Supplier support under any of its options as provided below in this Section, then Supplier will provide those other elements as well.
- b. [\*\*] the Software [\*\*] to this Agreement that are provided [\*\*] shall be provided [\*\*].
- c. As long as Maintenance is current, SBC shall be provided electronic copies of all relevant training materials, which it may use to make unlimited copies for internal use (e.g., "golden disk" for internal use).
- d. [\*\*] this Agreement [\*\*].
- e. SBC may [\*\*].
- f. SBC's Options with Respect other Elements of Support
  1. Full Support under Maintenance Order - Upon the expiration of any Warranty Period, SBC may elect to continue to receive continuing Supplier support, referred to as "Maintenance", as provided under Sections 5.1 through 5.5, above, from year to year, upon placement of an Order and payment to Supplier of an annual fee, which shall be referred to as a "Maintenance Fee". For each of the [\*\*]for the perpetual license in question; provided, however, that the [\*\*] in which the [\*\*].
  2. Renewal After Lapsed Maintenance - If SBC does not elect to continue receiving Maintenance at the end of any period when it may do so under this Agreement, or terminates or cancels Maintenance as provided in this Agreement, SBC may nevertheless elect to resume receiving Maintenance at a later time upon placing an Order at a cost equal to [\*\*] percent ([\*\*]%) of the Maintenance Fees for the periods when Maintenance was not provided, plus the Maintenance Fee for the current period. Upon receipt of payment from SBC, Supplier shall provide SBC with all Enhancements and Modifications to the Software that Supplier included in New Releases provided to its other customers during the time when SBC was not receiving Maintenance.
  3. Individual Elements of Support - If SBC does not elect to continue receiving Maintenance at the end of any period when it may do so under this Agreement, or terminates or cancels Maintenance as provided in this Agreement, SBC may then or thereafter purchase elements of Supplier support, individually or in any combination, as follows: (i) on-call assistance from the Help Desk from time to time at an hourly rate, (ii) on-call on-site assistance of Supplier's software engineer at an hourly rate, and (iii) hours of training or training classes at mutually agreed to pricing. In addition, if the

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Order so provides, Supplier will provide SBC with all Design Materials, including source code, and any modifications thereof, sufficient to enable SBC or its consultants and contractors to maintain the Software for SBC's own use.

#### 6.0 SPECIAL TERMS

The terms in this Article 6.0 shall apply to Orders involving Services.

##### 6.1 ACCESS

- A. SBC shall grant Amdocs' personnel such access to the SBC premises and facilities as are reasonably required for Amdocs' performance of its obligations under this Agreement at SBC's site including, at no charge to Amdocs, with office space suitable for Amdocs' needs and the following services: computer terminals and associated peripherals including access to E-mail/Internet; a communication line from SBC's premises to Amdocs' relevant development center with minimum capacity to be specified based on the number of users in the development center; reasonable use of telephone, fax, and e-mail for business purposes; and office supplies, equipment and consumables, at SBC's normal standard. Supplier shall have reasonable access to SBC's premises during normal business hours, and at such other times as may be agreed upon by the Parties to enable Supplier to perform its obligations under this Agreement. Supplier shall coordinate such access with SBC's designated representative prior to first visiting such premises and thereafter as agreed by the Parties. Supplier will ensure that only persons employed by Supplier or subcontracted by Supplier will be allowed to enter SBC's premises. If SBC requests Supplier or its subcontractor to discontinue furnishing any person provided by Supplier or its subcontractor from performing Work on SBC's premises due to such person's unacceptable behavior (i.e., a security problem or breach of SBC Code of Conduct, or disruptive behavior), Supplier shall immediately comply with such request. Such person shall leave SBC's premises immediately. Supplier shall not furnish such person again to perform Work on SBC's premises without SBC's written consent. The Parties agree that, where required by governmental regulations, Supplier will submit satisfactory clearance from the U.S. Department of Defense and/or other federal, state or local authorities.
- B. SBC may require Supplier or its representatives, including employees and subcontractors, to exhibit identification credentials, which SBC may issue to gain access to SBC's premises for the performance of Services. If, for any reason, any Supplier representative is no longer performing such Services, Supplier shall immediately inform SBC. Notification shall be followed by the prompt delivery to SBC of the identification credentials, if issued by SBC. Supplier agrees to comply with SBC's corporate policy requiring Supplier or its representatives, including employees and subcontractors, to exhibit their company photo identification in addition to the SBC issued photo identification when on SBC's premises.
- C. Supplier shall use reasonable efforts to ensure that its representatives, including employees and subcontractors, while on or off SBC's premises, will perform Work which (i) protects SBC's Material, buildings and structures and (ii) does not interfere with SBC's business operations and will perform such Work with care and due regard for the

#### PROPRIETARY INFORMATION

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safety, convenience and protection of SBC, its employees, and property and in full conformance with the policies specified in the SBC Code of Conduct, which prohibits the possession of a weapon or an implement which can be used as a weapon. SBC acknowledges delivery of, and Supplier acknowledges receipt of, a copy of the SBC Code of Conduct on or prior to the date of execution of this Agreement.

- D. Supplier shall use reasonable efforts to ensure that all persons furnished by Supplier work harmoniously with all others when on SBC's premises.

## 6.2 BACKGROUND CHECK

- A. BACKGROUND CHECK/DRUG SCREENING. Amdocs shall complete (or caused to be completed) a satisfactory background check and drug screening of all local full time assigned Amdocs Personnel performing services under this Agreement at SBC sites (except Amdocs personnel performing services at SBC sites prior to the Effective Date of this Agreement) before such Amdocs Personnel first enter any SBC site; provided, however, that, if a satisfactory background check and drug screening was completed in connection with the hiring of such Amdocs Personnel, it need not be repeated. For purposes of this Section, "AMDOCS PERSONNEL" means those employees, representatives, contractors, subcontractors and agents of Amdocs, its subcontractors, and Amdocs Affiliates who perform any Services under this Agreement.
- B. For Supplier personnel performing services outside of SBC sites, Supplier shall conduct a reasonable inquiry for each individual providing Services on Amdocs premises to SBC to attempt to identify, inter alia, whether the individual has been convicted of a felony. Supplier agrees that no individual convicted of a felony will knowingly be permitted to provide Services in connection with an Order submitted by SBC without SBC's written consent.
- C. Supplier shall conduct a background check for each individual providing Services to SBC to identify whether the individual has been convicted of a felony or is identified on the EAR denied persons list, as maintained by the Bureau of Industry and Security or the SDN Blocked Persons list maintained by the Office of Foreign Asset Control. Supplier agrees that no individual convicted of a felony or on the denied persons list will be permitted to provide Services to SBC without SBC's written consent. No consent will be granted for anyone on the denied persons list. Supplier shall review and certify that all individuals providing services to SBC under this contract are not on the EAR denied persons list or the SDN Blocked Persons list. Supplier shall provide such certification any time new resources are added to fulfill the services provided by this contract and on an annual basis a certification of all Supplier resources.

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### 6.3 CONFIDENTIALITY AND INVENTION AGREEMENT

Supplier shall ensure that all individuals that provide Services under this Agreement sign Supplier's confidentiality agreement required of all Supplier's employees, and will use reasonable efforts to ensure that such individuals shall comply with the confidentiality provisions of this Agreement.

### 6.4 INDEPENDENT CONTRACTOR

Supplier hereby represents and warrants to SBC that:

- A. Supplier is engaged in an independent business and will perform all obligations under this Agreement as an independent contractor and not as the agent or employee of SBC;
- B. Supplier's personnel performing Services shall be considered solely the employees of Supplier and not employees or agents of SBC;
- C. Supplier has and retains the right to exercise full control of and supervision over the performance of the Services and full control over the employment, direction, assignment, compensation and discharge of all personnel performing the Services;
- D. Supplier is solely responsible for all matters relating to compensation and benefits for all of Supplier's personnel who perform Services. This responsibility includes, but is not limited to, (i) timely payment of compensation and benefits, including, but not limited to, overtime, medical, dental and any other benefit, and (ii) all matters relating to compliance with all employer obligations to withhold employee taxes, pay employee and employer taxes, and file payroll tax returns and information returns under local, state and federal income tax laws, unemployment compensation insurance and state disability insurance tax laws, social security and Medicare tax laws, and all other payroll tax laws with respect to all Supplier personnel providing Services; and
- E. Supplier will indemnify, defend and hold SBC harmless in accordance with Section 3.14 from all Liabilities related to Supplier's failure to comply with the immediately preceding paragraph.

### 6.5 [\*\*]

Supplier will [\*\*] Supplier [\*\*]. Supplier will provide [\*\*]that Supplier provide [\*\*].

### 6.6 WORK DONE BY OTHERS

If any part of Supplier's Work is dependent upon work done by others, including subcontractors and temporary workers engaged by Amdocs, Supplier shall, if (i) the Work is performed by a subcontractor or temporary worker engaged by Amdocs or if (ii) Amdocs is otherwise required to do so by SBC as part of supervisory Services it provides under an Order hereunder, inspect and promptly report to SBC any defect that renders such other work unsuitable for Supplier's proper performance. All work shall be performed by any company or individual shall meet the rules defined by the EAR or embargo regulations. All subcontractors are subject to EAR and

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embargo regulations just as the supplier is subject. If the subcontractor's employees are in or from a country other than the United States or are foreign nationals, additional EAR and embargo verification will need to be completed by Supplier. Supplier's silence regarding work done by Supplier's subcontractors or temporary workers shall constitute approval of such other work as fit, proper and suitable for Supplier's performance of its Work.

#### 6.7 NON-INTERFERENCE WITH EMPLOYEES

Subject to any restrictions by local laws, each of the Parties agrees not to hire or employ any employee of the other Party or its affiliates who are assigned full or part-time to activities which are part of the performance of this Agreement, except by mutual written consent of such other Party, within one (1) year of such employee ceasing to work on projects associated with this Agreement.

#### ENTIRE AGREEMENT

The terms contained in this Agreement and in any Orders, including all exhibits, appendices and subordinate documents attached to or referenced in this Agreement or in any Orders, constitute the entire integrated Agreement between Supplier and SBC with regard to the subject matter of any Order executed hereunder. This Agreement supersedes all prior oral and written communications, agreements and understandings of the Parties, if any, with respect thereto. Acceptance of Software or Services, payment or any inaction by SBC, shall not constitute SBC's consent to or acceptance of any additional or different terms from those stated in this Agreement, except for terms in an Order inserted by SBC and signed by both Parties. Estimates furnished by SBC are for planning purposes only and shall not constitute commitments. Supplier covenants never to contend otherwise. No oral promises or statements have induced either Party to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original instrument, as of the date the last Party signs.

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AMDOCS SOFTWARE SYSTEMS LIMITED

SBC SERVICES, INC.

By: [illegible]  
-----

By: [illegible]  
-----

Printed Name:

Printed Name:

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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CONFIDENTIAL MATERIALS OMITTED AND FILED SEPARATELY WITH THE  
SECURITIES AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.

AGREEMENT NO. 02026713

BETWEEN

AMDOCS INC.

AND

SBC SERVICES, INC.

FOR

SOFTWARE

AND

PROFESSIONAL SERVICES

THE INFORMATION CONTAINED IN THIS AGREEMENT IS NOT FOR USE OR DISCLOSURE OUTSIDE  
SBC, SUPPLIER, THEIR AFFILIATED COMPANIES AND THEIR THIRD PARTY REPRESENTATIVES,  
EXCEPT UNDER WRITTEN AGREEMENT BY THE CONTRACTING PARTIES. 1872466-2

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APPENDICES AND EXHIBITS

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- Appendix 2.23 - Form of Supplier's Notice of Completion
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- Appendix 3.36 - Form of Order for OnGoing Support Services
- Appendix 3.37 - Form of Order for Custom Software Development
- Appendix 4.18 - Change Control Process

- Exhibit A - Prime Supplier MBE/WBE/DVBE Participation Plan
- Exhibit B - M/WBE-DVBE Results Report
- Exhibit C - NDA for Auditors
- Exhibit D - NDA for SBC's Subcontractors
- Exhibit E - NDA for Amdocs' Subcontractors
- Exhibit A - Prime Supplier MBE/WBE/DVBE Participation Plan
- Exhibit B - M/WBE-DVBE Results Report
- Exhibit C - NDA for Auditors
- Exhibit D - DNA for SBC's Subcontractors
- Exhibit E - NDA for Amdocs' Subcontractors

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ARTICLE I - INTRODUCTION

1.1 PREAMBLE AND EFFECTIVE DATE

This Agreement No 02026713 for Software and Professional Services, effective as of 7 August 2003 ("Effective Date"), is between Amdocs Inc., a Delaware corporation ("Supplier" or "Amdocs"), and SBC Services, Inc., a Delaware corporation ("SBC"), each of which may be referred to in the singular as "Party" or in the plural as "Parties."

1.2 SCOPE OF AGREEMENT

Subject to the terms and conditions of this Agreement, Supplier shall provide to SBC the Material and Services pursuant to and in conformance with Orders submitted by SBC. Such Orders shall be deemed to incorporate the provisions of this Agreement (including the Exhibits attached hereto) as though fully set forth therein. The applicable rates and expense reimbursement policies for the Material and Services are specified in Appendix 1.2(2) and 1.2(4), respectively, and are further described in Section 3.24 (Price).

ARTICLE II - DEFINITIONS

- 2.1 "ACCEPT" or "Acceptance" means SBC's acceptance of the Material ordered by SBC and provided by Supplier following SBC's inspection and testing of the Materials to ensure that they meet the requirements of the applicable Order, as set forth in this Agreement.
- 2.2 "ACCEPTANCE DATE" means the date on which SBC Accepts Material.
- 2.3 "ACCEPTANCE LETTER" means a document signed by SBC substantially in the form of Appendix 2.3 indicating its Acceptance of the Material.
- 2.4 "ACCEPTANCE TEST PERIOD" means the length of time specified in an Order (or, if not so specified, a period of no less than [\*\*] days and no more than [\*\*] days during which the Acceptance Tests are performed. For this purpose, receipt of the Material means receipt by SBC after shipment of the Material.
- 2.5 "Acceptance Tests" means SBC's System Certification Test or such other performance and reliability demonstrations and tests that must be successfully completed by the Material during the Acceptance Test Period, as more fully described in Article 5 ("Custom Software Development").
- 2.6 "AFFILIATE" means any current domestic United States business firm, whether incorporated or not, which (1) owns, directly or indirectly, a majority interest in either Party (a "Parent Company"), and (2) in which a majority of the equity interest is owned, either directly or indirectly, by: (i) either Party or (ii) a Parent Company.

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- 2.7 "AGREEMENT" shall mean this Agreement No 02026713 for Software and Professional Services, effective as of 7 August 2003 between Amdocs, Inc. and SBC Services, Inc.
- 2.8 "AMDOCS DIRECT COMPETITORS" means, as of the date of this Agreement, [\*\*]. Amdocs reserves the right to add or subtract from this list of Amdocs Direct Competitors, with the consent of SBC on a reasonable basis in response to changes in the competitive landscape within the customer care and billing market.
- 2.9 "CRITICAL PERFORMANCE MILESTONES" means a date certain or the end of a stipulated interval of time for the delivery of an item of Program Material or Software or the completion of performance of a Service, the timely completion or delivery of which is considered to be critical to the success for the Project and which is expressly referred to in an Order as a "Critical Performance Milestone".
- 2.10 "CUSTOM SOFTWARE" means the unique or specialized programs, routines or subroutines, which are listed as Custom Software in, and developed by Supplier under, a specific Order. Unless otherwise stated in the Order, Custom Software also includes source code in both machine and human readable form and all associated Program Material.
- 2.11 "CUSTOM SOFTWARE DEVELOPMENT" means the development of Custom Software, as described in Article 5 and the underlying Order.
- 2.12 "DELIVERY" means delivery of the Material and/or Services at SBC's expense via (i) electronic transfer; (ii) hand delivery of the media in which the Software is contained; (iii) carrier selected by Amdocs; or (iv) the manner described in the applicable Order.
- 2.13 "DELIVERY DATE" means the date on which the Parties agree Supplier is scheduled in this Agreement or an Order to complete its Delivery of the applicable Software or Services.
- 2.14 "ERROR" shall have the meaning specified in any Order containing a "Error Severity Level" Description. Error shall also mean defects found in Software which cause the Software to function in non-compliance with the Specifications.
- 2.15 "HARMFUL CODE" means computer viruses, worms, trap doors, time bombs, undocumented passwords, disabling code (which renders Material unusable until a patch or new password is provided), or any similar mechanism or device.
- 2.16 "INFORMATION" means all ideas, discoveries, concepts, know-how, trade secrets, techniques, designs, Specifications, drawings, sketches, models, manuals, samples, tools, computer programs, technical information, and other confidential business, customer or personnel information or data, whether provided orally, in writing, or through electronic or other means.
- 2.17 "LAWS" shall have the meaning specified in the Section called "Compliance with Laws."

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- 2.18 "LIABILITY" means all legal or contractual responsibility for losses, damages, expenses, costs, penalties, fines, Liquidated Damages and fees, including reasonable attorneys' fees, arising from a claim or cause of action related to performance or omission of acts under this Agreement or any Order, including, but not limited to, claims or causes of actions brought by third parties.
- 2.19 "MATERIAL" means a unit of equipment, apparatus, components, tools, supplies, material, hardware, Software, or purchased or licensed hereunder by SBC from Supplier and includes third party Material provided or furnished by Supplier.
- 2.20 "NOTICE OF COMPLETION" means a written document provided by Supplier substantially in the form of Appendix 2.23, which is provided after Supplier has completed Delivery of the Custom Software ordered by SBC, and states that Supplier has completed such Delivery. [\*\*] as provided in the [\*\*].
- 2.21 "ORDER" means such purchase orders, work orders, forms, memoranda or other written communications as may be delivered to Supplier for the purpose of ordering Material and Services hereunder.
- 2.22 "ONGOING SUPPORT" OR "ONGOING SUPPORT SERVICES" mean the services described in the Article 4. ("OnGoing Support Services") and the applicable Order.
- 2.23 "PRE-EXISTING WORKS" means any portion of the Materials or Software (i) created or owned by Amdocs prior to execution of this Agreement or (ii) provided under license from third parties by Amdocs prior to execution of this Agreement or (ii) created by Amdocs or third parties after execution of this Agreement for a client other than SBC.
- 2.24 "PRIOR AGREEMENT" means the Master Agreement No. 99006220 for Software and Services between Amdocs Inc. and SBC Operations Inc. effective July 7, 1998 as amended.
- 2.25 "PRODUCTION SUPPORT" means support services for Software and Systems in production which are not covered under an Amdocs warranty in an Order. For avoidance of doubt, Work performed by Amdocs in Production Support is itself subject to the OGS warranty provisions herein.
- 2.26 "PROGRAM MATERIAL" OR "DOCUMENTATION" for purposes of this Agreement and the Custom Software Development Orders hereunder always includes in relation to Custom Software the source code for the software (including programs, routines, subroutines, and error correction) and programmers' comments (in all such software). The Program Material or Documentation required in relation to Custom Software Development or OnGoing Support shall be as described in the applicable Order, but may include Detailed Functional Specifications, flow charts, logic diagrams, programming manuals, modification manuals, maintenance tools (including test programs, test cases, and the

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printed output from same), data file listings, and input and output formats, descriptions and locations of programs related to, but not provided with, the Software, and any design session deliverables, user instructions and system manuals, user manuals, and training materials in machine readable or printed form associated with Software.

- 2.27 "Project" means the development of Software and/or providing Services to SBC.
- 2.28 "PROJECT MANAGER" means each party's manager responsible for a Project and identified on the applicable order.
- 2.29 "PROPOSAL STATEMENT" means Amdocs' statement of the conditions under which it proposes to provide Software and/or Services for a Project.
- 2.30 "SBC LD" means SBC's Information Technology organization which provides end-to-end life cycle management for Amdocs applications including but not limited to Telegence LD and Enterprise Fraud.
- 2.31 "SERVICE(S)" means any and all labor or service provided by Amdocs or its subcontractors in connection with OnGoing Support or Custom Software Development provided under this Agreement and an applicable Order, including, but not limited to, consultation, engineering, installation, removal, maintenance, training, technical support, repair, programming, IT professional services, and Software maintenance.
- 2.32 "SOFTWARE" means the computer programs that are listed in the applicable Order or provided by Supplier under or in connection with this Agreement or an applicable Order except for any Third Party Software. Software also includes all associated Program Material and Documentation.
- 2.33 "SPECIFICATIONS" mean (i) Supplier's applicable specifications and descriptions, and (ii) SBC's requirements, specifications, and descriptions specified or referenced in, or attached to, this Agreement or an applicable Order.
- 2.34 "Standard Software" means the computer programs that are licensed by Supplier pursuant to an applicable license agreement.
- 2.35 "SYSTEM" means one or more of the following items, as identified in the applicable Order: the operating environment for Software and includes the hardware on which the Software resides, and the operating software, application software, databases which interact with such Software, and the software and hardware interfaces among such hardware and software.
- 2.36 "TERMINATION" means the occurrence by which either Party, pursuant to the provisions or powers of this Agreement or applicable laws and regulations, puts an end to this

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Agreement and/or Orders placed under this Agreement. "Termination" includes "Termination for Cause" and "Termination for Convenience".

- 2.37 "TERMINATION FOR CAUSE" means the ending of the Agreement or an Order in accordance with the provisions of this Agreement by a non-defaulting party where the other party is determined by the Arbitrator to be in material default of an obligation under the Agreement or an Order. Upon Termination for Cause the non-defaulting party may exercise such remedies against the defaulting party as are available under this Agreement only.
- 2.38 "TERMINATION FOR CONVENIENCE" means the ending of the Agreement or an Order by a party, in accordance with any required notice provisions and other provisions of this Agreement authorizing a party to end the Agreement or an Order without cause. On Termination for Convenience, all obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.
- 2.39 "THIRD-PARTY SOFTWARE" means software which is not developed and owned by Supplier, but which is furnished by Supplier under an Order. Unless the applicable Order states otherwise, the term "Software" shall not be deemed to include Third-Party Software.
- 2.40 "USE" OR "USE" means any lawful operation or use of the Software and Program Material permitted or reasonably contemplated in this Agreement or an applicable Order, including compilation, copying, modifying, linking, licensing, sublicensing, displaying, permitting access to, and executing all or part of the Software.
- 2.41 "WORK" means all Material and Services, collectively, that Supplier is supplying pursuant to Orders placed under this Agreement.

#### ARTICLE III - GENERAL TERMS

##### 3.1 AFFILIATE

Except as otherwise expressly agreed herein, Supplier agrees that current Affiliates of SBC may place future Orders with Supplier that incorporate the terms and conditions of this Agreement by reference, and that the term "SBC" used in this Agreement shall be deemed to refer to such an Affiliate whenever such an Affiliate places such an Order with Supplier under this Agreement. Each Affiliate executing such an Order shall be a party to that Order and shall be subject to the terms and conditions of this Agreement for purposes of that Order. Only Supplier and the party executing a Order shall [\*\*] under an Order (including terms and conditions of this Order to the extent they incorporated therein); except that, [\*\*]. The Parties agree that nothing in this

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Agreement will [\*\*], nor shall anything in this Agreement be construed as requiring an such Affiliate to indemnify Supplier, or to otherwise be responsible, for the acts or omissions of SBC. The parties expressly agree, however, (i) that [\*\*] under this Agreement; and (ii) that [\*\*] under this Agreement [\*\*] between the Parties. Future Affiliates of SBC may purchase Services under this Agreement pursuant to this Section 3.1, provided however if SBC acquires an entity or business with a pre-existing contractual relationship with Amdocs, then (i) any outstanding Orders executed under the pre-existing contractual relationship shall be completed in accordance with the terms of such Order and pre-existing contract; (ii) the parties will negotiate in good faith for a period of no less than fourteen (14) days to determine whether the acquired entity or business may process any new Orders under the Agreement, or continue to be governed by the pre-existing contractual relationship; and (iii) absent mutual agreement, the relationship of the acquired entity or business with Amdocs will be governed by this Agreement as to any new Orders executed between Amdocs and the Affiliate after the closing of the acquisition of such Affiliate. In any event the Agreement is limited in the case of OnGoing Support Services only to performance of Amdocs upon SBC and its Affiliates' premises in the United States unless otherwise agreed by both parties.

3.2 AMENDMENTS AND WAIVERS

- A. This Agreement and any Orders placed hereunder may be amended or modified only through a subsequent written document signed by the Parties. An adjustment of the fees specified in the Order shall be agreed by the parties and made if such change affects the time of performance or the cost of the Work to be performed under the applicable Order. Such cost adjustment shall be made on the basis of the applicable fees and expenses associated with change of scope, unless otherwise agreed in writing. No course of dealing or failure of either Party to strictly enforce any term, right or condition of this Agreement shall be construed as a general waiver or relinquishment of such term, right or condition. A waiver by either Party of any default shall not be deemed a waiver of any other default.
- B. Neither SBC nor Supplier may assign, delegate, subcontract, or otherwise transfer its rights or obligations under this Agreement except with the prior written consent of the other Party; provided, however, subject to Section 3.1 both SBC and Amdocs will have the right to assign, delegate, subcontract or otherwise transfer this Agreement and/or its rights or obligations hereunder to any Affiliate [\*\*], without securing the consent of the non-assigning party, except that both Supplier and SBC may assign its right to receive money due from the other party hereunder without the prior consent of the party obligated to pay money due. It is expressly agreed that any assignment of a right to receive money due will be void if (a) the assignor fails to give the non-assigning Party hereto at least thirty (30) days prior written notice, or (b) such assignment imposes or attempts to impose upon the non-assigning Party hereto additional costs or obligations in

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addition to the payment of such money or attempts to preclude SBC from dealing solely and directly with Supplier (or its assignee-Affiliate) in all matters pertaining to this Agreement, or (c) denies, alters or attempts to alter any rights of the non-assigning Party hereto. Any attempted assignment not in compliance with the terms of this Section 3.2 will be void.

3.3 TERMINATION

- A. Termination for Cause. Subject to the provisions of Section 4.7, any party may, prior to the completion of any Order, Terminate for Cause the applicable Order if the Arbitrator (as defined herein) has made a determination that the other party has committed a material breach of the applicable Order, provided that (i) before Terminating, the first party has given the defaulting party a written notice specifying the breach with seventy-five (75) days right to cure, and (ii) the Arbitrator has determined that the defaulting party has committed a material breach of the applicable Order, and has determined the circumstances and/or terms and conditions which shall constitute a cure of such material breach. The Arbitrator shall retain jurisdiction over the dispute until such cure has been made.
- B. Partial Termination. Where a provision of this Agreement permits SBC to Terminate an Order for cause or convenience, such Termination may, at SBC's option, be either complete or partial. In the case of a partial Termination for Cause, the terms of Section 3.3(A) shall apply. In the case of a partial Termination for Convenience, SBC may accept a portion of the Software or Services covered by an Order, but SBC shall in any event compensate Amdocs for the Software or Services performed through the date of such partial Termination for Convenience of the Order. In either event (partial Termination for Cause or Partial Termination for Convenience), SBC shall pay Amdocs for any portion of such Software or Services at the unit prices set forth in such Order, (plus equitable portions of the termination charges provided in this Agreement in the event of partial Termination for Convenience of an Order for Custom Software Development or OnGoing Support), and the parties shall utilize change management procedures as set forth in Section 5.10 to issue a Change Order to reflect such partial Termination; provided however that, [\*\*]any Order [\*\*] under the Order[\*\*] of the Order, in which [\*\*] the parties shall [\*\*] the parties [\*\*] in accordance with the [\*\*]. The right to Terminate an Order for Cause shall also include the right to Terminate any other Order for Cause which is directly affected by the Termination of the initially Terminated Order. Upon receipt of SBC's payment in relation to a partial Termination for Cause or Convenience, Amdocs shall deliver to SBC the applicable Work relating to the Software or Services which has been prepared pursuant to such Terminated Order.
- C. Termination for Convenience of the Agreement. Either party may Terminate for Convenience this Agreement upon [\*\*] days prior written notice to the other party

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setting forth the effective date of such Termination. The Termination of this Agreement for any reason shall not affect the obligations of either party pursuant to any Orders previously executed hereunder, and the terms and conditions of this Agreement shall continue to apply to such Orders as if this Agreement had not been Terminated.

- D. Termination For Convenience of Custom Software Development Order. SBC may at any time Terminate for Convenience any Order for Custom Software Development prior to the Delivery Date of the Software covered by such Order, by giving Amdocs written notice. Upon receipt of any such Termination notice, Amdocs shall, if so requested by SBC immediately cease performing work and incurring costs in connection with such Order. [\*\*] in accordance with the applicable Order for work under such Order performed [\*\*] in the applicable Order, [\*\*] [\*\*] under the Order, [\*\*]. Upon receipt of SBC's payment, Amdocs shall deliver to SBC all drafts and versions of the Custom Software which have been prepared pursuant to such Terminated Order.
- E. Termination For Convenience of OnGoing Support Order. SBC may, at its option and without any Liability to Amdocs, Terminate for Convenience any OnGoing Support Order by written notice to Amdocs. Upon receipt of such notice, Amdocs shall, if so requested by SBC, cease performing any OnGoing Support Services as of the effective date of such Termination. SBC shall pay Amdocs [\*\*] in accordance with the provisions of the applicable Order and in accordance with Appendix 1.2(2) (Prices and Terms). [\*\*] under the Order, [\*\*] Upon receipt of SBC's payment, Amdocs shall deliver to SBC all Work relating to the Software or Services which has been prepared pursuant to such Terminated Order, if applicable.

#### 3.4 COMPLIANCE WITH LAWS

Supplier and SBC shall comply with all applicable federal, state, county, and local rules, including, without limitation, all statutes, laws, ordinances, regulations and codes ("Laws"). The parties' obligation to comply with all Laws includes the procurement of permits, certificates, approvals, inspections, and licenses, when needed, in the performance of this Agreement. If an Order is to cover work to be performed to support a government contract to which SBC or an Affiliate of SBC is a party, then the parties shall make note of this in the Order, and, whenever they do, Supplier will comply with all applicable Executive and Federal regulations as set forth in "Executive Orders and Federal Regulations," a copy of which is attached as Appendix 3.5 and by this reference made a part of this Agreement. Each party shall defend, indemnify and hold the other party harmless from and against any Liability that may be sustained by reason of the indemnifying party's failure to comply with this Section in accordance with Section 3.12.

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3.5 CONFLICT OF INTEREST

Supplier represents and warrants that no officer, director, employee or agent of SBC has been or will be employed, retained or paid a fee, or otherwise has received or will receive any personal compensation or consideration, by or from Supplier or any of Supplier's officers, directors, employees, or agents in connection with the obtaining, arranging or negotiation of this Agreement or other documents entered into or executed in connection with this Agreement.

3.6 CONSTRUCTION AND INTERPRETATION

- A. The language of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The Parties agree that this Agreement has been prepared jointly and has been the subject of arm's length and careful negotiation. Each Party has been given the opportunity to independently review this Agreement with legal counsel and other consultants, and each Party has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, the drafting of the language of this Agreement shall not be attributed to either Party.
- B. Article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. The use of the word "include" shall mean "includes, but is not limited to." The singular use of words shall include the plural and vice versa. All obligations and rights of the Parties are subject to modification as the Parties may specifically provide in an Order. If there is an inconsistency or conflict between the terms in this Agreement and in an Order, the terms in the Order shall take precedence.

3.7 CUMULATIVE REMEDIES

Except as specifically identified as a Party's sole remedy including without limitation as set forth in Sections 3.34, any rights of Termination, liquidated damages, or other remedies prescribed in this Agreement are cumulative and are not exclusive of any other remedies to which the injured Party may be entitled. Neither Party shall retain the benefit of inconsistent remedies.

3.8 ENTIRE AGREEMENT

The terms contained in this Agreement and in any Orders, including all exhibits, appendices and subordinate documents attached to or referenced in this Agreement or in any Orders, constitute the entire integrated Agreement between Supplier and SBC with

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regard to the subject matter contained herein. This Agreement supersedes all prior oral and written communications, agreements and understandings of the Parties, if any, with respect hereto. This Agreement will [\*\*] on or after the effective date of August 7, 2003 [\*\*] For the avoidance of doubt, and without limitation, examples of provisions contained in the Prior Agreement that by their sense and context are intended to survive expiration of the Prior Agreement include obligations to (i) pay termination charges for outstanding Orders, (ii) pay invoices for Services rendered, (iii) retain the confidentiality of confidential information, and (iv) to deliver source code under an Order entered into under the Prior Agreement. The Agreement will [\*\*]be executed after completion of this Agreement.

Acceptance of Material or Services, payment or any inaction by a party, shall not constitute a party's consent to or Acceptance of any additional or different terms from those stated in this Agreement, except for special terms and conditions in an Order signed by both Parties. Estimates furnished by a party are for planning purposes only and shall not constitute commitments. The parties covenant never to contend otherwise. No oral promises or statements have induced either Party to enter into this Agreement.

3.9 EXPORT CONTROLS

At SBC's expense, Supplier will obtain any necessary import certificates or permissions and all necessary export or other licenses from the United States government, including, but limited to, certifications as to use and ultimate destination and/or written agreements not to knowingly transmit the Software directly or indirectly to certain named countries. SBC shall use the Software or Services in compliance with applicable import and export laws.

3.10 FORCE MAJEURE

Neither Party shall be deemed in default of this Agreement or any Order to the extent that any delay or failure in the performance of its obligations results from any cause beyond its reasonable control and without its fault or negligence, including acts of God, acts of civil or military authority, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods or strikes ("Force Majeure").

If any Force Majeure condition affects Supplier's ability to perform, Supplier shall give reasonable notice to SBC, and the parties shall negotiate in good faith for a reasonable period of time (not less than [\*\*] days but not more than [\*\*] days and after such period SBC may elect to either: (i) Terminate the affected Order(s) or any part thereof, (ii) suspend the affected Order(s) or any part thereof for the duration of the Force Majeure condition, with the option to obtain elsewhere Material and Services to be furnished under such Order(s) and deduct from any commitment under such Order(s) the quantity of the Material and Services obtained or for which commitments have been made elsewhere, in which case, such Termination shall be treated as a Termination for

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Convenience except that SBC shall have no obligation to pay termination charges for any work that has been attempted but not completed, or (iii) resume performance under such Order(s) once the Force Majeure condition ceases, with an extension of any affected Delivery Date or performance date up to the length of time the Force Majeure condition existed or as otherwise mutually agreed. Unless SBC gives written notice within thirty (30) days after being notified of the Force Majeure condition, option (ii) shall be deemed selected.

3.11 GOVERNING LAW

This Agreement and performance hereunder shall be governed by the Laws of the State of Texas, exclusive of its choice of law provisions.

3.12 INDEMNITY

- A. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY AND ITS AFFILIATES, (INCLUDING THEIR EMPLOYEES, OFFICERS, DIRECTORS, AGENTS AND CONTRACTORS) AGAINST ANY LIABILITY ARISING FROM A PARTY'S OBLIGATIONS UNDER THIS AGREEMENT OR THE MATERIAL OR SERVICES PROVIDED BY SUPPLIER FOR THIRD PARTY CLAIMS ALLEGING: (1) INJURIES TO PERSONS, INCLUDING DEATH OR DISEASE; (2) DAMAGES TO TANGIBLE PROPERTY, INCLUDING THEFT BUT NOT INCLUDING LOSS OF DATA OR PROGRAMMING; AND (3) FAILURE TO COMPLY WITH ALL LAWS.
- B. THE LIABILITY OF THE INDEMNIFYING PARTY SHALL NOT EXTEND TO COVER ANY LIABILITIES (OR PORTION THEREOF) ARISING FROM THE ACTIONS OR OMISSIONS OF THE INDEMNIFIED PARTY. THIS INDEMNITY SHALL SURVIVE THE DELIVERY, INSPECTION, AND ACCEPTANCE OF THE MATERIAL OR SERVICES.
- C. IF ANY SERVICES ARE PERFORMED IN OHIO OR ANY OTHER STATE WHICH PROVIDES EMPLOYER IMMUNITY FROM EMPLOYEE CLAIMS UNDER WORKERS COMPENSATION STATUTES OR SIMILAR LAWS, STATUTES OR CONSTITUTIONAL PROVISIONS, IT IS EXPRESSLY AGREED THAT SUPPLIER SHALL WAIVE ANY IMMUNITY TO THE EXTENT THAT SUPPLIER IS CONTRACTUALLY OBLIGATED HEREUNDER TO DEFEND, INDEMNIFY AND HOLD HARMLESS SBC AND ITS AFFILIATES AGAINST ANY CLAIMS BY EMPLOYEES OF SUPPLIER, WHICH CLAIMS WOULD OTHERWISE BE SUBJECT TO IMMUNITY BY OPERATION OF SUCH LAW, STATUTE OR CONSTITUTIONAL PROVISION (In Ohio, Ohio Revised code 4123.74 and 4123.741 and Section 35, Article, II, Ohio Constitution).

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- D. THE PARTY SEEKING INDEMNIFICATION ("INDEMNIFIED PARTY") SHALL NOTIFY THE OTHER PARTY ("INDEMNIFYING PARTY") WITHIN A REASONABLE PERIOD OF TIME OF ANY WRITTEN CLAIM, DEMAND, NOTICE OR LEGAL PROCEEDINGS ("CLAIM") FOR WHICH THE INDEMNIFYING PARTY MAY BE RESPONSIBLE UNDER THIS INDEMNITY OBLIGATION. A DELAY IN NOTICE SHALL NOT RELIEVE THE INDEMNIFYING PARTY OF ITS INDEMNITY OBLIGATION EXCEPT TO THE EXTENT IT CAN SHOW IT WAS PREJUDICED BY THE DELAY.
- E. THE INDEMNIFYING PARTY SHALL ASSUME, AT ITS EXPENSE, THE SOLE DEFENSE OF THE CLAIM THROUGH COUNSEL SELECTED BY THE INDEMNIFYING PARTY AND SHALL KEEP THE INDEMNIFIED PARTY FULLY INFORMED AS TO THE PROGRESS OF SUCH DEFENSE. UPON REASONABLE REQUEST OF THE INDEMNIFYING PARTY AND AT ITS EXPENSE, THE INDEMNIFIED PARTY SHALL COOPERATE WITH THE INDEMNIFYING PARTY IN THE DEFENSE OF THE CLAIM. AT ITS OPTION AND EXPENSE, THE INDEMNIFIED PARTY MAY RETAIN OR USE SEPARATE COUNSEL TO REPRESENT IT, INCLUDING IN-HOUSE COUNSEL. HOWEVER, IN SUCH EVENT THE INDEMNIFYING PARTY SHALL NEVERTHELESS MAINTAIN CONTROL OF THE DEFENSE. SUBJECT TO THE LIMITATION OF LIABILITY CONTAINED IN SECTION 3.18(B)(1), THE INDEMNIFYING PARTY SHALL PAY THE FULL AMOUNT OF ANY ADVERSE JUDGMENT, AWARD OR SETTLEMENT WITH RESPECT TO THE CLAIM AND ALL OTHER REASONABLE EXPENSES OF THE INDEMNIFIED PARTY DIRECTLY RELATED TO THE RESOLUTION OF THE CLAIM, INCLUDING REASONABLE ATTORNEYS' FEES. IF THE INDEMNIFIED PARTY IS REQUIRED TO TAKE ANY ACTION TO ENFORCE ITS INDEMNITY RIGHTS UNDER THIS AGREEMENT OR TO ASSUME THE DEFENSE OF ANY CLAIM FOR WHICH IT IS ENTITLED TO RECEIVE AN INDEMNITY UNDER THIS AGREEMENT BECAUSE OF THE INDEMNIFYING PARTY'S FAILURE TO PROMPTLY ASSUME SUCH DEFENSE, THEN THE INDEMNIFIED PARTY MAY ALSO RECOVER FROM THE INDEMNIFYING PARTY ANY REASONABLE ATTORNEYS' FEES (INCLUDING COST OF IN-HOUSE COUNSEL AT MARKET RATES FOR ATTORNEYS OF SIMILAR EXPERIENCE) AND OTHER REASONABLE COSTS OF ENFORCING ITS INDEMNITY RIGHTS OR ASSUMING SUCH DEFENSE.

3.13 INFORMATION

A. Information furnished by SBC.

1. Any Information furnished to Supplier by SBC in connection with this Agreement, including Information provided under a separate

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nondisclosure agreement in connection with discussion prior to executing this Agreement ("SBC Materials"), shall remain SBC's property. Unless such Information (a) was previously known to Supplier free of any obligation to keep it confidential, or (b) has been or is subsequently made public by SBC or a third party, without violating a confidentiality obligation, or (c) is independently invented by Supplier without reference to the SBC Information, or (d) is required to be disclosed pursuant to law, regulation, judicial or administrative order, or governmental request by an entity authorized by law to make such request, it shall be kept confidential by Supplier, shall be used only in performing under this Agreement, and may not be used for other purposes, except as may be agreed upon between Supplier and SBC in writing. Supplier is granted no rights or license to such Information, except as provided in Section 3.17. All copies of such Information, in written, graphic or other tangible form, shall be destroyed or returned to SBC upon the earlier of (i) SBC's request or (ii) upon Termination or expiration of this Agreement. All copies of such Information in intangible form, such as electronic records, including electronic mail, shall be destroyed upon the earlier of (i) SBC's request or (ii) upon Termination, or expiration of this Agreement, and upon request Supplier shall certify to SBC the destruction of all intangible copies of such Information.

2. Subject to Section 3.25 Supplier understands and agrees that any [\*\*] with Supplier. [\*\*] in addition to the provisions contained in this Section, Information."

B. Information furnished by Supplier.

1. Any Information furnished to SBC by Supplier under this Agreement ("Supplier Information") shall remain Supplier's property. SBC shall use the same degree of care to prevent disclosure of the Supplier Information to others as SBC uses with respect to its own proprietary or confidential Information. The Supplier Information shall be kept confidential by SBC, shall be used only in accordance with this Agreement, and may not be used for other purposes, except as may be agreed upon between Supplier and SBC in writing. All copies of such Information, in written, graphic or other tangible form, excluding Program Materials owned by or licensed to SBC shall be destroyed or

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returned to Supplier upon the earlier of (i) Supplier's request or (ii) upon Termination or expiration of this Agreement. All copies of such Information in intangible form, such as electronic records, including electronic mail, shall be destroyed upon the earlier of (i) Supplier's request or (ii) upon Termination, or expiration of this Agreement, and upon request SBC shall certify to Supplier the destruction of all intangible copies of such Information.

Supplier Information relating to the installation, operation, repair, or maintenance of the Material and Services which are the subject of this Agreement shall be considered to be proprietary or confidential Supplier Information, however SBC may disclose such Information to others for the purpose of installing, operating, repairing, replacing, removing and maintaining the Material for which it was initially furnished in the manner described as follows. All Supplier Information [\*\*], SBC will [\*\*] to this Agreement, [\*\*] under this Agreement. "Reasonably Excluded Materials" will be defined on a case-by-case basis by mutual agreement of the parties and the SBC - Amdocs Leadership Counsel in the applicable Work Order and prior to the submission of such materials by Amdocs to SBC. [\*\*] Infringement of Third Party Intellectual Property Rights

A. Amdocs' Duty to Indemnify SBC.

1. Supplier agrees to defend, indemnify and hold SBC harmless from and against any Liability, including increased damages for willful infringement, that may result by reason of any infringement, or claim of infringement, of any trade secret, or registered US or Canadian patent, trademark, copyright or other proprietary interest of any third party recognized in the US or Canada based on the Software or Services furnished by Supplier to SBC.
2. Supplier represents and warrants that it has made reasonable independent investigation to determine the legality of its right to sell or license the Software or provide Services as specified in this Agreement.
3. In addition to Supplier's other obligations set forth in this Section, if an injunction or order is obtained against SBC's use of any Software or Service, or, if, in Supplier's opinion, any Software or Service is likely to become the subject of a claim of infringement, Supplier will, at its expense:
  - i. Procure for SBC the right to continue using the Software or Service; or

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ii. After consultation with SBC, replace or modify the Software or Service to make it a substantially similar, functionally equivalent, non-infringing Software or Service.

4. If the Software or Service is purchased or licensed, and neither Subsection 3(i) nor (3)(ii) above is reasonably possible SBC may Terminate the applicable Order and require Supplier to remove, or cause the removal and return of, such Software or Service from SBC's location and refund any charges paid by SBC, with a credit for use pro-rated based upon a five (5) year usable life.
5. In no event will SBC be liable to Supplier for any charges incurred after the date that SBC no longer uses any Software or Service because of actual infringement.
6. Supplier agrees to defend or settle, at its own expense, any action or suit for which it is responsible under this Section. SBC agrees to notify Supplier promptly of any claim of infringement and cooperate in every reasonable way to facilitate the defense. Supplier shall afford SBC, at its own expense and with counsel of SBC's choice, an opportunity to participate with Supplier in the defense or settlement of any such claim, provided however that Supplier shall have sole control of such defense or settlement.
7. LIMITATIONS. Amdocs has no obligation or Liability under this Section 3.14 with respect to any infringement claim which is based upon or results from (i) the combination of any Software with any equipment, device, firmware or software not furnished by Amdocs; (ii) any modification of the Software by SBC or its contractors; (iii) unauthorized use of the Software; (iv) SBC's failure to install or have installed changes, revisions or updates as instructed by Amdocs; or (v) compliance by Amdocs with SBC or its contractor's specifications, designs or instructions. SBC agrees to indemnify, defend and hold harmless Amdocs against any claim involving acts or omissions by SBC or its contractors as described in items (i)-(v), inclusive, of this Section 3.14(7).

B. SBC Duty to Indemnify Amdocs.

1. SBC agrees to defend, indemnify and hold Amdocs harmless from and against any Liability, including increased damages for willful infringement, that may result by reason of any infringement, or claim of infringement, of any trade secret, or registered US or Canadian patent, trademark, copyright or other proprietary interest

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of any third party recognized in the US or Canada based on the SBC Materials furnished by SBC to Amdocs.

2. SBC represents and warrants that it has made reasonable independent investigation to determine the legality of its right to license the SBC Materials as specified in this Agreement.
3. In addition to SBC's other obligations set forth in this Section, if an injunction or order is obtained against Amdocs's use of any SBC Materials, or, if, in SBC's opinion, any SBC Materials are likely to become the subject of a claim of infringement, SBC will, at its expense:
  - i. Procure the right to continue using the SBC Materials; or
  - ii. After consultation with Amdocs, replace or modify the SBC Materials to make it a substantially similar, functionally equivalent, non-infringing Material or Software.
4. SBC agrees to defend or settle, at its own expense, any action or suit for which it is responsible under this Section. Amdocs agrees to notify SBC promptly of any claim of infringement and cooperate in every reasonable way to facilitate the defense. SBC shall afford Supplier, at its own expense and with counsel of Supplier's choice, an opportunity to participate with SBC in the defense or settlement of any such claim, provided however that SBC shall have sole control of such defense or settlement.
5. LIMITATIONS. SBC has no obligation or Liability under this Section 3.14 with respect to any infringement claim which is based upon or results from (i) the combination of any SBC Materials with any equipment, device, firmware or software not furnished by SBC; (ii) any modification of the SBC Materials by Amdocs or its contractors; (iii) unauthorized use of the SBC Materials; (iv) Amdocs' failure to install or have installed changes, revisions or updates as instructed by SBC; or (v) compliance by SBC with Amdocs' specifications, designs or instructions. Amdocs agrees to indemnify, defend and hold harmless SBC against any claim involving acts or omissions by Amdocs or its contractors as described in items (i)-(v), inclusive, of this Section 3.14(5).

### 3.14 INSURANCE

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- A. With respect to performance hereunder, and in addition to Supplier's obligation to indemnify, Supplier agrees to maintain, at all times during the term of this Agreement, the following minimum insurance coverages and limits and any additional insurance and/or bonds required by law:
1. Workers' Compensation insurance with benefits afforded under the laws of the state in which the Services are to be performed and Employers Liability insurance with minimum limits of \$for Bodily Injury-each accident, \$100,000 for Bodily Injury by disease-policy limits and \$100,000 for Bodily Injury by disease-each employee.
  2. Commercial General Liability insurance with minimum limits of: \$2,000,000 General Aggregate limit; \$1,000,000 each occurrence sub-limit for all bodily injury or property damage incurred in any one occurrence; \$1,000,000 each occurrence sub-limit for Personal Injury and Advertising Injury; \$2,000,000 Products/Completed Operations Aggregate limit, with a \$1,000,000 each occurrence sub-limit for Products/Completed Operations.  
  
SBC and its Affiliated companies will be listed as an Additional Insured on the Commercial General Liability policy.
  3. If use of a motor vehicle is required, Automobile Liability insurance with minimum limits of \$1,000,000 combined single limits per occurrence for bodily injury and property damage, which coverage shall extend to all owned, hired and non-owned vehicles.
  4. SBC requires that companies affording insurance coverage have a rating of B+ or better and a Financial Size Category rating of VII or better rating, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies.
  5. A certificate of insurance stating the types of insurance and policy limits provided the Supplier shall be received within a reasonable time after any request for same by SBC. If a certificate is not received, Supplier hereby authorizes SBC, and SBC may, but is not required to, obtain insurance on behalf of Supplier as specified herein. SBC will either invoice Supplier for the costs incurred to so acquire insurance or will reduce by an applicable amount any amount owed to Supplier.
  6. The cancellation clause on the certificate of insurance will be amended to read as follows:

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"THE ISSUING COMPANY WILL MAIL THIRTY (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER PRIOR TO CANCELLATION OR A MATERIAL CHANGE TO POLICY DESCRIBED ABOVE."

7. The Supplier shall also require all subcontractors performing Work on the project or who may enter upon the work site to maintain the same insurance requirements listed above.

3.15 INVOICING AND PAYMENT

- A. Except as otherwise specified in the applicable Order, Supplier shall render an invoice for all OnGoing Support Services rendered under this Agreement in duplicate on a monthly basis, in arrears. If the parties choose to deviate from the standard monthly billing cycle in the applicable Order, the parties shall include in the Order a payment schedule for the issuance of invoices on a milestone basis, including promptly after the Delivery (and/or, where applicable, the Acceptance) of Material or performance of Services.
- B. Payment of Software shall be as set forth in the applicable Order; or if no payment schedule is described in the Order, then as follows: [\*\*] percent ([\*\*]%) upon execution of the Order; [\*\*] percent ([\*\*]%) upon delivery of the detailed design specifications or equivalent [\*\*] percent ([\*\*]%) upon delivery of the Software; and [\*\*] percent ([\*\*]%) upon SBC Acceptance.
- C. The invoice shall specify in detail, where applicable (1) quantities of each ordered item, (2) unit prices of each ordered item, (3) the estimated amount of tax per item, (4) any relevant item and commodity codes known to Amdocs, (5) total amounts for each item, (6) total estimated amount of applicable sales or use taxes, (7) discounts, (8) shipping charges, and (9) total amount due. SBC shall pay Supplier in accordance with the prices set forth in this Agreement within [\*\*] days of the date of receipt of the invoice. Payment for Material or Services not conforming to the Specifications (in the event of payments due upon Acceptance), and portions of any invoice in dispute, may be withheld by SBC until such problem has been resolved in accordance with the escalation and arbitration mechanisms described in Sections 4.7. If SBC disputes any invoice rendered or amount paid, SBC shall promptly so notify Supplier. The Parties shall use their best efforts to resolve such dispute expeditiously, including escalation to the SBC - Amdocs Leadership Council if necessary.
- D. Payment of Services performed may be either time and materials Order, or a fixed-bid Order. In time and materials Orders, SBC shall compensate Amdocs on

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the basis of hours actually worked. In the case of fixed-bid Orders, SBC shall compensate Amdocs on the basis of the agreed fixed price. Estimates for fixed bid Orders only with respect to Custom Software Development performed by Amdocs personnel located off-shore shall be calculated based upon hours of work per month. OnGoing Support shall be based upon [\*\*] hours of work per month. OnGoing Support shall be based upon a forty (40) hour work week unless otherwise defined in the Order. [\*\*].

- E. Supplier agrees to accept standard, commercial methods of payment and evidence of payment obligation including, but not limited to electronic fund transfers in connection with the purchase of the Material and Services.

3.16 LICENSES AND PATENTS

- A. Except as provided herein, no licenses, express or implied, under any patents, copyrights, trademarks or other intellectual property rights are granted by SBC to Supplier under this Agreement.
- B. SBC grants Amdocs and its Affiliates a license in any materials which are provided to Amdocs during the course of Amdocs' performance under an Order ("SBC Materials"), which license grants rights to use such SBC Materials solely for purposes of the performance by Amdocs of its Services under an Order. Such license shall automatically terminate upon termination or conclusion of the applicable Order. Any such SBC Materials shall be treated as SBC's confidential Information as defined in Section 3.13.

3.17 LIMITATION OF LIABILITY

- A. EXCLUSION OF INDIRECT AND CONSEQUENTIAL DAMAGES. EXCEPT AS PROVIDED IN THIS SECTION 3.18 NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING LOST REVENUE, LOST DATA OR LOST PROFITS, ARISING OUT OF ANY BREACH OF THE OBLIGATIONS OF THIS AGREEMENT, REGARDLESS OF THE THEORY OF RECOVERY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. HOWEVER, THE FOLLOWING ELEMENT OF LOSS OR DAMAGE, IF PROVED, SHALL BE DEEMED DIRECT OR GENERAL DAMAGES NOT EXCLUDED OR LIMITED BY THE PRECEDING SENTENCE:
  - 1. LIABILITY, LOSS, OR DAMAGE FOR WHICH ONE PARTY IS OBLIGATED TO INDEMNIFY THE OTHER UNDER THE SECTIONS ENTITLED "COMPLIANCE WITH LAWS," "INDEMNITY,"

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"INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS,"  
AND "INDEPENDENT CONTRACTOR";

2. LOSS OR DAMAGE PROXIMATELY CAUSED BY A PARTY'S BREACH OF ITS OBLIGATIONS UNDER THE SECTION ENTITLED "INFORMATION"; AND
3. [\*\*] PROVIDED UNDER ANY PROVISION OF THIS AGREEMENT.

B. LIMITATION OF DIRECT AND GENERAL DAMAGES. EXCEPT AS PROVIDED IN THIS SECTION 3.18 NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY WITH RESPECT TO ANY ORDER OR THIS AGREEMENT FOR ANY DAMAGES IN EXCESS OF ONE MILLION DOLLARS WITH RESPECT TO ANY ORDER, NOR FOR ANY DAMAGES IN EXCESS OF FIVE MILLION DOLLARS UNDER ALL ORDERS OR THIS AGREEMENT. HOWEVER, THE FOLLOWING ELEMENTS OF LOSS OR DAMAGE, IF PROVED, SHALL NOT BE EXCLUDED OR LIMITED BY THE PRECEDING SENTENCES:

1. LIABILITY, LOSS, OR DAMAGE FOR WHICH ONE PARTY IS OBLIGATED TO INDEMNIFY THE OTHER UNDER THE SECTIONS ENTITLED "COMPLIANCE WITH LAWS," "INDEMNITY," "INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS," AND "INDEPENDENT CONTRACTOR" ; PROVIDED, HOWEVER, THAT, WITH RESPECT TO LOSS, LIABILITY, OR DAMAGE WHICH MAY BE COVERED BY LIABILITY INSURANCE OF THE TYPES REQUIRED IN THE SECTION ENTITLED "INSURANCE," EACH PARTY SHALL AND HEREBY DOES WAIVE ANY CLAIMS DAMAGES IN EXCESS OF THE LIMITS ON INSURANCE MENTIONED IN THAT SECTION;
2. LOSS OR DAMAGE PROXIMATELY CAUSED BY A PARTY'S BREACH OF ITS OBLIGATIONS UNDER THE SECTION ENTITLED "INFORMATION";
3. AMDOCS' LIABILITY PURSUANT TO SECTION 3.34(D)(4) TO REFUND AMOUNTS PAID FOR WORK UNDER A CUSTOM SOFTWARE DEVELOPMENT ORDER, WHERE SUCH SOFTWARE FAILS ACCEPTANCE AND HAS NEVER BEEN PUT INTO PRODUCTION; IF THE ARBITRATOR HAS DETERMINED THAT SUCH FAILURE HAS RESULTED SOLELY FROM AMDOCS' FAILURE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT, SHALL BE EQUAL TO A MAXIMUM OF THE SUM OF AMOUNTS PAID BY SBC FOR SUCH WORK, PLUS ANY LIQUIDATED DAMAGES THAT SBC HAS RECOVERED, EVEN IF THE LIQUIDATED DAMAGES THEMSELVES

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HAVE REACHED THE ONE MILLION DOLLAR LIMIT PROVIDED IN THE SECOND SENTENCE OF THIS SECTION;

4. AMDOCS' LIABILITY FOR FAILURE TO MEET ITS WARRANTY OBLIGATIONS TO CORRECT CERTAIN ERRORS AND AMDOCS' LIABILITY FOR LIQUIDATED DAMAGES FOR BREACH OF A SERVICE LEVEL AGREEMENT, BOTH OF WHICH ARE, HOWEVER, SEPARATELY LIMITED AS PROVIDED IN SECTION 3.34(D); AND
5. SBC's liability to pay for Services rendered OR EXPENSES INCURRED UNDER THIS AGREEMENT OR ANY ORDER THERETO.

3.18 MBE/WBE/DVBE (AND EXHIBITS)

- A. SBC seeks to give minority-, women- and Disabled Veteran-owned businesses the maximum opportunity to participate in the performance of its contracts; current goals are MBE-15%, WBE-5%, and DVBE-1.5%. Within twelve (12) months of the Execution Date of this Agreement, and for each year thereafter, Amdocs commits to goals for the participation of MBE/WBE and DVBE firms (as defined in section 3.20 below entitled "MBE/WBE/DVBE Termination") as follows: MBE - 4% percent annual MBE participation; WBE - 2% percent annual WBE participation; and DVBE - 0% percent annual DVBE participation. These goals apply to all annual expenditures by any entity pursuant to this Agreement with Amdocs. Amdocs agrees to meet in good faith to evaluate with SBC on annual basis whether Amdocs can increase participation over the life of the Agreement.
- B. Attached hereto and incorporated herein as Exhibit A is Supplier's completed Participation Plan outlining its MBE/WBE/DVBE goals and specific and detailed plans to achieve those goals. Supplier will submit an updated Participation Plan annually by the first week in January. Supplier will submit MBE/WBE/DVBE Results Reports quarterly by the end of the first week following the close of each quarter, using the form attached hereto and incorporated herein as Exhibit B. Participation Plans and Results Reports will be submitted to the Prime Supplier Program Manager.

3.19 MBE/WBE/DVBE TERMINATION CLAUSE

- A. Supplier agrees that falsification or misrepresentation of, or failure to report a disqualifying change in, the MBE/WBE/DVBE status of Supplier or any subcontractor utilized by Supplier, or Supplier's failure to comply in good faith with any MBE/WBE/DVBE utilization goals established by Supplier, or Supplier's failure to cooperate in any investigation conducted by SBC, or by SBC's agent, to determine Supplier's compliance with this Section, will constitute

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a material breach of this Agreement. In the event of any such breach, SBC may, at its option, pursue Termination through the Dispute Resolution procedures of Section 4.7 upon thirty (30) days notice where such breach remains uncured by Amdocs at the end of the notice period. Supplier acknowledges and agrees that SBC shall not be subject to Liability, nor shall Supplier have any right to suit for damages as a result of such Termination.

- B. For purchases under this Agreement by Pacific Bell, Pacific Bell Directory, Pacific Bell Mobile Services, Pacific Bell Information Services, Pacific Bell Communications, and any other entity operating principally in California (collectively "California Affiliates"), Minority and Women Business Enterprises (MBEs/WBEs) are defined as businesses which satisfy the requirements of Subsection D below and are certified as MBEs/WBEs by the California Public Utilities Commission Clearinghouse ("CPUC-certified").
- C. For purchases under this Agreement by any entity that is not a California Affiliate, MBEs/WBEs are defined as businesses which satisfy the requirements of Subsection d. below and are either CPUC-certified or are certified as MBEs/WBEs by a certifying agency recognized by SBC.
- D. MBEs/WBEs must be at least fifty-one percent (51%) owned by a minority individual or group or by one or more women (for publicly-held businesses, at least fifty-one percent (51%) of the stock must be owned by one or more of those individuals), and the MBEs/WBEs' management and daily business operations must be controlled by one or more of those individuals, and these individuals must be either U.S. citizens or legal aliens with permanent residence status. For the purpose of this definition, minority group members include male or female Asian Americans, Black Americans, Filipino Americans, Hispanic Americans, Native Americans (i.e., American Indians, Eskimos, Aleuts and Native Hawaiians), Polynesian Americans, and multi-ethnic (i.e., any combination of MBEs and WBEs where no one specific group has a fifty-one percent (51%) ownership and control of the business, but when aggregated, the ownership and control combination meets or exceeds the fifty-one percent (51%) rule). "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means actively involved in the day-to-day management of the business and not merely acting as officers or directors.
- E. For purchases under this Agreement by California Affiliates, DVBEs are defined as business concerns that satisfy the requirements of Subsection g. below and are certified as DVBEs by the California State Office of Small and Minority Business (OSMB). The DVBE must be a resident of the State of California, and must satisfy the requirements of Subsection g. below.

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- F. For purchases under this Agreement by any entity that is not a California Affiliate, DVBEs are defined as any business concern that satisfies the requirements of Subsection g. below and is either a defined DVBE for purchases by California Affiliates, or is certified as a DVBE by a certifying agency recognized by SBC.
- G. The DVBE must be (i) a non publicly-owned enterprise at least fifty-one percent (51%) owned by one or more disabled veterans; or (ii) a publicly-owned business in which at least fifty-one percent (51%) of the stock is owned by one or more disabled veterans; or (iii) a subsidiary which is wholly owned by a parent corporation, but only if at least fifty-one percent (51%) of the voting stock of the parent corporation is owned by one or more disabled veterans; or (iv) a joint venture in which at least fifty-one percent (51%) of the joint venture's management and control and earnings are held by one or more disabled veterans. In each case, the management and control of the daily business operations must be by one or more disabled veterans. A disabled veteran is a veteran of the military, naval or air service of the United States with a service-connected disability. "Management and control" in this context means exercising the power to make policy decisions and actively involved in the day-to-day management of the business and not merely acting as officers or directors.

3.20 NON-EXCLUSIVE MARKET

It is expressly understood and agreed that this Agreement does not grant Supplier an exclusive privilege to provide to SBC any or all Material and Services of the type described in this Agreement, nor does it require SBC to purchase or license any Material or Services. It is understood, therefore, that SBC may contract with other manufacturers and suppliers for the procurement or trial of comparable Material and Services and that SBC may itself perform the Services described herein. Furthermore, subject to execution of the Non Disclosure Agreement attached at Exhibit E and the limitations in Section 3.13, SBC may contract with another Supplier to complete, enhance, and/or maintain Pre-existing Works included in Software or Services that were previously delivered to SBC by Supplier pursuant to this Agreement.

3.21 NOTICES

- A. Except as otherwise provided in this Agreement or an applicable Order, all notices or other communications hereunder shall be deemed to have been duly given when made in writing and either (i) delivered in person, or (ii) when received, if provided by an overnight or similar delivery service, or (iii) when received, if deposited in the United States Mail, postage prepaid, return receipt requested, and addressed as follows:

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To: AMDOCS, INC.  
1390 TIMBERLAKE MANOR PARKWAY  
CHESTERFIELD, MO 63017  
ATTN: VICE-PRESIDENT, INVESTOR RELATIONS AND FINANCE

To: SBC SERVICES INC.  
2600 CAMINO RAMON 4E453  
SAN RAMON, CA 94583  
ATTN: DIRECTOR, ENTERPRISE SOFTWARE CONTRACTING

- B. The addresses to which notices or communications may be given by either Party may be changed by written notice given by such Party to the other pursuant to this Section.

3.22 ORDER OF PRECEDENCE

In the event of any conflict or inconsistency between provisions of this Agreement and the provisions of an Order the following order precedence shall control: (i) The Order; (ii) the Agreement; but only for purposes of such Order and, except for such Order, the terms and conditions of this Agreement shall not be deemed to be waived, amended or modified.

3.23 PRICE

- A. Orders for Custom Software Development and OnGoing Support Services shall be furnished by Supplier in accordance with the prices and expense reimbursement policy set forth in Appendix 1.2(2) and 1.2(4) respectively, attached hereto and made a part hereof, or pursuant to such other prices as may be mutually agreed by the parties in an Order. The prices for all Custom Software Development and OnGoing Support Services in Appendix 1.2(2) and 1.2(4) are effective July 1, 2003 and shall remain firm until June 30, 2004. Thereafter, the rates shall automatically renew each year for a one (1) year period unless either party is notified 30 days prior to the effective date requesting a change in rates. If an increase is warranted, Amdocs shall review such proposed rate increase with SBC in good faith, taking relevant market conditions into account. If the parties are unable to reach agreement on a proposed rate increase, Amdocs may increase pricing in Appendix 1.2(2) and 1.2(4). Such increases may not exceed the increase in the [\*\*], as published in the month preceding the month in which the price increase is proposed. [\*\*]. After the initial labor rate increase, such labor rates shall not be increased more than once in any twelve months period. All increases shall be only in accordance with this Agreement, which changes must be in writing, reviewed by the SBC-Amdocs Leadership Council, and signed by both Parties.

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- B. Supplier shall provide the SBC-Amdocs Leadership Council with any generally applicable and published list pricing for Software, professional services, training, and other Materials and Services on an annual basis.
- C. Notwithstanding any other remedies available to Amdocs under this Agreement or under applicable law, payment in arrears of more than [\*\*] days shall bear interest from the date payment is due at the rate of two percent (2%) per annum above the prime rate published by the New York Wall Street Journal unless the amount in arrears is disputed in good faith and until such dispute is resolved. Additionally, and without affecting the foregoing, SBC failure to pay any undisputed payment under this Agreement within sixty (60) days after such payment becomes due shall be considered a material breach of this Agreement by SBC, subject to the provisions of Section 4.7.

3.24 PUBLICITY

- A. Supplier shall not use SBC's or its Affiliates' names or any language, pictures, trademarks, service marks or symbols which could, in SBC's judgment, imply SBC's or its Affiliates' identity or endorsement by SBC, its Affiliates or any of its employees in any (i) written, electronic, or oral advertising or presentation or (ii) brochure, newsletter, book, electronic database, or other written material of whatever nature, without SBC's prior written consent (hereafter the terms in subsections (i) and (ii) of this Section shall be collectively referred to as "Publicity Matters"). Supplier will submit to SBC for written approval, at the address identified in Section entitled "Notices", prior to publication, all Publicity Matters that mention or display SBC's or its Affiliates' names, trademarks or service marks, or that contain any symbols, pictures or language from which a connection to said names or marks may be inferred or implied.
- B. SBC acknowledges that Amdocs is a publicly traded corporation and is therefore subject to certain reporting rules that may require that Amdocs publish certain matters which relate to SBC.

3.25 QUALITY ASSURANCE

For the term of this Agreement, Amdocs software development organization(s) will have a quality program in place.

- A. [\*\*]. Amdocs' Custom Software development organization(s) [\*\*] the effective date of this agreement, [\*\*].
- B. Supplier Performance Program. Both Parties hereby agree to participate in the Supplier Performance Program ("Program") described below. The Program will assist Amdocs in self-identifying areas of deficiency that may develop in

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Amdocs' performance as it relates to fulfilling its obligations under this Agreement. Participation in or use of, the Program does not negate or diminish Amdocs' responsibilities as it relates to its requirements to perform its obligation as defined elsewhere in this Agreement nor does it negate, diminish or waive SBC's rights or remedies as defined elsewhere in this Agreement. If there is a conflict between the Program and other sections of this Agreement the other sections of this Agreement shall control. The Parties intent is that documentation requirements under the Program will be satisfied by other documentation obligations provided for elsewhere in this Agreement. Accordingly, the Parties do not anticipate that compliance with the Program will impose upon Amdocs obligations above that otherwise provided for in this Agreement.

Amdocs shall:

1. Monitor its performance relative to certain mutually agreed measurable performance indices such as Software performance, service performance, and on time delivery. Performance measurements collected for the purposes of the Program will be defined by the parties from time to time.
2. Collect and report to SBC the data relating to Amdocs' performance. The data must be entered by Amdocs in SBC's Amdocs Website (currently [www.sbcsuppliers.com](http://www.sbcsuppliers.com)) in a format that is designated by SBC. Data will be collected and reported periodically.
3. Conduct a self-evaluation of its performance based on the analysis of the data reported. In those areas where Amdocs' performance deviates from agreed and identified acceptable performance levels, Amdocs shall develop and submit specific performance improvement plans to SBC detailing Amdocs' plans to correct such deficiencies.
4. Cooperate fully with SBC's supplier performance management team to coordinate Amdocs' activities as they relate to the Program. This includes but is not limited to participation in planning meetings, audits, feedback sessions, and issue resolution.

SBC shall:

1. Work with Amdocs to define by mutual agreement the data requirements that Amdocs will monitor and report.

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2. Provide Amdocs with access to SBC's supplier website for the purposes of entering Amdocs' data.
3. Generate Performance Reports summarizing the data and provide Amdocs with periodic feedback evaluating its performance. SBC's supplier performance management team will assist Amdocs in resolving any internal SBC issues that may impact Amdocs' performance.
4. Cooperate with Amdocs to address areas in which the parties agree that SBC can help to improve Amdocs' ability to meet agreed performance metrics.

3.26 RECORDS AND AUDITS

Supplier agrees that it will:

- A. Maintain complete and accurate records of all amounts billable to and payments made by SBC related to the Material and Services provided by Supplier to SBC, in accordance with Generally Accepted Accounting Principles and Practices, uniformly and consistently applied in a format that will permit audit;
- B. Retain such records and reasonable billing detail for a period of at least three (3) years from the date of final payment for Material and Services;
- C. Provide reasonable supporting documentation to SBC concerning any disputed invoice amount within thirty (30) calendar days after receipt of written notification of such dispute; and
- D. Provide all records required under this Section 3.27 for audit by a mutually acceptable independent third party auditor (who shall have signed a confidentiality agreement with Amdocs substantially in the form of Exhibit C) appointed by SBC at its expense, on reasonable advance notice, no more than once in any twelve (12) month period, and during normal business hours, either (i) in the event of a dispute between SBC and Amdocs hereunder, or (ii) for the purpose of verifying that Amdocs is complying with its obligations hereunder.

3.27 SEVERABILITY

If any provision of this Agreement is found invalid or unenforceable, such invalidity or non-enforceability shall not invalidate or render unenforceable any other portion of this Agreement. The entire Agreement will be construed as if it did not contain the particular invalid or unenforceable provision(s) and the rights and obligations of Supplier and SBC will be construed and enforced accordingly.

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3.28 SUBCONTRACTING

Where a portion of the Work is subcontracted, Supplier remains fully responsible for performance thereof and shall be responsible to SBC for the acts and omissions of any subcontractor and any temporary worker engaged by Amdocs. Any use of a subcontractor which is not an Affiliate of Amdocs (but not of a temporary worker) must be either set forth in the applicable Order or otherwise communicated to SBC before commencement of the Work. Supplier shall endeavor to obtain and maintain insurance for acts and omissions of subcontractor in material conformity with the Insurance Section of this Agreement. The Supplier agrees to execute a subcontract with every subcontractor such which materially conforms with the terms of this Agreement and, specifically, with the Insurance Section of this Agreement. Furthermore, Supplier agrees to have its subcontractors under the Agreement execute the non-disclosure agreement attached as Exhibit E.

The parties agree that the temporary workers and Subcontractors engaged by Amdocs may from time to time require access to the premises and facilities of SBC for their participation in the performance of this Agreement and the Orders issued hereunder, and that if so requested by Amdocs, SBC shall deal with the personnel of the Subcontractors and with any reasonable requests of the Subcontractors, in all respects, as if such personnel were the personnel, and such requests were the requests, of Amdocs.

3.29 SURVIVAL OF OBLIGATIONS

Obligations and rights in connection with this Agreement, which by their nature would continue beyond the Termination or expiration of this Agreement, including, but not limited to, those in the Sections entitled "Compliance with Laws," "Infringement of Third Party Intellectual Property Rights," "Indemnity," "Limitation of Liability", "Publicity," "Severability," "Information," "Independent Contractor" and "Warranty," will survive the Termination or expiration of this Agreement.

3.30 TAXES

A. SUPPLIER'S rates, fees, and other charges set forth in the Agreement and any Order exclude taxes that SUPPLIER may be called upon to pay as a result of the transaction, except US withholding taxes, that are levied upon, or measured by, the value of sale, services, or license furnished under an Order, or any price or fee paid by SBC under this Agreement, such as a "sales tax" or "service tax", value added tax, goods and service tax, and other similar taxes, U.S. excise tax, and non-US withholding tax (collectively "excluded taxes"), it being understood that SBC is not obligated to pay or to reimburse Amdocs for its own income taxes, which are expressly excepted from the category of excluded taxes.. SUPPLIER shall invoice SBC for such excluded taxes as a separate item on the invoice, listing the taxing jurisdiction imposing the tax and SBC shall pay or reimburse

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SUPPLIER for such excluded tax when SBC pays its invoice. Non-taxable charges must be separately stated. SBC agrees to pay all applicable excluded taxes to Supplier. Supplier agrees to remit such excluded taxes to the appropriate taxing authorities. Supplier agrees that it will honor properly prepared retail sales tax exemption certificates, which SBC may submit, pursuant to the relevant Sales/Use tax provisions of the taxing jurisdiction.

- B. Except as stated in subparagraph c of this Section, Supplier agrees to pay, and to hold SBC harmless from and against, any penalty, interest, additional tax, or other charge that may be levied or assessed as a result of the delay or failure of Supplier, to pay any tax or file any return or information required by law, rule or regulation or by this Agreement to be paid or filed by Supplier. Supplier agrees to pay and to hold SBC harmless from and against any penalty or sanction assessed as a result of Supplier doing business with any country subject to U.S. trade restrictions.
- C. Upon SBC's request, the Parties shall consult with respect to the basis and rates upon which Supplier shall pay any taxes or fees for which SBC is obligated to reimburse Supplier under this Agreement. If SBC determines that in its opinion any such taxes or fees are not payable, or should be paid on a basis less than the full price or at rates less than the full tax rate, Supplier shall make payment in accordance with such determinations and SBC shall be responsible for such determinations. If collection is sought by the taxing authority for a greater amount of taxes than that so determined by SBC, Supplier shall promptly notify SBC. Supplier shall cooperate with SBC and consider any request to contest such determination, but SBC shall be responsible and shall reimburse Supplier for any tax, interest, or penalty in excess of its determination. If SBC desires to request Supplier to contest such collection, SBC shall promptly notify Supplier. If SBC determines that in its opinion it has reimbursed Supplier for sales or use taxes in excess of the amount that SBC is obligated to reimburse Supplier, SBC and Supplier shall consult to determine the appropriate method of recovery of such excess reimbursements. Supplier shall credit any excess reimbursements against tax reimbursements or other payments due from SBC if and to the extent Supplier makes corresponding adjustments to its payments to the relevant tax authority. At SBC's request, Supplier will consider timely filing any claims for refund and any other documents required to recover any other excess reimbursements, and shall promptly remit to SBC all such refunds and interest received.
- D. If any taxing authority advises Supplier that it intends to audit Supplier with respect to any taxes for which SBC is obligated to reimburse Supplier under this agreement, Supplier shall (i) promptly so notify SBC, (ii) afford SBC an opportunity to participate with Supplier in such audit with respect to such taxes and (iii) keep SBC fully informed as to the progress of such audit. Each Party

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shall bear its own expenses with respect to any such audit, and the responsibility for any additional tax, penalty or interest resulting from such audit shall be determined in accordance with the applicable provisions of this section. [\*\*] this section shall [\*\*].

- E. If either Party is audited by a taxing authority or other governmental entity, the other Party agrees to reasonably cooperate with the Party being audited in order to respond to any audit inquiries in an appropriate and timely manner, so that the audit and any resulting controversy may be resolved expeditiously.
- F. SBC and Supplier agree that they will reasonably cooperate with each other with respect to any tax planning to minimize taxes. The degree of cooperation contemplated by this section is to enable any resulting tax planning to be implemented and includes, but is not limited to: (i) Supplier's installing and loading all of the Software licensed by SBC under this License Agreement and retaining possession and ownership of all tangible personal property, (ii) Supplier installing, loading and/or transferring the Software at a location selected by SBC, and (iii) Supplier delivering all of the Software in electronic form. SBC agrees to bear all reasonable external (paid to third parties), additional expenses incurred by Supplier to comply with the provisions of this subsection. Supplier's cooperation shall not be viewed as any agreement with, or guarantee of, the taxability or non-taxability of the transaction.

3.31 TERM OF AGREEMENT

- A. This Agreement is effective August 7, 2003 and, unless Terminated as provided in this Agreement, shall remain in effect for a term ending August 6, 2008. The Parties may extend the term of this Agreement by mutual agreement in writing.
- B. The Termination or expiration of this Agreement shall not affect the obligations of either Party to the other Party pursuant to any Order previously executed hereunder, and the terms and conditions of this Agreement shall continue to apply to such Order as if this Agreement were still in effect.

3.32 TITLE TO WORK

- A. All right, title, and interest in Work produced for SBC under this Agreement shall be treated as provided in this Section. Subsection b. below shall apply where SBC's Order for Custom Software does not include Supplier's Pre-Existing Works. Subsection c. below shall apply where SBC's Order for Custom Software includes Supplier's Pre-Existing Works. Subsection d below shall apply where Work is produced under an Order for programming services, including OnGoing Support Services.

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- B. CUSTOM SOFTWARE DEVELOPMENT NOT INVOLVING PRE-EXISTING WORKS. Except as otherwise provided in an Order, when an Order does not involve Supplier's Pre-Existing Works, Supplier hereby assigns and will assign to SBC all rights and interests, including patent and copyrights, in all Custom Software and modifications thereto. Such Custom Software shall become the exclusive property of SBC. SBC shall have the right to obtain and hold in its own name copyrights or other intellectual property protection that may be available or become available in such Custom Software. It is hereby agreed that SBC, its designees or assignees, will be given all reasonable assistance, at SBC's cost, required to perfect such rights, titles and interests. Supplier shall place the following notice on all disks or other media containing a copy of the Custom Software so that it appears when the Custom Software is run or printed out:

"This is the confidential, unpublished property of SBC Services, Inc.. Receipt or possession of it does not convey any rights to divulge, reproduce, use, or allow others to use it without the specific written authorization of SBC Services, Inc. and use must conform strictly to the license agreement between user and SBC. Copyright 0 \_\_\_\_ [insert year] SBC Services, Inc. All rights reserved."

- C. CUSTOM SOFTWARE DEVELOPMENT INVOLVING PRE-EXISTING WORKS. Except as otherwise provided in an Order, the rights and interests applicable to any Order for Custom Software that consists partially of Supplier's Pre-Existing Works ("Supplier Portion") and partially of Custom Software specifically written by Supplier for SBC ("SBC Portion") shall be as follows:

1. The SBC Portion shall become the exclusive property of SBC, including title to copyrights and rights to register the copyright in all copyrightable Custom Software in the SBC Portion. The ownership of all rights, including but not limited to copyrights, is hereby assigned to SBC as provided in paragraph b, above.
2. The Supplier Portion shall remain the exclusive property of Supplier; provided, however, that SBC shall have an unrestricted, nonexclusive, royalty free, transferable, assignable perpetual license to reproduce, use, modify and sublicense the Supplier Portion. Title to any modification made by SBC shall remain with SBC.
3. If the Supplier Portion is to contain Third-Party Software, Supplier must identify such Third-Party Software in the Order. Such Third-Party Software shall be deemed Standard Software and shall remain the property of such other Party. All such Standard Third-Party Software shall be identified on the applicable Order. Supplier shall place the following notice on all disks or other

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media containing a copy of the Custom Software, which does not include the Supplier Portion, and on all Program Material which does not include the Supplier Portion, so that it appears when such Custom Software is run or printed out:

"This contains material which is the confidential, unpublished property of SBC Services, Inc. Receipt or possession of it does not convey any rights to divulge, reproduce, use, or allow others to use it without the specific written authorization of SBC Services, Inc. and use must conform strictly to the license agreement between user and SBC Services, Inc.

Copyright (C) \_\_\_\_ [INSERT YEAR]  
[INSERT NAME OF OWNER OF COPYRIGHT  
IN SUPPLIER PORTION]

Copyright (C) \_\_\_\_ [INSERT YEAR] SBC  
Services, Inc. All rights reserved."

- D. ONGOING SUPPORT. With the exception of Pre-Existing Works which are licensed to SBC pursuant to Section 3.33(C)(2), Software and Program Material produced by Amdocs personnel under this Agreement as a contribution to Software or Program Material jointly developed or jointly modified by Amdocs personnel and SBC personnel shall be deemed to be "work made for hire" under the United States Copyright Act, and SBC shall be deemed to be the author of such Software and Program Material under the Copyright Act, to the fullest extent allowed under the Copyright Act, and Amdocs hereby assigns and will assign to SBC all rights, title and interest it may have in such Software and Program Material, including patents and copyrights, in the event that any such Software and Program Material is not eligible for treatment as a work made for hire, Amdocs shall assign and hereby does assign to SBC all rights, title, and interest in all Software and Program Material produced via joint development, with the sole exception of Pre-Existing Works which are licensed to SBC under Section 3.33(C)(2).
- E. Notwithstanding anything to the contrary herein, the parties recognize that Amdocs retains the right to design or develop software or documentation, or otherwise perform services for any other Amdocs customer, which activities may result in the creation of intellectual property, software, documentation or related materials that are substantially similar to the Software or Materials delivered to SBC hereunder. SBC shall have [\*\*], and SBC shall [\*\*] so long as [\*\*] SBC [\*\*]. For purposes of this Section E, "SBC Patents" are defined as those issued patents which are owned by SBC.

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- F. In any event, SBC shall notify Amdocs if SBC files for patent(s) in the Work or a portion thereof, and SBC shall not file suit against Amdocs in relation to the Assigned Patent(s) until SBC (i) notifies Amdocs of the alleged patent infringement; (ii) provides Amdocs with a reasonable period of time to investigate the claim; (iii) negotiates in good faith pursuant to reasonable commercial terms for an appropriate patent license to cover Amdocs and such other customers; and (iv) allows Amdocs a commercially reasonable amount of time not more than one hundred and twenty (120) days to modify the alleging infringing materials to resolve the matter.

3.33 AMDOCS WARRANTIES

- A. Warranty for Custom Software Development Orders. Subject to the limitations set forth in Section 3.34(D) Amdocs will fix at no charge to SBC any Error in the Custom Software created under a Qualified Custom Software Development Order, which Error is identified during the Warranty Period and results solely from the negligent acts or omissions of Amdocs.
1. For purposes of this Agreement, a "Qualified Custom Software Development Order" is any Order for Custom Software Development (i) that is performed with Amdocs Management Oversight, (ii) where System Test is under Amdocs responsibility, (iii) unless otherwise agreed in the applicable Order.
  2. For purposes of this Agreement, the Warranty Period is [\*\*] days commencing upon delivery into Acceptance Test, unless otherwise mutually agreed in the applicable Order.
  3. For purposes of this Agreement, Management Oversight occurs where a party is responsible for the day to day direct decision making pertaining to applicable development resources - whether SBC, or Amdocs, or both - assigned to the completion of the deliverables.
  4. The parties acknowledge that, [\*\*]. Therefore, the parties agree that such definitions will be replaced by different, mutually agreed mechanisms provided in the applicable Order.
  5. In order to effectuate the above warranty, the "Form of Order" for Custom Software Development (Appendix 3.37) attached to the Master Agreement shall include line items specifying:
    - i. Management Oversight by: \_\_\_\_

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ii. Party responsible for System Test:

iii. Warranty: Applies / Not Apply.

iv. If the above items ((i)-(iii)) are not specified, the warranty shall apply, provided that the Order constitutes a Qualified Custom Software Development Order.

6. For avoidance of doubt, unless otherwise agreed (including, without limitation, pursuant to Section 3.34(A)4), no warranty is offered in a Custom Software Development Order that does not constitute a Qualified Custom Software Development Order.
7. Upon mutual agreement of the parties, this Warranty for Custom Software Development may be amended or supplemented in the Order, including via the implementation of a Service Level Agreement pursuant to Section 5.8.

B. OnGoing Support Orders

Subject to the limitations set forth in Section 3.34(D), Amdocs shall perform the OnGoing Support Services in a good and workmanlike manner, at or above industry standards. Under this warranty, Amdocs shall fix Errors in the OnGoing Support Services which result solely from negligent acts or omissions of Amdocs, to the extent and in the manner as follows:

1. For Amdocs' OnGoing Support personnel which augment SBC's development teams by providing development work, SBC shall be entitled to require such personnel to reperform Services containing software Errors, at no charge to SBC, provided such Errors (i) are reported to Amdocs within [\*\*] days commencing upon delivery into Acceptance Test, and (ii) occur as the result of Amdocs' sole responsibility.
2. OnGoing Support personnel providing Production Support in a defective manner shall reperform the defective Services until such defects are corrected, at no charge to SBC, provided such defect(s) are reported to Amdocs within [\*\*] days after the work was originally delivered to SBC, and provided SBC did not contribute to the defect(s).
3. Amdocs OnGoing Support personnel shall [\*\*]In addition to the above remedies, if any Amdocs OnGoing Support personnel are not performing to SBC's reasonable satisfaction, the parties shall

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attempt to resolve problem within [\*\*] days after the date in which SBC escalates the matter to Amdocs' Project Manager. [\*\*].

C. Additional Supplier Warranties. Subject to the limitations set forth in Section 3.34(D). Supplier additionally represents and warrants that:

1. There are no actions, suits, or proceedings, pending or threatened, which will have a material adverse effect on Supplier's ability to fulfill its obligations under this Agreement;
2. Supplier will promptly notify SBC if, during the term of this Agreement, Supplier becomes aware of any action, suit, or proceeding, pending or threatened, which may have a material adverse effect on Supplier's ability to fulfill the obligations under this Agreement or any Order;
3. Supplier has all necessary skills, rights, financial resources, and authority to enter into this Agreement and related Orders and to provide or license the Material or Services;
4. No consent, approval or withholding of objection is required from any entity, including any governmental authority with respect to the entering into or the performance of this Agreement or any Order;
5. The Material and Services will be provided free of any lien or encumbrance of any kind; and
6. Supplier shall not intentionally or knowingly insert into the Material any Harmful Code at any time.

D. Limitations on Amdocs Warranties.

1. Amdocs' warranty obligations to correct Errors or re-perform Services pursuant to Section 3.34 or otherwise in the Agreement, coupled with any Liability for Liquidated Damages for breach of a Service Level Agreement pursuant to Section 5.8, shall together be limited in each Order to a total amount equal to [\*\*]percent ([\*\*]%) of the fees paid to Amdocs under each Order. The parties shall calculate such cap based upon the total value of the applicable Custom Software Development Order. Any Services performed to fix an Error or otherwise remedy a breach of warranty above the aggregate cap shall be chargeable to SBC (i) at an hourly rate for OGS as stated in the Order; or (ii) in the case of

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Custom Software Development, at a derived hourly rate for fixed bid using the per resource fixed bid rate in the Order; provided however (iii) Appendix 1.2(4) will be utilized if the Order does not specify the applicable rates. During the term of the Agreement, [\*\*] under the Order shall be [\*\*]. For SBC Affiliates other than [\*\*], the parties shall negotiate in good faith the required levels of allocated resources required under fixed bid Custom Software Development Orders for the performance of support for non-warranty Services, including Production Support.

2. SBC acknowledges that the performance by Amdocs of its obligations under this Agreement is dependant upon the performance by SBC of certain obligations and the SBC Responsibilities as defined in Section 3.35(the "SBC Responsibilities"). To the extent that SBC fails to comply with the SBC Responsibilities, and such failure results in Amdocs' inability to perform its obligations, Amdocs shall provide written notice to SBC of the failure to comply with SBC Responsibilities. SBC shall be granted a period of [\*\*] days to cure its failure to comply with the SBC Responsibilities. If SBC has not cured its failure within the cure period, then Amdocs is entitled to refer the matter for dispute resolution pursuant to Section 4.7. During the cure period and the pendency of the dispute resolution process, Amdocs shall be relieved of its obligations and Liability in the performance of the Services (including the warranty obligations stated above) for that portion of the Services which are impacted by SBC's failure to fulfill the SBC Responsibilities.
3. If at any time during the warranty period for Software SBC believes there is a breach of any warranty, SBC will notify Supplier setting forth the nature of such claimed breach. Supplier shall promptly investigate such claimed breach, and shall either (i) provide Information that no breach of warranty in fact occurred or (ii) [\*\*], promptly use its best efforts to take such action as may be required to correct such breach under the Warranty. In conducting its investigation of the alleged breach of warranty, Supplier may utilize where appropriate and mutually agreed, OnGoing Support Services personnel (to the extent that Amdocs is performing such OnGoing Support Services), [\*\*].
4. SBC's sole remedy and Amdocs' sole obligation and Liability under the warranties stated in this Section and/or Agreement is for Amdocs to correct the breach of warranty by fix or replacement of

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the portion of the Software subject to the Error, provided however [\*\*] in the Order [\*\*]; and (ii) where such fix or replacement fails to occur after reasonable opportunity to cure (as set forth in Sections 5.2 and 5.3) during Acceptance Tests, and [\*\*] Agreement, [\*\*], in the following circumstances: Where the Arbitrator rules that (x) the uncured breach is Amdocs' sole responsibility and (y) the breach is such that the Software cannot pass Acceptance Tests and cannot be placed into production. In the event of a refund under this Section 3.34(D), SBC shall return all deliverables associated with the Project. THE WARRANTIES STATED HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH AMDOCS EXPRESSLY DISCLAIMS.

3.34 SBC WARRANTIES AND RESPONSIBILITIES

A. SBC represents and warrants:

1. There are no actions, suits, or proceedings, pending or threatened, which will have a material adverse effect on SBC's ability to fulfill its obligations under this Agreement.
2. SBC will promptly notify Amdocs if, during the term of this Agreement, SBC becomes aware of any action, suit, or proceeding, pending or threatened, which may have a material adverse effect on SBC's ability to fulfill the obligations under this Agreement or any Order.
3. No consent, approval or withholding of objection is required from any entity, including any governmental authority with respect to the entering into or the performance of this Agreement or any Order.
4. SBC shall reasonably provide necessary co-operation, information, decisions and approvals requested by Amdocs during the course of the Services.
5. SBC shall install and maintain the environment for the System unless otherwise specified in the Order.

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6. SBC shall undertake all efforts reasonably required to ensure the co-operation of third-party vendors who are not under the direct control of Amdocs, and to manage such third party vendors as required for the performance of the Services and the Custom Software Development.

B. SBC Responsibilities. In addition to the warranties and representations provided above, SBC shall perform the SBC Responsibilities as specified in the Agreement and/or the applicable Order, including but not limited to the following:

1. Any SBC personnel performing services in conjunction with Amdocs' Services (either OnGoing Support or Custom Software Development) shall possess appropriate training and experience in relation to their assigned tasks.
2. SBC shall provide the agreed upon number and type of personnel as specified in order for purposes of properly fulfilling the tasks that SBC undertakes in conjunction with a Project or Order.
3. SBC shall perform its services in conjunction with any Order under this Agreement in a good and workmanlike manner, at or above industry standards.
4. SBC shall correct at its expense any Error in the Software or deficiencies in the services which result solely from the negligent acts or omissions of SBC.
5. Subject to the limitations contained in Section 3.34(D), and the requirement for SBC to maintain Production Support to cover non-warranty work contained in Section 3.34(D), Amdocs and SBC shall negotiate in good faith (including using executive escalation procedures where necessary) to resolve any disputes over responsibility for correction of Errors or deficiencies.

### 3.35 ORDERS

A. SBC may order Material and Services by submitting Orders in connection with this Agreement. The parties will strive to submit Orders that are substantially in the format of Appendixes 3.36 and 3.37, specifying the following information, among other things, as called for by Appendixes 3.36 and 3.37:

1. A description of the Services and/or Material;
2. The requested Delivery Date;

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3. The applicable price(s) or estimates thereof (as applicable);
4. The location to which the Material is to be shipped, or the site where Services will be rendered;
5. A statement of any terms and conditions that are in addition to, or different from, or modify the terms and conditions contained in this Agreement.
6. The location to which invoices are to be rendered for payment; and
7. SBC's Order number.

B. The terms in this Agreement shall apply to Orders submitted in connection with this Agreement, and preprinted terms on the back of any Order shall not apply.

#### ARTICLE IV - LEADERSHIP COUNCIL, PROJECT MANAGEMENT

##### 4.1 RELATIONSHIP MANAGEMENT

The Parties shall approach the relationship with Amdocs performing as an extension of SBC Information Technology, subject to Section 6.7 of this Agreement (Independent Contractor). Amdocs will bring its expertise, knowledge and technology solutions to SBC Information Technology, through the Leadership Counsel, and shall work in concert with the SBC Information Technology organization in bringing solutions to SBC business units.

Amdocs will reasonably endeavor to solicit the active participation by the respective SBC/Amdocs Leadership Council Representative, prior to presentation of IT related solutions to the SBC Business Unit, and Amdocs will reasonably endeavor to solicit the active participation by the respective SBC/Amdocs Leadership Council Representative where appropriate in meetings with SBC business units.

It is SBC's expectation that Amdocs and SBC will approach each specific engagement with the end of transitioning future development, testing, operations, and management to SBC IT employees under a timeframe and in accordance with Services that will be defined and agreeable to both Parties and specified in the applicable Orders.

##### 4.2 LEADERSHIP COUNCIL

The parties agree to participate in the SBC Amdocs Leadership Council. The purpose of the Leadership Council is to provide a forum for SBC IT, SBC

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Business Unit Clients, Procurement, and Amdocs to discuss performance issues and relationship opportunities. In general, the Leadership Council will:

- A. Review standard performance metrics as part of their standing agenda.
- B. Share all enterprise solutions, technologies and practices as requested by SBC and proposed by Amdocs.
- C. Meet quarterly, or more frequently as required.
- D. Be facilitated by the SBC IT Amdocs Chairperson.
- E. Consist of SBC and Amdocs membership which shall be comprised of equal numbers of representatives from both Amdocs and SBC in IT, Project Management, and Procurement who are responsible for managing the SBC/Amdocs Customer/Supplier relationship.

Additionally, the SBC/Amdocs Leadership Council will resolve all ambiguities, clarifications, definitions or other issues relating to the intent of a term, document or other element contained in a Project managed or directed by SBC.

#### 4.3 SBC AMDOCS CHAIRPERSON

SBC agrees to assign a chairperson with general oversight responsibility for the SBC-Amdocs relationship. This individual will:

- A. Serve as the chairperson for the SBC/Amdocs Leadership Council and is responsible for general oversight of the Amdocs partnership.
- B. Serve as the central point for all new services and products purchased by SBC from Amdocs:
  - 1. Receive notification of all intentions to consider and/or utilize Amdocs well in advance of any negotiations or commitments.
  - 2. Work with IT Lead from applicable SBC ITS team to ensure consistency of Amdocs engagement.
- C. Receive notice of all credits due from Amdocs, track all credits due in a centralized database, and licenses from Amdocs regardless of the application. Individual application leads will manage utilization of credits within their area. Amdocs will provide such information as reasonably requested, but no less than on a quarterly basis.

#### 4.4 PROPOSED PROJECTS

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- A. Whenever SBC is considering contracting with Amdocs for a proposed Project, SBC's and Amdocs' Leadership Council representatives shall make reasonable efforts to meet or otherwise discuss the project. A draft describing the Software and the functionality required for such proposed Project may be prepared and submitted by SBC to Amdocs. Such description may include the name of the proposed Project, the name, address and telephone number of SBC's Project Manager, any special time requirements for the proposed Project, the platform on which the Software is to operate and the programming language desired, any methods or criteria for testing the Software (in addition to or different from those specified elsewhere in this Agreement), and any other conditions which are significant to SBC in considering the assignment of such Project.
- B. Upon reasonable time to review the requirements, Amdocs shall notify SBC as to whether Amdocs will submit to SBC a Proposal Statement for the proposed Project. If Amdocs elects to submit a Proposal Statement, it shall include, but not be limited to, each of the following items whenever such item is applicable to the Project:
1. Amdocs' interpretation of the initial scope of the functional specifications based on Amdocs' knowledge of SBC's technology direction, hardware, and software standards for such Project, and any Standard Software which will be used as a part of the Software, if applicable;
  2. Amdocs' license fees, and maintenance support fees, for any Standard Software which may be included in the Software, if applicable;
  3. Amdocs' estimate of the costs for the development of the Custom Software. Such estimate shall be in sufficient detail that SBC may readily determine the costs applicable to the computer environment, Services, labor time and Material. Such estimate shall provide either (i) a fixed fee, or (ii) an express statement that Amdocs proposes to accomplish the development work on a time and charges basis; and
  4. The anticipated Delivery Date for the Software.
- C. Such proposals shall include a breakdown of the estimated hours and expenses. Estimates are provided based upon then-current information, and factors arising during the preparation of the Order may necessitate proposed changes in resource estimates and/or expenses.

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- D. Each such Proposal Statement shall be subject to SBC's written acceptance, and any such Proposal Statement may be modified as agreed by the Parties prior to placing an Order for Services.
- E. Within a reasonable time after receiving Amdocs' written Proposal Statement covering any proposed Project, SBC shall notify Amdocs in writing of SBC's acceptance or rejection of such Proposal Statement. SBC shall also identify any requirements that have not already been addressed by Amdocs in the Proposal Statement.
- F. If accepted, the Parties shall prepare an Order for Software and/or Services substantially similar to Appendixes 3.36 or 3.37, as applicable. Unless otherwise agreed in the Order, SBC shall incur no obligation, cost, or expense as a result of Amdocs' preparation of a Proposal Statement, nor SBC's rejection of same. Amdocs shall have no Liability in connection with (i) a Proposal Statement; (ii) an Order unless executed by both Parties; or (iii) rejection of a draft Order.
- G. SBC shall have no obligation under this Agreement to compensate Amdocs for any Services rendered absent the execution of an Order. If SBC requires Amdocs to initiate work efforts prior to the execution of an Order, the parties will confer with the Leadership Council members as to whether a temporary letter of intent may be executed while the Order is under review.
- H. When such an Order is executed by SBC and Amdocs, Amdocs shall proceed to develop such Custom Software or provide the applicable Services, in compliance with the Specifications contained with such Order.

#### 4.5 PROJECT MANAGEMENT

- A. Amdocs and SBC shall each designate a Project Manager, and shall identify those individuals on the Order. The Project Managers shall act as the primary interface between the Parties during the development of Software and Delivery of Services by Amdocs. The Parties' respective Project Managers shall be responsible for ensuring the continuity of communications between the Parties as the Project proceeds.
- B. On a periodic basis during the development of Software, the Parties shall meet in order for Amdocs to inform SBC of the status of the Project. Such meetings shall include each Party's Project Manager as well as appropriate additional personnel, and where appropriate upon request Amdocs shall provide SBC at each such meeting with a written status report on the work being performed by Amdocs. Alternatively, the parties may elect to forego all or some of such meetings and may agree that Amdocs may simply provide SBC with periodic written reports on the status of the projects being undertaken by Amdocs under this Agreement and

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related Orders, including appropriate financial information. The frequency of meetings and status reports shall be determined by the Project Managers.

- C. SBC may inspect any work and all related data and Documentation being performed by Amdocs, including work being performed at Amdocs' premises, upon reasonable prior notice. SBC shall conduct any such inspection in a manner which causes no delay or material disruption to the performance of the Project.
- D. A Party shall notify the other in a timely fashion of any anticipated or known delay in the performance of any of its responsibilities and shall include all relevant information concerning the delay or potential delay. Any delay by SBC shall increase any dependent Amdocs deadline or milestone by a period at least equal to the amount of the SBC delay. In such event the parties will employ the agreed change management protocols to document the resultant changes to the Project Plan and anticipated fees and expenses.
- E. Any Project change, which reflects a material change in price or schedule, must so specifically state in writing and be approved by both Parties in writing before a change is implemented by a party.
- F. In the event there is a dispute that will materially impact a Project that is not resolved by the Parties' Project Managers, each Party shall be entitled to submit notice of the dispute to the other Party in writing, described in complete detail, and signed by an authorized representative of the disputing Party. Within fifteen (15) days after a Party receives a written description of the dispute, a meeting shall be conducted between the Parties' respective account managers to resolve the dispute. If the dispute is not resolved within fifteen (15) days after the initial dispute resolution meeting, the dispute shall be escalated to the higher management levels of the respective organizations. If the issue is not resolved within 30 days following the meeting at the management levels, the dispute may be escalated to the next meeting of SBC Amdocs Leadership Council.
- G. If SBC, within [\*\*] days after commencement of work by an individual provided by Amdocs, determines, in its sole discretion, that the individual does not demonstrate the training or the skills to perform the services in a satisfactory fashion or is not performing the services in a professional, effective and efficient manner, the Parties' Project Managers will attempt to resolve the matter within [\*\*] days. If the Parties [\*\*], Amdocs shall [\*\*]. In addition to the above remedies, if any Amdocs OnGoing Support personnel are not performing to SBC's reasonable satisfaction, the parties shall attempt to resolve problem within fourteen (14) days after the date in which SBC escalates the matter to Amdocs' Project Manager. [\*\*] shall be [\*\*].

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- H. In the event Amdocs subcontracts all or a portion of the Project to a subcontractor the following will apply. Amdocs shall notify SBC in advance of utilizing a subcontractor in accordance with Section 3.29, and such subcontractors shall be identified by company name and work location on the Order. Amdocs shall warrant that the subcontractor's plans, resources, procedures, tools, methodologies, and standards for Software have been reviewed by Amdocs prior to selecting a subcontractor and the plans, resources, procedures, tools, methodologies, and standards of the subcontractor meet the project's requirements for deliverable quality, integration, and SBC's Delivery Date(s) for Software. SBC reserves the right to reasonably review and approve any or all subcontractors used. Where required under the terms of the applicable Order, Amdocs shall be responsible for all Acceptance testing including unit, chain, stress and end-to-end production validation as part of the Delivery of subcontractor's Materials and/or Services to Amdocs and Amdocs shall review and/or audit the activities and work product(s) of subcontractor for managing the Software subcontract and reporting results to SBC, in accordance with the Order. Notwithstanding the foregoing, Amdocs will not be required to identify to SBC the name of a subcontractor that is an Affiliate of Amdocs, provided that Amdocs will be responsible for performance by such subcontractor as specified in this Section.
- I. Knowledge transfer to the SBC named team is to be included as a part of every Project to the extent, and in the manner specified in the applicable Order. This may include, but not be limited to, design walkthroughs, detailed design reviews, test result walkthroughs, processing and job flow review, operational and architectural review, environment review and any other reasonable request at SBC's sole discretion, and the appropriate documentation as provided by Supplier.
- J. If required by SBC and specified in the Order, Amdocs shall supply Project related personnel for a post-termination transition period during which Amdocs' personnel remain on site, or available for consultation. The fees shall be no more than Amdocs' then-current standard rates, and the time frame for such a transition period shall be determined by SBC and specified in the Order.

#### 4.6 HARDWARE AND THIRD PARTY SOFTWARE CONSIDERATIONS

- A. SBC does not accept bundled hardware and software costs. Where a solution is proposed containing hardware resale from Amdocs, Amdocs shall breakout the hardware component.
- B. All hardware and third party software acquisitions by SBC through Amdocs should either align with SBC ITS corporate standards and strategic direction or be supported by an authorized Technology Strategies and Standards ("TSS")

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exception, in either case as determined by SBC and as such determination is communicated to Amdocs.

- C. All hardware and third party software purchases by SBC through Amdocs will be managed through its defined acquisition process.
- D. Except as otherwise agreed and provided in the Order, the terms and conditions governing the supply, warranty and maintenance, and other aspects of hardware and third party software purchases by SBC through Amdocs will be the terms and conditions offered by the relevant manufacturer(s) or vendor(s).
- E. Amdocs has, from time to time, reseller agreements with manufacturers and/or vendors of hardware and third parties' software. SBC may allow Amdocs to submit bids to SBC to purchase such components through Amdocs.

4.7 DISPUTE RESOLUTION

- A. Executive Escalation Process. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement or any Order promptly by negotiation between the Parties, including the following escalation process:

- |   |  |
|---|--|
| (i) SBC's IT Director/Exec Director and Amdocs' Director  | Between seven (7) and fourteen (14) days |
| (ii) SBC's Asst. Vice President and Amdocs Vice President | Between seven (7) and fourteen (14) days |
| (iii) SBC - Amdocs Leadership Council                     | Between seven (7) and fourteen (14) days |
| (iv) SBC Vice President and Amdocs Division President     | Between seven (7) and fourteen days      |

If any escalation level does not resolve any matter to the parties' mutual satisfaction, the persons at such level will jointly brief and provide the next level with all information and background material necessary to resolve the matter through negotiations. Such procedure shall not prejudice any other rights hereunder (e.g., specified time periods shall be extended as necessary to allow for completion of the escalation procedure time periods).

- B. BINDING ARBITRATION. If the Parties are unable to promptly resolve a dispute informally as specified in the preceding Section, the matter shall be escalated to the SBC chief information officer and the Amdocs chief executive officer. After

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such senior management escalation, if the dispute nonetheless remains unresolved, the Party alleging a material breach (the "Moving Party") may initiate arbitration by providing the other Party written notice of its intent to arbitrate. For the avoidance of doubt, any controversy or claim arising out of or relating to this Agreement, or any breach thereof, which cannot be resolved using the executive escalation procedures, shall be finally resolved under the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then in effect. If the Parties are unable to agree upon an arbitrator within twenty (20) business days of the Moving Party's written notice to arbitrate, the Moving Party may request the American Arbitration Association ("AAA") to appoint an arbitrator. The AAA shall select an arbitrator who can promptly proceed with and strive to conclude the arbitration as specified herein. If a dispute is submitted to an arbitrator, it shall be finally resolved through binding arbitration in New York, New York, according to the Rules of the AAA, except as modified herein. The award rendered by the arbitrator shall be final and binding on the Parties and shall be deemed enforceable in any court having jurisdiction thereof. The arbitration shall be heard by a single arbitrator who shall by training, education, or experience have knowledge of the general subject matter of this Agreement. The arbitrator shall have only the power to award damages, injunctive relief and other remedies to the extent the same would be available in a court of law having jurisdiction of the matter, except that the arbitrator shall not have the power to vary from the provisions of this Agreement. The arbitrator shall promptly commence the arbitration proceeding with the intent to conclude the proceedings and issue a written decision stating in reasonable detail the basis for the award, which must be supported by law and substantial evidence, as promptly as the circumstances demand and permit, but generally no later than ten (10) weeks after the arbitrator's appointment. Each Party acknowledges that it is giving up judicial rights to a jury trial, discovery and most grounds for appeal under the foregoing provision.

- C. The prevailing Party shall be entitled to recover from the non-prevailing Party the reasonable attorneys' fees, expenses and costs incurred by the prevailing Party in any arbitration.
- D. The exercise of any remedy provided in this Agreement does not waive the right of either Party to resort to arbitration.
- E. During dispute resolution proceedings, including arbitration, the Parties shall continue to perform their obligations under this Agreement, except for those obligations directly related to the dispute at issue. HOWEVER, SBC'S OBLIGATION TO CONTINUE TO PERFORM ITS OBLIGATIONS DOES NOT IN ANY WAY LIMIT SBC'S RIGHT AND POWER TO TERMINATE ANY ORDER FOR CONVENIENCE AT ANY TIME.

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ARTICLE III - SPECIAL SOFTWARE TERMS

5.1 STANDARD SOFTWARE LICENSE AND LICENSE FEE

Any Standard Software licensed to SBC prior to the date of this Agreement will continue to be licensed in accordance with the terms of the applicable agreement(s), except as otherwise agreed by the parties and specified in an Order. Any additional or different Standard Software not previously licensed by Amdocs shall be subject to separate agreement(s) to be negotiated by the parties, unless otherwise agreed to in an Order.

5.2 CUSTOM SOFTWARE DEVELOPMENT

- A. Amdocs shall develop the Custom Software in compliance with the applicable Order. During the development process, SBC shall assist Amdocs and cooperate with Amdocs by making employees available to Amdocs for consultation and providing information, facilities, equipment and data required for the performance of the Services. The Parties shall mutually develop a project plan utilizing project management methodologies agreed to by the parties, and predicated upon the project's requirements. The project plan shall include deliverables, milestones and reviews.
- B. In accordance with the project plan and applicable Specifications, Amdocs shall develop, complete, and deliver to SBC all programming to be included in the Software. All Software [\*\*]. In accordance with the Project plan, SBC shall provide to Amdocs the relevant test and interface data and test scripts. All Software provided to SBC hereunder shall be tested (including unit subsystem and system testing) and debugged by Amdocs, unless otherwise specified in the Order.
- C. After the completion of such testing and debugging, Amdocs shall deliver (and install, if applicable) such Software to SBC on or before the scheduled Delivery Date set forth in the applicable Order. Delivery shall be in accordance with Section 5.6. The protocol for Acceptance Tests after Delivery is described below in Section 5.3.
- D. The respective Project Managers of each party shall meet at such intervals as determined in the Order or as they determine to be necessary, to track the actual time and charges incurred against the Project plan and Project resource plan and to prepare an explanation of any variance in excess of any limits fixed by the Order between projected and actual time and charges. The respective Project Managers shall review each party's progress in meeting its objectives under the Project plan. Upon the request of SBC's Project Manager, Amdocs' Project Manager will provide a written progress report identifying any circumstance (including but not limited to any discovery of ambiguity in any previously

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approved Specifications) coming to light since the previous such meeting which is likely to result in (i) a delay in Amdocs' ability to meet its due dates, or (ii) a proposed adjustment in projected amounts likely to be billed to SBC for time and charges, or (iii) both such a proposed adjustment and a such a delay. The report will provide Amdocs' best estimate of the length of such projected delay and the amount of such proposed adjustment to time and charges. To the extent that any such circumstance is shown to have resulted from a failure of SBC (including any contractor or subcontractor of SBC) to meet its obligations with respect to the Project, Amdocs shall be granted an equitable extension of time and an equitable adjustment of the fixed or estimated fee to the extent necessary to remedy SBC's failure to meet its obligations. Amdocs waives any and all claims for any such equitable extension or adjustment to the extent that it is based on any such circumstance in which Amdocs failed to notify SBC within one month (or otherwise specified in the Order) of Amdocs' recognition of the problem.

- E. Each equitable extension of time and each equitable adjustment of any fixed or estimated fee shall be recorded in a Change Order which shall be prepared in the form of Appendix 4.18 and executed by the respective Project Managers of each party. In addition, if SBC desires to make a change in any previously approved specifications, then SBC shall deliver a change request to Amdocs, and Amdocs shall respond by providing a written change quote specifying any proposed adjustment to time and charges that Amdocs believes necessary to effectuate the change. If SBC accepts the proposed change, the parties shall complete a Change Order using Appendix 4.18. Each such Change Order shall become an amendment to the applicable Order when signed by the respective Project Managers for each party, except that any Change Order which results in an estimated or actual increase in charges to SBC in excess of the original approved amount of the Order will require the approval of SBC's original signatory to the Order (or functional equivalent) in accordance with SBC's Schedule of Authorization.
- F. If Program Material or Software is not delivered to SBC (and installed, if applicable), on or before the scheduled Critical Performance Milestone Date or Delivery Date therefore (as extended by any Change Order), the parties shall follow the dispute resolution process defined in Section 4.7. If, as a result of the dispute resolution process, the Arbitrator determines that such failure is due to Amdocs' sole fault, SBC may, at its option:
  - (i) [\*\*] scheduled Critical Performance Milestone Date or Delivery [\*\*]; or
  - (ii) [\*\*] the Order covering such Software [\*\*] Custom Software [\*\*] in accordance with the [\*\*] Order. Amdocs shall [\*\*]; or

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(iii)[\*\*] the Order covering such Software [\*\*] under the Order, provided however that [\*\*].

(iv)[\*\*] pursuant to this Section 5.2(F)(i)-(iii), inclusive, each party shall [\*\*]

- G. If the applicable Order states that Amdocs is to install the Software, Amdocs shall certify to SBC that the Software has been installed and tested by delivering to SBC a certificate of installation.
- H. From time to time SBC may authorize Amdocs to use computer systems that are physically located on SBC's premises pursuant to Section 6.4. Such authorization shall be limited to Projects specified in writing by SBC.
- I. Supplier shall notify SBC as soon as reasonably possible of any Custom Software issues and risks that are identified by Supplier staff and provide Custom Software development progress reports as reasonably requested by SBC.

### 5.3 ACCEPTANCE OR REJECTION

- A. After the delivery of the Software or SBC's receipt of Amdocs' Certificate of Installation, if applicable, SBC will start the System Certification Testing ("Acceptance Test Period").
- B. During the Acceptance Test Period, SBC will notify Amdocs immediately in writing of any inconsistency(ies) with the Specifications found by SBC, and Amdocs will promptly correct such inconsistency(ies) and deliver to SBC the resulting corrections. SBC shall have the right to test the Software after such corrected and/or completed Software is redelivered to SBC, and such corrected and/or completed Software shall thereafter be subject to SBC's acceptance or rejection under this Section. The Acceptance Test Period shall be extended by the greater of either (i) [\*\*] during which [\*\*] the Software, or (ii) when applicable, [\*\*] in the Software and which [\*\*] If the Software conforms with the terms of the applicable Order during the Acceptance Test Period, SBC shall sign and deliver a copy of an Acceptance Letter substantially in the form of Exhibit A ("Acceptance Letter") to Amdocs after the completion of the Acceptance Test Period. If SBC fails to send an Acceptance Letter, or to inform Amdocs of the rejection of the Software, within two (2) business days after the conclusion of the Acceptance Test Period, then the Software is deemed to be accepted at the end of such Acceptance Test Period.
- C. [\*\*] any Software [\*\*] during the Acceptance Test Period [\*\*] prior to the date [\*\*]. However, [\*\*] the Acceptance Test Period shall [\*\*].

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- D. Any Program Materials other than Custom Software are deemed accepted upon delivery, subject to Amdocs' responsibility to correct Errors in such Program Materials as set forth in Section 3.34.

5.4 TECHNOLOGY STANDARDS

Amdocs and SBC agree that all architecture and design decisions specified in the corresponding Orders will adhere to the following fundamental concepts where technically feasible and commercially reasonable and referenced in the applicable Order:

- A. At no additional cost to SBC, Supplier's Custom Software coding shall be documented, and use of "hard-coded" values shall require the approval of SBC. The reuse of common sub-routines, and use of open application interfaces ("API") and open industry standard interfaces to help enable rapid time to market shall be required.
- B. Such other concepts and guidelines (e.g. single approved GUI and common security scheme) as may be adopted by SBC and communicated to Amdocs after execution of this Agreement.

5.5 SOURCE CODE AVAILABILITY

Supplier shall [\*\*] the Custom Software, [\*\*] such Custom Software [\*\*]. Supplier shall provide, [\*\*], during the term of this Agreement [\*\*], Supplier shall [\*\*]

5.6 DELIVERY OF SOFTWARE

Software Deliveries shall be in the form selected by SBC, including, but not limited to, electronic data exchange, U.S. Mail or a private carrier, except as otherwise agreed by the Parties and/or specified in the applicable Order. Except as otherwise agreed by the Parties and/or specified in the applicable Order, Supplier shall deliver the Software (and any subsequent releases or upgrades of the Software purchased by SBC) electronically, either through transfer by means of telecommunications or by copying the Software directly onto SBC's computer, disk, tape or other storage medium selected by SBC. Unless and until directed in writing by SBC to do so, Supplier will not transfer any disks, tapes or other tangible property containing the Software (or any subsequent releases or upgrades of the Software) to SBC.

5.7 THIRD-PARTY SOFTWARE

With and prior to execution of each Order, Supplier shall provide a written list of all standalone Third-Party Software that is part of the Software ordered by SBC or provided by Supplier.

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5.8 ERROR SEVERITY LEVEL, RESOLUTION PLAN, AND LIQUIDATED DAMAGES

- A. Supplier and SBC shall negotiate in good faith in any Order under this Agreement to include a Service Level Agreement and Liquidated Damages for failure to meet the Service Level Agreement which collectively may govern certain aspects of performance of the Software under the Order following Acceptance thereof.
- B. In the case of Service Level Agreement commitments defined in the Order for which Amdocs is solely responsible, Supplier shall use its best efforts to acknowledge or otherwise satisfy the commitments in the Service Level Agreement within the performance timeframes indicated in the Order.
- C. Supplier shall use its best efforts to correct any and all Errors in the Software in accordance with the Error Severity Levels specified in the Order, and respond according to the escalation process, or processes, as agreed by the Parties and specified in the Order.
- D. If Supplier fails to correct Errors in the Software in accordance with the Error Severity Levels specified in the Order, then in accordance with the Service Level Agreement SBC may convene a meeting of the parties' respective Project Managers to address the situation. Barring resolution of the matter by the parties Project Managers, SBC may escalate the matter to the Leadership Counsel. Following such escalation, [\*\*] in the Service Level Agreement [\*\*] No payments, progress or otherwise, made by SBC to Supplier after any scheduled Delivery Date shall constitute a waiver of the right to receive Liquidated Damages. If SBC elects to exercise its right to recover Liquidated Damages specified hereunder, Supplier shall provide a credit as shown in the column titled "Liquidated Damages" in the Service Level Agreement, and such credit(s) shall be assessed on a per Error basis up to the aggregate cap described in Section 3.34. Such Liquidated Damages shall be provided [\*\*] the Service Level Agreement [\*\*].

5.9 DOCUMENTATION UPDATES

As part of the OnGoing Support Services provided under an Order, and upon SBC's request, Supplier agrees to provide updates to Documentation furnished to SBC hereunder which is related to the use and support of the Software. Documentation shall be maintained and revised as part of such services to reflect enhancements and corrections to the Software resulting from the issuance of a new release, including the incorporation of new or revised operating procedures resulting from corrections to and revisions of the Software, including API's.

As part of its Custom Software Development Services under an Order, Supplier shall coordinate with SBC in the manner and to the extent stated in the applicable Order to

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provide Documentation updates on all systems issues, open and closed, associated with Custom Software developed for SBC. This includes, but is not limited to, issues logs, test results, jeopardy documents, and temporary code work arounds.

5.10 CHANGE MANAGEMENT

- A. The Parties agree that all changes to this Agreement or an Order which materially alter the terms and conditions of this Agreement or an Order, must be in writing by written amendment to this Agreement or Order, respectively, and signed by the Parties. Therefore, any proposed change must first be initiated by SBC's and Amdocs' respective representatives presenting proposed changes to the SBC Amdocs Chairperson, and the SBC-Amdocs Leadership Council.
- B. Any change to an Order which does not materially alter the terms and conditions of this Agreement shall take the form of a change order, which must be in writing and signed by the Parties. The Parties agree to follow a process substantially similar to that specified in Appendix 4.18.

ARTICLE VI - ONGOING SUPPORT SERVICES

The terms in this Article VI shall apply to Orders involving OnGoing Support Services, whether fixed bid or Time and Materials based.

6.1 ALLOWABLE EXPENSES

All expenses for reimbursement by SBC shall be in accordance with Appendix 1.2(4), pre-approved by SBC, and where required under the Reimbursable Expense policy, submitted with sufficient documentation as to reasonably determine the nature of the expense.

6.2 RESOURCE STAFFING AND CHANGES

- A. Amdocs' personnel assigned to time and materials Projects will be identified on the applicable Order by name, title, and geographic location. In time and materials Projects, Amdocs and SBC shall jointly determine staffing requirements, based upon SBC needs. The appropriate staffing requirements shall be stated in the Order to be signed by the parties. After execution of the Order, SBC and Amdocs may modify the staffing requirements in the Order at any time via the Change Order process. A corresponding adjustment to the cost of service, as a direct result of any staffing requirement changes, will be agreed upon by the parties. The credentials of all Amdocs personnel, and their role in a proposed Project, are subject to review and concurrence by SBC prior to commencing the project. Each party will advise the other of its intentions to change any personnel that are assigned to SBC no less than forty-five (45) days in advance of such

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changes, and seek concurrence such party before such changes are made, absent a personnel change due to resignation or personal issues.

- B. Supplier personnel are under the responsibility of Supplier, and shall perform their assigned tasks at the direction and management of SBC. Supplier will solicit performance feedback from SBC as required herein for purposes of determining SBC satisfaction with the quality of services provided by Supplier personnel.
- C. [\*\*], shall be at the discretion of [\*\*]. SBC may [\*\*] under the Agreement.
- D. [\*\*], subject to the following:
  - 1. There shall be [\*\*].
  - 2. In the event that [\*\*] the parties shall [\*\*].
  - 3. [\*\*], Amdocs may [\*\*]

#### 6.3 REPORTING

- A. All work whether on a time and materials or fixed bid basis will be reported in a standard billing format to be agreed upon.
- B. Supplier will follow reasonable time reporting practices and guidelines, as specified and/or modified by SBC from time to time and agreed with Supplier, for all time and materials engagements and Projects. In time and materials Projects, (and not fixed price Projects), Amdocs shall describe hours worked reported by personnel level; new development versus maintenance; domestic/offshore hours by release item; and employee, the hours worked and time incurred.

#### 6.4 ACCESS TO SBC FACILITIES

- A. SBC shall grant Amdocs' personnel such access to the SBC premises and facilities as are reasonably required for Amdocs' performance of its obligations under this Agreement at SBC's site including at no charge to Amdocs, with office space suitable for Amdocs' needs and the following services: computer terminals and associated peripherals including access to E-mail/Internet; a communication line from SBC's premises to Amdocs' relevant development center with minimum capacity to be specified based on the number of users in the development center; reasonable use of telephone, fax, and e-mail for business purposes; and office supplies, equipment and consumables, at SBC's normal standard. Supplier shall have reasonable access to SBC's premises during normal business hours, and at such other times as may be agreed upon by the Parties to enable Supplier to perform its obligations under this Agreement. Supplier shall coordinate such access with SBC's designated representative prior to first visiting such premises and thereafter as agreed by the Parties. Supplier will ensure that

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only persons employed by Supplier or subcontracted by Supplier will be allowed to enter SBC's premises. If SBC requests Supplier or its subcontractor to discontinue furnishing any person provided by Supplier or its subcontractor from performing work on SBC's premises due to such person's unacceptable behavior (i.e. a security problem or breach of SBC Code of Conduct, or disruptive behavior), Supplier shall immediately comply with such request. Such person shall leave SBC's premises immediately. Supplier shall not furnish such person again to perform Work on SBC's premises without SBC's written consent. The Parties agree that, where required by governmental regulations, Supplier will submit satisfactory clearance from the U.S. Department of Defense and/or other federal, state or local authorities.

- B. SBC may require Supplier or its representatives, including employees and subcontractors, to exhibit identification credentials, which SBC may issue to gain access to SBC's premises for the performance of Services. If, for any reason, any Supplier representative is no longer performing such Services, Supplier shall immediately inform SBC. Notification shall be followed by the prompt delivery to SBC of the identification credentials, if issued by SBC. Supplier agrees to comply with SBC's corporate policy requiring Supplier or its representatives, including employees and subcontractors, to exhibit their company photo identification in addition to the SBC issued photo identification when on SBC's premises.
- C. Supplier shall use reasonable efforts to ensure that its representatives, including employees and subcontractors, while on or off SBC's premises, will perform Work which (i) protect SBC's Material, buildings and structures, (ii) does not interfere with SBC's business operations, and (iii) perform such Services with care and due regard for the safety, convenience and protection of SBC, its employees, and property and in full conformance with the policies specified in the SBC Code of Conduct, which prohibits the possession of a weapon or an implement which can be used as a weapon. SBC acknowledges delivery of, and Supplier acknowledges receipt of, a copy of the SBC Code of Conduct on or prior to the date of execution of this Agreement.
- D. Supplier shall use reasonable efforts to ensure that all persons furnished by Supplier work harmoniously with all others when on SBC's premises.

6.5 BACKGROUND CHECK

- A. BACKGROUND CHECK/DRUG SCREENING. [\*\*] under this Agreement [\*\*] the Effective Date of this Agreement) [\*\*]; provided that, [\*\*] in connection with [\*\*] For purposes of this section, [\*\*] under this Agreement.

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- B. For Supplier personnel performing services outside of SBC sites, Supplier shall conduct a reasonable inquiry for each individual providing Services on Amdocs premises to SBC to attempt to identify, inter alia, whether the individual has been convicted of a felony. Supplier agrees that no individual convicted of a felony will knowingly be permitted to provide Services in connection with an Order submitted by SBC without SBC's written consent.

6.6 CONFIDENTIALITY AND INVENTION AGREEMENT

Supplier shall ensure that all individuals that provide Services under this Agreement sign Supplier's confidentiality agreement required of all Supplier's employees, and will use reasonable efforts to ensure that such individuals shall comply with the confidentiality provisions of this Agreement.

6.7 INDEPENDENT CONTRACTOR

Supplier hereby represents and warrants to SBC that:

- A. Supplier is engaged in an independent business and will perform all obligations under this Agreement as an independent contractor and not as the agent or employee of SBC;
- B. Supplier's personnel performing Services shall be considered solely the employees of Supplier and not employees or agents of SBC;
- C. Supplier has and retains the right to exercise full control of and supervision over the performance of the Services and full control over the employment, direction, assignment, compensation and discharge of all personnel performing the Services;
- D. Supplier is solely responsible for all matters relating to compensation and benefits for all of Supplier's personnel who perform Services. This responsibility includes, but is not limited to, (i) timely payment of compensation and benefits, including, but not limited to, overtime, medical, dental and any other benefit, and (ii) all matters relating to compliance with all employer obligations to withhold employee taxes, pay employee and employer taxes, and file payroll tax returns and information returns under local, state and federal income tax laws, unemployment compensation insurance and state disability insurance tax laws, social security and Medicare tax laws, and all other payroll tax laws with respect to all Supplier personnel providing Services; and,
- E. Supplier will indemnify, defend and hold SBC harmless in accordance with Section 3.12 from all Liabilities related to Supplier's failure to comply with the immediately preceding paragraph.

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6.8 PREVIOUS SERVICES FOR SBC

Supplier will [\*\*]. Supplier will provide [\*\*].

6.9 WORK DONE BY OTHERS

If any part of Supplier's Work is dependent upon work done by others, including Subcontractors and temporary workers engaged by Amdocs, Supplier shall, if (i) the Work is performed by a Subcontractor or temporary worker engaged by Amdocs or if (ii) Amdocs is otherwise required to do so by SBC as part of supervisory Services it provides under an Order hereunder, inspect and promptly report to SBC any defect that renders such other work unsuitable for Supplier's proper performance. Supplier's silence regarding work done by Supplier's Subcontractors or temporary workers shall constitute approval of such other work as fit, proper and suitable for Supplier's performance of its Work.

6.10 NON-INTERFERENCE WITH EMPLOYEES

Subject to any restrictions by local laws, [\*\*] of this Agreement, [\*\*] with this Agreement.

ARTICLE VII - TRAINING SERVICES

7.1 GENERAL

Amdocs offers three types of training: (a) generally available, pre-scheduled classes with pre-printed curriculae and pre-set attendance dates, times and locations; (b) pre-packaged courses that are not necessarily pre-scheduled but rather they can be ordered by customers or groups of customers; and (c) customized training courses that are specifically prepared only in consultation with a particular customer via the preparation of an Order.

7.2 TRAINING RATES

The rates and prices for generally-available pre-scheduled classes shall be at the generally-published cost, [\*\*]. The rates and prices for all other training programs (types (b) and (c) of Section 7.1) shall be determined in the applicable Order, provided however that the rates for the instructor's time in the training shall not exceed the maximum rate contained in Appendix 1.2(4). SBC shall not be charged any expenses in relation to generally-available, pre-scheduled training classes. However, SBC shall be responsible for all pre-approved, reasonable expenses incurred by Supplier in connection with all other training programs (types (b) and (c) of Section 7.1), provided such expenses are in accordance with Appendix 1.2(4).

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7.3 TRAINING DOCUMENTATION

All training provided by Supplier pursuant to an Order for such services shall include course materials, in printed or machine-readable format. SBC may reproduce, archive, and distribute such Documentation for its own internal purposes, provided that any reproductions shall include any copyright or proprietary notice as contained with the materials.

7.4 TERMINATION OF TRAINING COURSES

The policy for termination (including any termination charges) for generally-available, pre-scheduled training shall be in accordance with the standard cancellation procedures issued by the Amdocs training department in conjunction with the training course schedule and/or brochures. With respect to pre-packaged courses (type (b) of Section 7.1), [\*\*]. With respect to customized training (type (c) of Section 7.1), any cancellation after execution of the applicable Order will require payment of pre-approved expenses and the cost of preparation activities which are defined in the Order and incurred prior to the date of cancellation.

7.5 TRAINING RECOGNITION

Upon completion of a training course, Supplier shall inform SBC in writing of those students who, in the reasonable judgment of Supplier, have satisfactorily completed the course. If requested by SBC, Supplier shall furnish a certificate of satisfactory completion for each individual who completed the course.

7.6 TRAINING RESTRICTIONS

Except as may be specified in the applicable Order [\*\*] of the Software.

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THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROCEDURE THAT MAY  
BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by  
their duly authorized representatives:

AMDOCS INC.

SBC SERVICES, INC.

By: /s/ Thomas G. O'Brien

By: /s/ Maureen P. Merkle

Printed Name: Thomas G. O'Brien

Printed Name: Maureen P. Merkle

Title: Vice President

Title: Acting President, Procurement

Date:

Date:

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