

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

Form 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2014
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
 SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from _____ to _____.
Commission File Number 1-14840

AMDOCS LIMITED

(Exact name of Registrant as specified in its charter)

Island of Guernsey
(Jurisdiction of incorporation or organization)
Hirzel House, Smith Street,
St. Peter Port, Island of Guernsey, GY1 2NG

Amdocs, Inc.
1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017
(Address of principal executive offices)

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(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

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

<u>Title of Each Class</u>	<u>Name of Exchange on Which Registered</u>
Ordinary Shares, par value £0.01	Nasdaq Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares, par value £0.01	156,704,355(1)
(Title of class)	(Number of shares)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(1) Net of 108,030,485 shares held in treasury. Does not include (a) 9,623,741 ordinary shares reserved for issuance upon exercise of stock options and vesting of restricted stock units granted under our stock option plan or by companies we have acquired, and (b) 14,434 ordinary shares reserved for issuance upon conversion of outstanding convertible debt securities.

AMDOCS LIMITED

FORM 20-F
ANNUAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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Unless the context otherwise requires, all references in this Annual Report on Form 20-F to “Amdocs,” “we,” “our,” “us” and the “Company” refer to Amdocs Limited and its consolidated subsidiaries and their respective predecessors, and references to our software products, refer to current and subsequent versions. Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP, and are expressed in U.S. dollars. References to “dollars” or “\$” are to U.S. dollars. Our fiscal year ends on September 30 of each calendar year. References to any specific fiscal year refer to the year ended September 30 of the calendar year specified. For example, we refer to the fiscal year ending September 30, 2014 as “fiscal 2014.”

We own, have rights to or use trademarks or trade names in conjunction with the sale of our products and services, including Amdocs™ and CES™ among others.

Forward Looking Statements

This Annual Report on Form 20-F contains forward-looking statements (within the meaning of the U.S. 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,” “intend” and “may,” and other words that convey uncertainty of future events or outcome. Statements that we make in this Annual Report that are not statements of historical fact also may be forward-looking statements. 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. Although we may elect to update forward-looking statements in the future, we disclaim any obligation to do so, even if our assumptions and projections change, except where applicable law may otherwise require us to do so. Readers should not rely on those forward-looking statements as representing our views as of any date subsequent to the date of the filing of this Annual Report on Form 20-F.

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; the loss of a significant customer; consolidation within the industries in which our customers operate; 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 below under the caption “Risk Factors.”

PART I**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION**Selected Financial Data**

Our historical consolidated financial statements are prepared in accordance with U.S. GAAP, and presented in U.S. dollars. The selected historical consolidated financial information set forth below has been derived from our historical consolidated financial statements for the years presented. Historical information as of and for the five years ended September 30, 2014 is derived from our consolidated financial statements, which have been audited by Ernst & Young LLP, our independent registered public accounting firm. You should read the information presented below in conjunction with those statements.

The information presented below is qualified by the more detailed historical consolidated financial statements, the notes thereto and the discussion under “Operating and Financial Review and Prospects” included elsewhere in this Annual Report.

	2014	2013	2012	2011	2010
	(In thousands, except per share data)				
Statement of Operations Data:					
Revenue	\$3,563,637	\$3,345,854	\$3,246,903	\$3,177,728	\$2,984,223
Operating income	495,648	481,552	442,472	404,364	410,433
Net income	422,122	412,439	391,371	346,665	343,906
Basic earnings per share	2.65	2.56	2.33	1.87	1.70
Diluted earnings per share	2.62	2.53	2.31	1.86	1.69
Dividends declared per share(1)	0.595	0.520	0.130	—	—

	2014	2013	2012	2011	2010
	(In thousands)				
Balance Sheet Data:					
Cash, cash equivalents and short-term interest-bearing investments	\$1,424,465	\$1,326,380	\$1,118,177	\$1,173,470	\$1,433,299
Total assets	5,185,277	4,925,813	4,645,223	4,636,572	4,820,604
Long-term obligations					
Convertible Senior Notes(2)	603	1,020	1,020	1,020	1,020
Shareholders' equity	3,395,836	3,274,783	3,033,202	3,023,301	3,229,380

- (1) In the fourth quarter of fiscal 2012, we instituted a discretionary quarterly cash dividend program in the amount of \$0.13 per share, with the first payment in the first quarter of fiscal 2013. On January 30, 2014, our shareholders approved an increase in the rate of the quarterly cash dividend from \$0.13 per share to \$0.155 per share. In November 2014, our Board of Directors approved a \$0.155 per share quarterly cash dividend to be paid on January 16, 2015, and further approved, subject to shareholder approval at the January 2015 annual general meeting of shareholders, an increase in the rate of the quarterly cash dividend to \$0.17 per share, with the first payment anticipated to be paid in April 2015.
- (2) During fiscal 2014, we purchased for cash \$0.4 million aggregate principal amount of our convertible notes due 2024 tendered by holders. As of September 30, 2014, \$0.6 million principal amount of the notes remained outstanding.

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	Ordinary Shares		Additional	Treasury
	Shares	Amount	Paid-In Capital	Stock
(In thousands)				
Statement of Changes in Shareholders' Equity Data:				
Balance as of September 30, 2010	193,049	\$ 3,956	\$2,402,163	\$(1,309,161)
Employee stock options exercised	2,590	42	56,417	—
Repurchase of shares(1)	(21,866)	—	—	(624,241)
Issuance of restricted stock, net of forfeitures	919	15	—	—
Equity-based compensation expense related to employees	—	—	36,631	—
Balance as of September 30, 2011	<u>174,692</u>	<u>\$4,013</u>	<u>\$2,495,211</u>	<u>\$(1,933,402)</u>
Employee stock options exercised	3,585	56	86,610	—
Repurchase of shares(1)	(16,288)	—	—	(484,608)
Issuance of restricted stock, net of forfeitures	465	8	—	—
Equity-based compensation expense related to employees	—	—	43,429	—
Balance as of September 30, 2012	<u>162,454</u>	<u>\$4,077</u>	<u>\$2,625,250</u>	<u>\$(2,418,010)</u>
Employee stock options exercised	7,243	112	213,308	—
Repurchase of shares(1)	(10,370)	—	—	(367,061)
Issuance of restricted stock, net of forfeitures	735	10	—	—
Equity-based compensation expense related to employees	—	—	40,340	—
Balance as of September 30, 2013	<u>160,062</u>	<u>\$4,199</u>	<u>\$2,878,898</u>	<u>\$(2,785,071)</u>
Employee stock options exercised	4,395	73	128,063	—
Repurchase of shares(1)	(8,425)	—	—	(372,014)
Tax benefit from equity-based awards	—	—	3,241	—
Issuance of restricted stock, net of forfeitures	672	12	—	—
Equity-based compensation expense related to employees	—	—	44,578	—
Balance as of September 30, 2014	<u>156,704</u>	<u>\$4,284</u>	<u>\$3,054,780</u>	<u>\$(3,157,085)</u>

- (1) From time to time, our Board of Directors has adopted share repurchase plans authorizing the repurchase of our outstanding ordinary shares. On November 6, 2012, our Board of Directors adopted a share repurchase plan authorizing the repurchase of up to \$500.0 million of our outstanding ordinary shares and on April 30, 2014, adopted another share repurchase plan authorizing the repurchase of up to \$750.0 million of our outstanding ordinary shares. These authorizations have no expiration date and permit us to purchase our ordinary shares in open market or privately negotiated transactions at times and prices that we consider appropriate. In August 2014, we completed the repurchase of the remaining authorized amount under the November 2012 plan and began executing repurchases under the April 2014 plan. In fiscal 2014, we repurchased 8.4 million ordinary shares at an average price of \$44.14 per share (excluding broker and transaction fees). As of September 30, 2014, we had remaining authority to repurchase up to \$714.0 million of our outstanding ordinary shares under the April 2014 plan.

Risk Factors

We are exposed to general global economic and market conditions, particularly those impacting the communications industry.

We provide software and services primarily to service providers in the communications industry and our business is therefore highly dependent upon conditions in that industry. Developments in the communications industry, such as the impact of global economic conditions, industry consolidation, emergence of new competitors, commoditization of voice, video and data services and changes in the regulatory environment, at times have had, and could continue to have, a material adverse effect on our existing or potential customers. In the past, these conditions reduced the high growth rates that the communications industry had previously experienced and caused the market value, financial results and prospects and capital spending levels of many communications companies to decline or degrade. Industry consolidation involving our customers may place us at risk of losing business to the incumbent provider to one of the parties to the consolidation or to new competitors. During previous economic downturns, the communications industry experienced significant financial pressures that caused many in the industry to cut expenses and limit investment in capital intensive projects and, in some cases, led to restructurings and bankruptcies. Continuing uncertainty as to economic recovery in recent years may have adverse consequences for our customers and our business.

Downturns in the business climate for communications companies have in the past resulted in slower customer buying decisions and price pressures that adversely affected our ability to generate revenue. Adverse market conditions may have a negative impact on our business by decreasing our new customer engagements and the size of initial spending commitments under those engagements, as well as decreasing the level of discretionary spending by existing customers. In addition, a slowdown in buying decisions may extend our sales cycle period and may limit our ability to forecast our flow of new contracts. If such adverse business conditions arise in the future, our business may be harmed.

If we fail to adapt to changing market conditions and 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. Our failure to adapt to changing market conditions and to compete successfully with established or new competitors 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. These managed services include management of data center operations and IT infrastructure, application management and ongoing support, systems modernization and consolidation and management of end-to-end business processes for billing and customer care operations.

The market for communications information systems is highly competitive and fragmented, and we expect competition to continue to increase. We compete with independent software and service providers and with the in-house IT and network departments of communications companies. Our main competitors include firms that provide IT services (including consulting, systems integration and managed services), 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, wireline and wireless services, cable, satellite and service bureaus) and network equipment providers that offer software systems in combination with the sale of network equipment. We also compete with companies that provide digital commerce software and solutions.

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

- the development by others of software products and services that are competitive with our products and services,
- the price at which others offer competitive software and services,
- the ability of competitors to deliver projects at a level of quality that rivals our own,
- the responsiveness of our competitors to customer needs, and
- the ability of our competitors to hire, retain and motivate key personnel.

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A number of our competitors 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 abilities to address the needs of our existing or 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. If we fail to adapt to changing market conditions and to compete successfully with established or new competitors, our results of operations and financial condition may be adversely affected.

If we do not continually enhance our products and service offerings and introduce new products and features, we may have difficulty retaining existing customers and attracting new customers.

We believe that our future success will depend, to a significant extent, upon our ability to enhance our existing products and services and to introduce new products, services and features to meet the requirements of our customers in a rapidly developing and evolving market. We devote significant resources to refining and expanding our base software modules and to developing our customer experience solutions. Our present or future products and services may not satisfy the evolving needs of the communications industry or of other industries that we serve. 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.

Our business is dependent on a limited number of significant customers, and the loss of any one of our significant customers could harm our results of operations.

Our business is dependent on a limited number of significant customers, of which AT&T has historically been our largest. AT&T accounted for 33% of our revenue in fiscal 2014 and 28% in fiscal 2013. Aggregate revenue derived from the multiple business arrangements we have with the ten largest of our significant customers accounted for approximately 73% of our revenue in fiscal 2014 and 70% in fiscal 2013. The loss of any significant customer, a significant decrease in business from any such customer or a reduction in customer revenue due to adverse changes in the terms of our contractual arrangements or other factors could harm our results of operations and financial condition. Revenue from individual customers may fluctuate from time to time based on the commencement and completion of projects, the timing of which may be affected by market conditions.

Although we have received a substantial portion of our revenue from recurring business with established customers, many 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 or significantly reduce the scope of committed projects, each of which could reduce our revenue and profits.

Our future success will depend on our ability to develop and maintain long-term relationships with our customers and to meet their expectations in providing products and performing services.

We believe that our future success will depend to a significant extent on our ability to develop and maintain long-term relationships with successful network operators and service providers with the financial and other resources required to invest in significant ongoing customer experience solutions. 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 seek to acquire companies or technologies that could disrupt our ongoing business, divert the attention of our management and employees and adversely affect our results of operations.

It is a part of our business strategy to pursue acquisitions and other initiatives in order to offer new products or services or otherwise enhance our market position or strategic strengths. In recent years, we have completed numerous acquisitions, which, among other things, have expanded our business into digital commerce solutions and the network control and optimization domains. In the future, we may acquire other companies that we believe will advance our business strategy. We may not be able to identify suitable future acquisition candidates, consummate acquisitions on favorable terms or complete otherwise favorable acquisitions because of antitrust or other regulatory concerns.

We cannot assure you that the acquisitions we have completed, or any future acquisitions that we may make, will enhance our products and services or strengthen our competitive position. We also cannot assure you that we have identified, or will be able to identify, all material adverse issues related to the integration of our acquisitions, such as significant defects in the internal control policies of companies that we have acquired. In addition, our acquisitions could lead to difficulties in integrating acquired personnel and operations and in retaining and motivating key personnel from these businesses. Any failure to recognize significant defects in the internal control policies of acquired companies or to properly integrate and retain personnel may require a significant amount of time and resources to address. 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.

The skilled and highly qualified workforce that we need to develop, implement and modify our solutions may be difficult to hire, train and retain, and we could face increased costs to attract and retain our skilled workforce.

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 on a worldwide basis. In addition, our competitive success will depend on our ability to attract and retain other outstanding, highly qualified employees, consultants and other professionals. Because our software products are highly complex and are generally used by our customers to perform critical business functions, we depend heavily on skilled technology professionals. Skilled technology professionals are often in high demand and short supply. If we are unable to hire or retain qualified technology professionals to develop, implement and modify our solutions, we may be unable to meet the needs of our customers. In addition, serving several new customers or implementing several new large-scale projects in a short period of time may require us to attract and train additional IT professionals at a rapid rate. We may face difficulties identifying and hiring qualified personnel. Although we are heavily investing in training our new employees, we may not be able to train them rapidly enough to meet the increasing demands on our business, particularly in light of high attrition rates in some regions where we have operations. Our inability to hire, train and retain the appropriate personnel could increase our costs of retaining a skilled workforce and make it difficult for us to manage our operations, meet our commitments and compete for new customer contracts. In particular, wage costs in lower-cost markets where we have historically added personnel, such as India, are increasing and we may need to increase the levels of our employee compensation more rapidly than in the past to remain competitive.

As a result of our entry into new domains, we now compete for high quality employees in those domains' limited and competitive talent market. In addition, cost containment measures effected in recent years, such as the relocation of projects to lower-costs countries, may lead to greater employee attrition and increase the cost of retaining our most skilled employees. The transition of projects to new locations may also lead to business disruptions due to differing levels of employee knowledge and organizational and leadership skills. While we have never experienced an organized labor dispute, strike or work stoppage, any such dispute in the future could have a negative impact on our business.

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 operations and impair our efforts to expand our business.

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Our quarterly operating results may fluctuate, and a decline in revenue in any quarter could result in lower profitability for that quarter and fluctuations in the market price of our ordinary shares.

At times, we have experienced fluctuations in our quarterly operating results and anticipate that such movements may continue to occur. Fluctuations may result from many factors, including:

- the size, timing and pace of progress of significant customer projects and license and service 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,
- penetration of new markets, and
- general economic and political conditions.

Generally, our combined license fee revenue and service fee revenue relating to customization, modification, implementation and integration are recognized as work is performed, using the percentage of completion method of 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 a significant portion of our revenue as projects are performed, 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 could result in lower profitability for that quarter. In addition, fluctuations in our quarterly operating results could cause significant fluctuations in the market price of our ordinary shares.

Our revenue, earnings and profitability are affected by the length of our sales cycle, and a longer sales cycle could adversely affect our results of operations and financial condition.

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 and services 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 addition, the lengthening of our sales cycle contributes to increased selling expenses, thereby reducing our profitability.

We may be required to increase or decrease the scope of our operations in response to changes in the demand for our products and services, and if we fail to successfully plan and manage changes in the size of our operations, our business will suffer.

In the past, we have both grown and contracted our operations, in some cases rapidly, in order to profitably offer our products and services in a continuously 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.

Restructurings and cost reduction measures that we have implemented, from time to time, have reduced the size of our operations and workforce. Reductions in personnel can result in significant severance, administrative

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and legal expenses and may also adversely affect or delay various sales, marketing and product development programs and activities. These cost reduction measures have included, and may in the future include, employee separation costs and consolidating and/or relocating certain of our operations to different geographic locations.

Acquisitions, organic growth and absorption of significant numbers of customers' employees in connection with managed services projects have, from time to time, increased our headcount. Our total workforce, which includes employees and consultants, has increased from 17,244 at the end of fiscal 2009 to 22,546 as of September 30, 2014. During periods of expansion, we may need to serve several new customers or implement several new large-scale projects in short periods of time. This may require us to attract and train additional IT professionals at a rapid rate, which we may have difficulties doing successfully.

Volatility and turmoil in the world's capital markets may adversely affect our investment portfolio and other financial assets.

Our cash, cash equivalents and short-term interest-bearing investments totaled \$1,214 million, net of short-term debt, as of September 30, 2014. Our policy is to retain sufficient cash balances in order to support our growth. Our short-term investments consist primarily of money market funds, U.S. government treasuries, corporate bonds and U.S. agency securities. Although we believe that we generally adhere to conservative investment guidelines, adverse market conditions have resulted in immaterial impairments during the last three fiscal years of the carrying value of certain of our investment assets. Future adverse market conditions may lead to additional impairments. Realized or unrealized losses in our investments or in our other financial assets may adversely affect our financial condition.

Declines in the financial condition of banks or other global financial institutions may adversely affect our normal financial operations.

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, adverse general business conditions may degrade the creditworthiness of our customers over time, and we can be adversely affected by bankruptcies or other business failures.

Our international presence exposes us to risks associated with varied and changing political, cultural, legal and economic conditions worldwide.

We are affected by risks associated with conducting business internationally. We maintain development facilities in Brazil, Canada, Cyprus, India, Ireland, Israel, the United Kingdom and the United States, and have operations in North America, Europe, Israel, Latin America and the Asia-Pacific region. Although a substantial 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 bases and to continue to expand into international markets, including emerging markets, such as those in Latin America, Russia and other members of the Commonwealth of Independent States, India and Southeast Asia. Conducting business internationally exposes us to certain risks inherent in doing business in numerous markets, including:

- lack of acceptance of non-localized products or services,
- difficulties in complying with varied legal and regulatory requirements across jurisdictions, including those applicable to employees and the terms of employment,
- 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,

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- challenges in complying with complex foreign and U.S. laws and regulations, including communication, trade and privacy regulations,
- immigration regulations that limit our ability to deploy our employees,
- political instability and threats of terrorism, and
- variations in effective income tax rates and tax policies among countries where we conduct business.

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

As we continue to develop our business internationally, including in emerging markets, we face increasing challenges that could adversely impact our results of operations, reputation and business.

As we continue to expand our business internationally, including in emerging markets such as those in Latin America, Russia and other members of the Commonwealth of Independent States, India and Southeast Asia, we face a number of challenges. These challenges include those related to more volatile economic conditions, competition from companies that are already present in the market, the need to identify correctly and leverage appropriate opportunities for sales and marketing, poor protection of intellectual property, inadequate protection against crime (including counterfeiting, corruption and fraud), inadvertent breaches of local laws or regulations and difficulties in recruiting sufficient personnel with appropriate skills and experience. In addition, local business practices in jurisdictions in which we operate, and particularly in emerging markets, may be inconsistent with international regulatory requirements, such as anti-corruption and anti-bribery laws and regulations (including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act) to which we are subject. It is possible that some of our employees, subcontractors, agents or partners may violate such legal and regulatory requirements, which may expose us to criminal or civil enforcement actions, including penalties and suspension or disqualification from U.S. federal procurement contracting. If we fail to comply with such legal and regulatory requirements, our business and reputation may be harmed.

Our international operations expose us to risks associated with fluctuations in foreign currency exchange rates that could adversely affect our business.

Although we have operations throughout the world, approximately 70% to 80% of our revenue and approximately 50% to 60% of our operating costs are denominated in, or linked to, the U.S. dollar. Accordingly, we consider the U.S. dollar to be our functional currency. Fluctuations in exchange rates between the dollar and the currencies not denominated in, or linked to, the U.S. dollar in which revenues are earned or costs are incurred may have a material adverse effect on our results of operations and financial condition. From time to time we may experience increases in the costs of our operations outside the United States, as expressed in dollars, as well as decreases in revenue not denominated in, or linked to, the U.S. dollars, each of which could have a material adverse effect on our results of operations and financial condition.

For example, during the height of the financial crisis in fiscal 2008, we recognized higher than usual foreign exchange losses under interest and other expense, net, mainly due to the significant revaluation of assets and liabilities denominated in other currencies attributable to the rapid and significant foreign exchange rate changes associated with the global economic turbulence. Although our foreign exchange losses have been less significant since then as a result of enhanced hedging strategies, we believe that foreign exchange rates may continue to present challenges in future periods.

Our policy is to hedge significant net exposures in the major foreign currencies in which we operate, and we generally hedge our net currency exposure with respect to expected revenue and operating costs and certain balance sheet items. We do not hedge all of our currency exposure, including for currencies for which the cost of hedging is prohibitively expensive. 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, devaluation policies, restrictions on withdrawal of foreign exchange, 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.

Political and economic conditions in the Middle East and other countries may adversely affect our business.

Of the development centers we maintain worldwide, two of our largest development centers are located in Israel and India. In Israel, the centers are located in several different sites, and approximately 21% of our software and information technology, sales and marketing workforce is located in Israel. As a result, we are directly influenced by the political, economic and military conditions affecting Israel and its neighboring regions. Any major hostilities involving Israel could have a material adverse effect on our business. We maintain contingency plans to provide ongoing services to our customers in the event that escalated 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. Implementation of these plans could disrupt our operations and cause us to incur significant additional expenditures, which could adversely affect our business and results of operations.

Conflicts in North Africa and the Middle East, including in Egypt and Syria which border Israel, have resulted in continued political uncertainty and violence in the region. Reports of Iran's continuing nuclear development program have seriously strained relations between Israel and Iran. In addition, efforts to improve Israel's relationship with the Palestinian Authority have failed to result in a permanent solution, and there have been numerous periods of hostility in recent years involving, in particular, Gaza. Further deterioration of relations with the Palestinian Authority or other countries in the Middle East might require increased military reserve service by some of our workforce, which may have a material adverse effect on our business.

In recent years, we have expanded our operations internationally, particularly in India, Southeast Asia and Latin America. Conducting business in these and other countries involves unique challenges, including political instability, threats of terrorism, the transparency, consistency and effectiveness of business regulation, business corruption, the protection of intellectual property, and the availability of sufficient qualified local personnel. Any of these or other challenges associated with operating in these countries may adversely affect our business or operations. We have development and other facilities at multiple locations in India, and approximately 38% of our software and information technology, sales and marketing workforce is located in India. Terrorist activity in India and Pakistan has contributed to tensions between those countries and our operations in India may be adversely affected by future political and other events in the region.

If we are unable to protect our proprietary technology from misappropriation, our business may be harmed.

Any misappropriation of our technology or the development of competitive technology could seriously harm our business. Our software and software systems are largely comprised of software and systems we have developed or acquired and that we regard as proprietary. We rely upon a combination of trademarks, patents, contractual rights, trade secret law, copyrights, non-disclosure agreements and other methods to protect our proprietary rights. We enter into non-disclosure and confidentiality agreements with our customers, workforce and marketing representatives and with certain contractors with access to sensitive information, and we also limit our customer access to the source codes of our software and our software systems. We have undertaken, and will continue to undertake, appropriate actions to protect our technology.

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.

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 and subject us to potentially burdensome litigation.

Our software and software systems are the results of long and complex development processes, and, although our technology is not significantly dependent on patents or licenses from third parties, certain aspects of

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our products make use of readily available software components that we license from third parties, including our employees and contractors. As a developer of complex software systems, third parties may claim that portions of our systems violate their intellectual property rights. The ability to develop and use our software and software systems requires knowledge and professional experience that we believe is unique to us and would be very difficult for others to independently obtain. However, our competitors may independently develop technologies that are substantially equivalent or superior to ours.

Software developers, including us, have been and are becoming increasingly subject to infringement claims as the number of products and competitors providing software and services to the communications industry increases and overlaps occur. In addition, patent infringement claims are increasingly being asserted by patent holding companies, which do not use the technology subject to their patents, and whose sole business is to enforce patents against companies, such as us, for monetary gain. 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. We support service providers and media companies with respect to digital content services, which could subject us to claims related to such services. Our entry into the digital content services market has also subjected us to possible claims of infringement of the ownership rights to media content, for example, as well as to direct legal claims from retail consumers arising from the delivery of such services.

If anyone asserts a claim against us relating to proprietary technology or information, we might seek to license their intellectual property. We might not, however, 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, software errors, or service failures could adversely affect our business.

Design defects or software errors may cause delays in product introductions and project implementations and 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, failures to comply with our service obligations or other potential problems within or outside of our control may arise during implementation or from the use of our products and services, and may result in financial or other damages to our customers, for which we may be held responsible. Although we have license and service 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 and services, 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.

Our use of "open source" software could adversely affect our ability to sell our services and subject us to possible litigation.

We use open source software in providing our solutions, and we may use additional open source software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Under such licenses, if we engage in certain defined manners of use, we may be subject to certain conditions, including requirements that we offer our solutions that incorporate the open source software for no cost; that we make available source code for modifications or derivative works we create based upon,

incorporating or using the open source software; and/or that we license such modifications or derivative works under the terms of the particular open source license. In addition, if a third-party software provider has incorporated open source software into software that we license from such provider in a manner that triggers one or more of the above requirements, we could be required to disclose any of our source code that incorporates or is a modification of such licensed software. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending such allegations and could be subject to significant damages, enjoined from the sale of our solutions that contained the open source software, and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our solutions.

System disruptions and failures or security and privacy breaches may result in customer dissatisfaction, customer loss or both, which could materially and adversely affect our reputation and business.

Our systems are an integral part of our customers' business operations. The continued and uninterrupted performance of these systems by our customers 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 ability to serve our customers 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, attacks, break-ins and similar disruptions from unauthorized tampering. Although we maintain insurance that we believe is appropriate for our business and industry, such coverage may not be sufficient 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. 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.

If a cyber-attack or other security incident were to result in unauthorized access to or modification of our customers' data or our own data or our IT systems or in disruption of the services we provide to our customers, or if our products or services are perceived as having security vulnerabilities, we could suffer significant damage to our business and reputation. Customers could lose confidence in the security and reliability of our products and services, including our cloud offerings, and perceive them not to be secure. This in turn could lead to fewer customers using our products and services and result in reduced revenue and earnings. The costs we would incur to address and fix these security incidents would increase our expenses. These types of security incidents could also lead to lawsuits, regulatory investigations and claims and increased legal liability.

Changes in the tax policies and regulations imposed by the jurisdictions in which we operate, the termination or reduction of certain government programs and tax benefits, or challenges by tax authorities of our tax positions could adversely affect our overall effective tax rate.

There can be no assurance that our effective tax rate of 13.8% for the year ended September 30, 2014 will not change over time as a result of changes in corporate income tax rates or other changes in the tax laws of Guernsey, the jurisdiction in which our holding company is organized, or of the various countries in which we operate. There is growing pressure in many jurisdictions and from multinational organizations such as the OECD and EU to amend existing international taxation rules in order to align the tax regimes with current global business practices and thereby generate more tax revenue.

We have benefited or currently benefit from a variety of government programs and tax benefits that generally carry conditions that we must meet in order to be eligible to obtain any benefit. For example, through a subsidiary, we operate development centers and a business processing operations center in India. In 2014, the effective corporate tax rate applicable in India on trading activities was 33.99%. Our subsidiary in India operates under specific favorable tax entitlements that are based upon pre-approved information technology related

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services activity. As a result, these activities are entitled to considerable corporate income tax reductions for our eligible income, which reduce the current applicable effective tax rate (cash basis) to 20%. Such favorable tax treatment is applied on all income derived from such pre-approved information technology activity, provided the subsidiary continues to meet the conditions required for such tax benefits. These benefits are scheduled to phase out over 15 years from the commencement of operations of the respective units within our Indian subsidiary. Proposed changes in Indian tax law may reduce or eliminate the availability of these beneficial tax rates. Please see “Item 10 — Additional Information — Taxation — Certain Indian Tax Considerations” for more information.

If we fail to meet the conditions upon which certain favorable tax treatment is based, we would not be able to claim future tax benefits and could be required to refund tax benefits already received. In addition, any of the following could have a material effect on our overall effective tax rate:

- some tax benefit programs may be limited in duration or 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, or
- 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.

The market price of our ordinary shares has and may continue to fluctuate widely.

The market price of our ordinary shares has from time to time fluctuated widely and may continue to do so. 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,
- changes in our backlog levels,
- announcements of technological innovations by us or our competitors,
- introductions of new products and services or new pricing policies by us or our competitors,
- trends in the communications or software industries, including industry consolidation,
- acquisitions or strategic alliances by us or others in our industry,
- changes in estimates of our performance or recommendations by financial analysts,
- changes in our shareholder base, and
- political developments in the Middle East or other areas of the world.

In addition, the stock market frequently experiences significant price and volume fluctuations. In the past, market fluctuations have, from time to time, particularly affected 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.

It may be difficult for our shareholders to enforce any judgment obtained in the United States against us or our affiliates.

We are incorporated under the laws of the Island of Guernsey and a majority of our directors and executive officers are not citizens or residents of the United States. 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 upon us within the United States or upon such persons outside their jurisdiction of residence. Also, we have been advised that there is doubt as to the enforceability in Guernsey of judgments of the United States courts of civil liabilities predicated solely upon the laws of the United States, including the federal securities laws.

ITEM 4. INFORMATION ON THE COMPANY

History, Development and Organizational Structure of Amdocs

Amdocs Limited was organized as a company with limited liability 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 global business is providing software and services solutions to enable communications, entertainment and media companies that are major services providers in North America, Europe and the rest of the world to move toward an integrated approach to customer experience. Our registered office is Hirzel House, Smith Street, St. Peter Port, Island of Guernsey, GY1 2NG, and the telephone number at that location is +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 +1-314-212-8328.

Our subsidiaries are organized under and subject to the laws of several countries. Our principal operating subsidiaries are in Canada, Cyprus, Hungary, India, Ireland, Israel, the United Kingdom and the United States. Please see Exhibit 8 to this Annual Report on Form 20-F for a listing of our significant subsidiaries.

As part of our strategy, we have pursued and may continue to pursue acquisitions and other initiatives in order to offer new products or services or otherwise enhance our market position or strategic strengths. In recent years, we have completed numerous acquisitions, which, among other things, have expanded our business into digital commerce solutions and the network control and optimization domains. In 2013, we acquired Actix Ltd., a provider of mobile network optimization solutions, and in January 2014 we acquired substantially all the assets of Celcite Management Solutions LLC, a provider of network management and self-optimizing network solutions.

As the result of our organic growth and acquisitions, our software and information technology, sales and marketing workforce has increased over the last three years from 18,623 as of the end of fiscal 2012 to 21,112 as of the end of fiscal 2014. In the past, our workforce has fluctuated with changes in business conditions.

Our principal capital expenditures for fiscal 2014, 2013 and 2012 have been for computer equipment in our operating facilities and development centers, for which we spent approximately \$94.1 million, \$87.7 million and \$107.4 million, respectively. Any future expansion of our managed services activity could result in additional capital expenditures. We anticipate our capital expenditures in fiscal 2015 will be financed internally and will consist of, among other things, additional computer equipment.

Business Overview

Amdocs is a leading provider of software and services for communications, entertainment and media industry service providers in developed countries and emerging markets. These service providers include some of the largest telecommunications companies in the world, including AT&T, Bell Canada, Deutsche Telekom, Sprint, Telefonica and Vodafone, as well as cable and satellite providers, including Cablevision, Comcast, DIRECTV and UPC Broadband Holding B.V., directory publishers and other providers of media services.

We develop, implement and manage software and services associated with business support systems (BSS), operational support systems (OSS) and network control and optimization domains to enable service providers to efficiently and cost-effectively introduce new products and services, process orders, monetize data and support new business models and generally enhance their understanding of their customers. We refer to these products, systems and services collectively as customer experience solutions because of the crucial impact they have on the service providers' end-user experience.

We believe the demand for our customer experience solutions is driven by the desire of service providers to help their consumer and business customers navigate the increasing number of devices, services and plans available in the connected communications world, and the need of service providers to cope with the rapidly growing demand for data that these new devices and services have created. In fiscal 2013, we released the Amdocs CES (Customer Experience Solutions) 9 portfolio which redefines the service provider's operating environment by delivering a fully virtualized, real-time integration across BSS, OSS and network control and optimization domains, removing barriers to service and system convergence and enabling an integrated customer experience from the device to the network. Amdocs CES 9 aligns business processes around the end customer and enables service providers to rapidly launch and monetize innovative offers and personalize customer

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interactions with real-time insight, and permits customers to take control of their experiences across any channel, network, service or device. In fiscal 2014, we released the Amdocs CES 9.1 portfolio to enable service providers to interact with customers via social media channels, cost-effectively enter and serve the small- and medium-sized business (SMB) market, provide solutions for quad-play offerings, wearable devices and connected cars and homes, and to better manage the customer experience from the device to the network. We also expanded our offering in the network software domain to include solutions for intelligent Wi-Fi offloading, automated long-term evolution (LTE) and small cell planning and project management and geo-located network insight for improved rollout of next generation networks. Released in the first quarter of fiscal 2015, Amdocs CES 9.2 spans BSS, OSS and network control and optimization domains to enable service providers to centralize product and service data from Amdocs and third parties and eliminate barriers between business needs and information technology implementation, allowing for new market-driven modes of business and significantly reduced service design and implementation times for accelerated time to market. Amdocs CES 9.2 enables service providers to provide next generation customer management by providing a consistent user experience across all applications and channels and close the loop from the customer to the network using insights derived from big data analytics that are delivered in real time from a variety of data sources, including the network and BSS suite. Within the network domain, Amdocs released several solutions to enable service providers to accelerate the transformation from physical to virtual networks and support the rapid deployment and monetization of multiple technologies, such as Fiber, LTE, Small Cells and Wi-Fi.

Our goal is to supply scalable products and services that provide the functionality and flexibility to service providers that facilitate innovation and enable cost-effective execution. Regardless of whether providers are bringing their first offerings to market, scaling for growth, consolidating systems or transforming the way they do business, we believe that they seek to differentiate themselves by delivering a customer experience that is simple, personal and valuable at every point of interaction.

Industry Background

We believe that service providers will maintain a strong focus on cost reduction and efficient operations and that the trend towards consolidation within the industry will continue. The smartphone and associated communications and entertainment applications, or apps, other connected devices such as tablets, e-readers, wearables, and the improvement in machine-to-machine (M2M) technologies continue to drive unprecedented growth in data demand. In response to the demand for increased bandwidth, service providers are investing in their networks and searching for ways to differentiate themselves, including by providing new services, improving their business agility, and to optimize and monetize their investments in such services.

In recent years, non-traditional service providers and device manufacturers have penetrated the wireless market and are now competing for customer attention in the television market as well. Additionally, social networks such as Facebook and Twitter, alongside over-the-top players such as Skype, Viber and WhatsApp, have become widely-accepted alternatives to traditional voice communications. To meet the challenges from new competitors and differentiate themselves, service providers are moving towards a model of bundled services, with wireline operators, for example, offering Internet Protocol TV services together with the convergence of fixed-mobile networks. Service providers are also looking to strengthen their standing with enterprise customers, explore new opportunities in the wholesale market and provide M2M services to new vertical market segments, such as the home, health and automotive industries.

To capture new revenue streams, service providers need the ability to expand within existing and non-traditional business models and to deploy new network technologies. We believe service providers will place an emphasis on network virtualization and on modernization and transformation projects for their networks and operational and business support systems as they look for innovative ways to improve operations.

We believe these factors create significant opportunities for vendors of information technology software products and providers of managed services and end-to-end systems integration, such as Amdocs.

The Amdocs Offerings

We believe that our product-led services approach, commitment to and support of quality personnel and deep industry knowledge and expertise enable us to create and deliver effective offerings that are highly

innovative, reliable and cost-effective. In addition, we offer software products that address the specific business needs of service providers. We believe our success derives from a combination of the following factors that differentiate us from most of our competitors.

- *Software Products.* In fiscal 2013, we released the Amdocs CES 9 portfolio which redefines the service provider's operating environment by delivering a fully virtualized real-time integration across BSS, OSS and network control and optimization domains, removing barriers to service and system convergence and enabling an integrated customer experience from the device to the network. Amdocs CES 9 aligns business processes around the end customer and enables service providers to rapidly launch and monetize innovative offers and personalize customer interactions with real-time insight, and permits customers to take control of their experiences across any channel, network, service or device. In fiscal 2014, we released the Amdocs CES 9.1 portfolio, introducing solutions that span BSS, OSS and the network control domain to enable service providers to interact with customers via social media channels, cost-effectively enter and serve the SMB market, provide solutions for quad-play offerings, wearable devices and connected cars and homes, and to better manage the customer experience from the device to the network. We also expanded our offering in the network software domain to include solutions for intelligent Wi-Fi offloading, automated long-term evolution (LTE) and small cell planning and project management and geo-located network insight for improved rollout of next generation networks. Released in the first quarter of fiscal 2015, Amdocs CES 9.2 spans BSS, OSS and network and optimization domains to enable service providers to centralize product and service data from Amdocs and third parties and eliminate the operational barriers between business needs and information technology implementation, allowing for new market-driven modes of business and significantly reduced service design and implementation times for accelerated time to market. Amdocs CES 9.2 enables service providers to provide next generation customer management by providing a consistent user experience across all applications and channels and close the loop from the customer to the network using insights derived from big data analytics that are delivered in real time from a variety of data sources, including the network and BSS suite. Our portfolio of pre-integrated software products are designed to allow modular expansion as a service provider evolves, ensuring rapid, low-cost and reduced-risk implementations.

The Amdocs CES portfolio is based on an open architecture that is intended to provide the functionality, scalability, modularity and adaptability required by service providers in their dynamic, highly competitive markets. The open architecture is based on the principles of service-oriented architecture (SOA) and business process management, which helps to ensure that our products operate together or as stand-alone applications within existing environments. Our proprietary knowledge library of more than 200 industry-specific best practice processes, and a single tool for the unified installation, maintenance and management of the entire BSS and OSS suite, facilitate Amdocs CES rapid time to production. We believe this flexibility enables our customers to achieve significant time-to-market advantages and reduces their dependence on technical and other personnel. Amdocs CES 9 is an end-to-end BSS and OSS virtualized suite, and many of our customers already deploy CES 9 components in virtualized and cloud environments.

- *Services.* Our comprehensive services are designed to address every stage of a service provider's lifecycle, from vision creation and initial strategy through transformation and implementation to operations. Amdocs services include business consulting and systems integration, as well as managed services, project delivery and testing. The Amdocs Order-to-Activation value process operation (VPO) delivers a combination of technology, managed services and operations with a structured methodology, aligning disparate systems and automating manual processes to streamline the order capture to service activation processes. As a prime systems integrator, we assume end-to-end responsibility to monitor, manage and deploy the overall development and integration activities of Amdocs and third-party vendors throughout the transformation lifecycle. Our managed services provides multi-year, flexible and tailored business processes and applications services, including application development and maintenance, IT and infrastructure services, testing, and professional services that are designed to assist customers in the selection, implementation, operation, management and maintenance of their IT systems.

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- *Solution Packs.* “Packs” are turnkey versions of our products, designed for fast, lower-cost implementation. We believe that these packaged offerings provide our customers with timely, cost-effective, relatively low-risk solutions to specific business issues at a consistent level of quality.
- *Experience.* We are able to offer our customers superior products and services on a worldwide basis in large part because of our highly qualified and trained technical, sales, marketing, consulting and management personnel. We combine deep industry knowledge and experience, advanced methodologies, industry best practices and pre-configured tools to help deliver consistent results and minimize our customers’ risks. We invest significantly in the ongoing training of our personnel in key areas such as industry knowledge, software technologies and management capabilities. Based in significant part on the skills and knowledge of our workforce, we believe that we have developed a reputation for reliably delivering quality solutions.

Due to the complex and dynamic nature of our customers’ business needs, the products and services that we provide are typically integrated and designed to work in concert to provide each customer with a complete solution.

Business Strategy

Our goal is to provide products, services and support to the world’s leading service providers as they evolve to remain relevant and competitive in the connected world. We seek to accomplish our goal by pursuing the strategies described below.

- *Continued Focus on the Communications, Entertainment and Media Industry.* We focus our resources and efforts primarily on providing customer experience solutions to service providers in the communications, entertainment and media industry. We consider our longstanding and continuing focus on this industry a competitive advantage. This strategy has enabled us to develop the specialized industry know-how and capability necessary to deliver the technologically advanced, large-scale, specifications-intensive customer experience solutions required by the leading wireless, wireline, broadband cable and satellite companies and may enable us to leverage such capabilities to diversify our customer base and expand our offering domains.
- *Target Industry Leaders.* We intend to continue to direct our marketing efforts primarily toward communications and media industry leaders. By targeting such leading service providers, which require the most sophisticated customer experience solutions, we believe that we are better able to remain at the forefront of developments in the industry. We derive the substantial majority of our revenues from our customer base of major service providers. We believe that the development of this customer base has helped position us as a market leader.
- *Continued Expansion into Emerging Markets.* We continue to improve our ability to serve the needs of service providers operating in emerging markets. Prepaid subscriber growth remains high and average revenue per user remains relatively low in these markets in comparison to more developed markets. At the same time, however, we have started to see a shift in service provider focus as they begin to regard the customer experience as a key competitive differentiator. Our prospective customers in these markets vary dramatically, with some service providers serving subscriber bases already numbering in the hundreds of millions and others introducing communications services to communities for the first time. We believe this shift in focus on the customer experience and the wide spectrum of emerging market service providers require offerings ranging from relatively low-cost systems with pre-packaged services that can be implemented rapidly, to more robust services, to complete customer experience solutions.
- *Provide Customers with a Broad, Deep Portfolio of Integrated Products.* We seek to provide our customers with a broad, yet integrated, portfolio of products to help them deliver a customer experience that is simple, personal and valuable at every point of service. We provide customer experience solutions across the BSS, OSS and network control and optimization domains and multiple lines of business, including wireline, wireless, broadband cable and satellite services. Integration of our systems is achieved through an open, service-oriented architecture, allowing our products to work well together and with third-party products. We believe that our ability to provide a broad, deep suite of products helps position us as a

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strategic partner for our customers, and also provides us with multiple avenues for strengthening and expanding our ongoing customer relationships.

- *Leverage Our Managed Services Capabilities.* Managed services enable us to assume responsibility for the operation, development and management of our customers' Amdocs systems, as well as systems developed by in-house IT departments or by other vendors. Our mandate can extend across the service provider's entire IT environment and encompass key business process operational needs. Our customers receive predictable service levels as well as improved efficiencies and long-term savings over the day-to-day costs of operating and maintaining these systems, so they can focus on their own internal strengths and grow their businesses, leaving system concerns to us. Managed services also benefit us, as they can be a source of predictable revenue and long-term relationships.
- *Maintain and Develop Long-Term Customer Relationships.* We seek to maintain and develop long-term, mutually beneficial relationships with our customers, and have organized our internal operations to better anticipate and respond to their needs. We believe these relationships can lead to additional product sales, as well as ongoing, long-term support, system enhancement and maintenance, and managed services agreements. We believe that such relationships are facilitated in many cases by the mission-critical, strategic nature of Amdocs systems and by the added value we provide through our specialized skills and knowledge. We believe that the longevity of our customer relationships and the recurring revenue that such relationships produce provide a competitive advantage for us.

Products

Our product offerings consist of an extensive software portfolio that we have developed to provide comprehensive customer experience solutions functionality for service providers. Our software solutions support the full span of the customer lifecycle: revenue management, customer management, operations support, network control and optimization, digital lifestyle services and big data analytics. Further, our solutions employ a common architecture, including shared frameworks, and include services for deployment, configuration, integration, security, user interface and monitoring and control. We also provide solutions for high growth and emerging markets, as well as advertising and media solutions for advertising service providers, media publishers and ad agencies, including directory publishers.

Our key product suites are:

- *Revenue Management:* Products that enable our customers and their partners to define, launch and monetize services across their networks. These offerings cover the end-to-end network services revenue stream from offer definition to cash-in-hand and span the consumer, business and partner domains. The portfolio addresses BSS/OSS data processing and event-handling needs and provides automated partner management and settlement for numerous types of partners, including interconnect, content, roaming, digital advertising, mobile virtual network operator (MVNO), wholesale and dealer.
- *Customer Management:* Products that enable a service provider to simplify interactions between the provider and the customer to provide the best service and care. This, in turn, helps service providers to maximize sales and e-commerce opportunities, increase revenue, reduce operational costs, increase efficiency and improve customer satisfaction, including as measured by net promoter score (NPS) metrics. These products are designed to ensure consistent and personalized experiences across all interaction channels, including contact center, retail stores, Web and mobile, and social media and across all devices, including smartphones, tablets and personal computers. The portfolio is focused on the overall customer experience and factors subscriber context into every interaction to deliver individual experiences, optimize offering time to market, improve purchasing and ordering activities and provide intuitive customer care interactions.
- *Operational Support Systems (OSS):* Products that comprise the core operational support systems, such as network planning, service fulfillment and assurance for fixed line, broadband, wireless and cable TV networks. The offerings facilitate network operational processes, including network planning and rollout across multiple technologies, as well as the fulfillment, order orchestration and activation of new services.

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- *Network Control*: Suite of pre-integrated, vendor-neutral products that consist of intelligent controls to manage the subscriber or device experience in real time, including controlling access to 3G, 4G, fixed and convergent networks, and managing network resource consumption, such as bandwidth. These offerings enable service providers to create dynamic data services, including shared plans, tiered plans and access calibrated to the time of day and help service providers monetize the growth in Wi-Fi.
- *Network Optimization*: Integrated suite of software and services designed to help service providers plan, build, launch, manage and optimize their radio access network. Vendor agnostic and multi-technology, this offering gives service providers the analytics, optimization and managed services capabilities needed to target network investments accurately, roll out networks quickly, optimize network performance and capacity, and enhance the customer's network experience.
- *Digital Lifestyle Services*: Suite of ready-to-use solutions that provide end users with intuitive, secure and personalized digital services. These offerings span three solution areas: M2M, which provides a scalable platform for the growing number of devices that will need to be managed and enables service providers to quickly onboard new partners while extending their role in the value chain. The Connected Home provides a cloud-based environment to enable service providers to quickly and cost efficiently offer integrated home services, such as security, energy management, automation and entertainment. Unified Communications is a service provider-branded solution that combines social messaging services, video, VoIP and a unified address book across multiple devices.
- *Big Data Analytics*: Consists of end-to-end, carrier-grade big data analytics solutions. They enable service providers to gain intimate knowledge of relevant data from multiple systems, including BSS, OSS, the network and social media. The products provide advanced and actionable insights for improved business results in critical situations, such as customer churn and order cancellation.
- *Cross-Portfolio*: These offerings span a service provider's BSS, OSS and network domains to accelerate business innovation and time to market with prepackaged, modular functionality and a catalog of use cases. The offerings enable new business opportunities and revenue models with cloud computing and facilitate entry into growing segments, such as the SMB market.
- *Compact CES*: Solutions that provide real-time converged billing and service delivery and are specifically designed for small- to medium-sized service providers, MVNOs and mobile virtual network enablers (MVNEs) that provide services to MVNOs. The offering delivers convergence in a simple and unified manner, from system setup and integration to ongoing operations and features built-in essential business functionality, such as invoicing and provisioning, product catalog, customer care and reporting capabilities. Compact CES can be implemented on premise or in the cloud.

Advertising and Media Solutions

Our advertising and media offerings for advertising service providers, media publishers and ad agencies are comprised of a comprehensive set of business and operational products and services designed to enable the management of media selling, fulfillment, operations, consumer experience and financial processes across digital and print media.

Technology

Our technology platform's flexibility affords our customers the freedom to choose a preferred operating environment and to maximize return on existing infrastructure investments. Our portfolio architecture allows our applications to work in multiple customer environments, including:

- *Hardware*: Intel XEON based servers from IBM, Hewlett-Packard, Dell
- *Server Operating Systems*: Red Hat Linux, Oracle Linux (with Red Hat's kernel)
- *Virtualization*: VMware vSphere
- *Database Management Systems*: Oracle
- *Middleware*: Oracle WebLogic, IBM WebSphere
- *Storage*: EMC, IBM, Hewlett-Packard

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To help service providers respond more quickly to changes in their markets and lower their integration costs, we employ service-oriented architecture principles in our portfolio design. For example, Amdocs Web Services Factory exposes the Amdocs portfolio application programming interfaces to external systems, allowing our applications to integrate with each other and with third-party enterprise server bus or legacy applications.

Our portfolio applications are based around consistent architectural guidelines and software infrastructure and they also leverage, where appropriate, consistent foundation tools. Our services encompass installation, integration, testing, process management, monitoring and control, security and information management. Our platform-agnostic foundation layer spans our applications and helps us evolve our products towards robust service-oriented architecture integration and business process support. With these tools, we aim to provide our customers a sound framework upon which to implement, integrate and centralize their operating environments. This allows service providers to mitigate many costs associated with deploying and operating new applications, such as those related to installation, configuration, integration, testing and monitoring.

Our product portfolio also includes the following key characteristics:

- *Scalability.* Our applications are designed to take full advantage of the scalability capabilities of the underlying platform, allowing progressive system expansion, proportional with the customer's growth in business volumes. Using the same software, our applications can support operations for small, as well as very large service providers.
- *Reliability.* Our system and component architecture supports high availability and redundancy to allow connected and uninterrupted operations at full network speed and device load.
- *Modularity.* Our product portfolio is comprised of sets of individual functional application products. Each of our applications can be installed on an individual stand-alone basis, interfacing with the customer's existing systems, or as part of an integrated Amdocs system environment. This modularity provides our customers with a highly flexible and cost-effective solution that is able to incrementally expand with the customer's growing needs and capabilities. The modular approach preserves the customer's initial investment in products, and minimizes future disruptions and the overall cost of system implementation.
- *Upgradability and Backward Compatibility.* Version interoperability eliminates risky upgrades and allows for a gradual upgrade approach of suite elements.
- *Virtualization.* Increasing server efficiency, commonly referred to as virtualization, is critical in today's IT world as it reduces costs and improves operational efficiency through server consolidation, improved server availability, elasticity and sustainability. Using VMWare 5.x, the Amdocs CES suite is fully certified to run in a virtualized production environment.

Services

We offer a broad suite of services to help service providers through each stage of the business lifecycle. We provide business consulting, systems integration, managed services, order to activation VPO services, business intelligence and data warehouse services, testing, project delivery and product support to assist our customers with their business strategy, system implementation, integration, modification, consolidation, operation and maintenance needs. In addition, we offer comprehensive learning services to help our customers develop competency in their Amdocs systems and applications. Our services methodology incorporates rigorous focus on the people, processes and technology of an organization, and we invite active customer participation at all stages to help prioritize and implement time-critical system solutions that address the customer's individual needs.

Our services portfolio includes:

- *Business Consulting Services* — These services cover the project lifecycle and range from assessment and advisory services to optimization services that measure and improve business and operational performance, and help to define the project strategy, scope and implementation path of business solutions to deliver tangible business and operational value.
- *Systems Integration and Transformation Services* — This suite of services allows us to act as a prime integrator from program management and project deployment to solution implementation and operations.

We have developed advanced methodologies, industry best practices and pre-configured tools to deliver a cohesive implementation plan, including solution architecture, organizational change management, learning and development, benefits realization modeling and sales channels optimization, in addition to high-quality systems and applications testing. Our approach ensures that people, processes and technology are fully aligned with our customer's vision and goals.

- *Managed Services* — Our portfolio of strategic sourcing services is tailored for service providers to gain competitive advantage and improve business results through long-term operations, applications and infrastructure services as well as system modernization and consolidation. Whether our customer's IT environment includes Amdocs products, third-party software or in-house and legacy systems, our specialized services span the industry landscape across mobile, wireline, broadband, cable and satellite. We support new and existing lines of business, such as pay television and M2M, as well as new business entities, including second brand, MVNO and greenfield. Our managed services models can be leveraged to support day-to-day operations and strategic business objectives.
- *Order to Activation VPO Services* — These managed services help service providers timely fulfill orders. They are designed to proactively prevent and efficiently resolve issues across the order-to-activation process. Services include unification and streamlining of orders as well as optimally managing field services.
- *Business Intelligence and Data Warehouse Services* — Provides a full scope of services from design and implementation to operations to address the entire data lifecycle, including extract, transform and load (ETL), data warehouse, business intelligence (BI) and analytics. Our approach encompasses analytical and operational systems to feed actionable insights back into the business processes. These services are designed to operate with industry-leading BI and data warehouse platforms and products offered by our technology partners.
- *Project Delivery Services* — These services provide a smooth transition from project deployment to implementation and operation. Our knowledgeable implementation professionals are intimately acquainted with the entire spectrum of communication-specific IT systems, products and customers and leverage field-proven structured methodologies and best practices to deliver rapid results at low risk.
- *Testing Services* — These services leverage our proprietary tools, methodologies, best practices and unique BEAT™ framework to manage and perform testing activities on Amdocs and 3rd party applications. We offer our customers years of industry-specific testing experience, extensive domain expertise, skilled testing resources, experience with multivendor environments and a global presence to ensure seamless continuity and ongoing support around the clock.
- *Product Support Services* — These services are designed to help our customers solve key challenges and to protect and maximize their investment in our products throughout the entire product life cycle. Our global product support organization uses industry-recognized methodologies and provides support options, including online services and personalized interactions.

The extent of services provided varies from customer to customer. Our services engagements can range in size and scope from deploying single point solutions to orchestrating large-scale transformation projects. Depending on the customer's needs, system implementation and integration activities are often conducted jointly by teams from Amdocs and the customer. In some cases, Amdocs personnel provide support services to the customer's own implementation and integration team, which has primary responsibility for the task. In other cases, we take a primary role in facilitating implementation and integration. In yet other instances, customers require turnkey solutions, in which case we provide full system implementation and integration services.

Once the system becomes operational, we are generally retained by the customer to provide ongoing services, such as maintenance, enhancement design and development and operational support, or to act as a prime systems integrator for post-production activities that may include interfaces with third-party systems. For a substantial number of our customers, the implementation and integration of an initial system has been followed by the sale of additional systems and modules. We aim to establish long-term maintenance and support contracts with our customers. These contracts generally involve an expansion in the scope of support delivered and provide us with recurring revenue.

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Our business is conducted on a global basis. We maintain development and support facilities worldwide, including Brazil, Canada, Cyprus, India, Ireland, Israel, the United Kingdom and the United States, and have operations in North America, Europe, Israel, Latin America and the Asia-Pacific region.

Sales and Marketing

Our sales and marketing activities are primarily directed at major communications, entertainment and media companies.

As a result of the strategic importance of our customer experience solutions to the operations of service providers, a number of constituencies within a customer's organization are typically involved in purchasing decisions, including senior management, information systems personnel and user groups, such as the finance, customer service and marketing departments. We maintain sales offices in the United States, Europe, Latin America and Asia Pacific.

Our sales activities are supported by marketing efforts and increasing cooperation with strategic partners. We interact with other third parties in our sales activities, including independent sales agents, information systems consultants engaged by customers and systems integrators that provide complementary products and services. We also have value-added reseller agreements with certain hardware and database vendors. Our marketing activities also continue to support projects with partner companies, such as IBM, Alcatel-Lucent, Hewlett-Packard and others.

Customers

Our target market is comprised of service providers in the communication, entertainment and media industry that require customer experience solutions with advanced functionality and technology. The companies in our target segment are typically market leaders. By working with such companies, we help ensure that we remain at the forefront of developments in the industry and that our product offerings continue to address the market's most sophisticated needs. We have a global orientation and customers in over 80 countries.

Our customers include global communications leaders and leading network operators and service providers, as well as local marketing service providers in the United States and around the world. Our customers include:

A1 Telekom Austria
America Movil
Astro
AT&T
Bakcell
Bell Canada
BT
Cablevision
Cellcom
CenturyLink
Claro Brasil
Comcast
Deutsche Telekom
Dex Media
DIRECTV
EE
Elisa
FarEastone
Globe Telecom

NetCom
Post Luxembourg
Rogers Communications
Sprint
Telefónica de Espana
Telefónica Argentina
Telefónica Peru
Telefónica Chile
Telkom South Africa
Telstra
TELUS Communications
T-Mobile Deutschland
T-Mobile USA
TIM Brasil
True Corporation
UPC Broadband Holding B.V.
US Cellular
Verizon Communications
VimpelCom

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Instituto Costarricense de Electricidad
J:COM
Kazakhtelecom
KPN
Magyar Telekom
MetroPCS
Mobilicity
MobilTel

Virgin Media
Vodafone Germany
Vodafone Hungary
Vodafone Netherlands
Vodafone Romania
Vodafone UK
XL Axiata

Our business is dependent on a limited number of significant customers, of which AT&T has historically been our largest. AT&T accounted for 33% of our revenue in fiscal 2014 and 28% in fiscal 2013. Aggregate revenue derived from the multiple business arrangements we have with the ten largest of our significant customers accounted for approximately 73% of our revenue in fiscal 2014 and 70% in fiscal 2013.

The following is a summary of revenue by geographic area. Revenue is attributed to geographic region based on the location of the customer:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
North America	72.7%	72.4%	69.8%
Europe	12.6	11.9	13.6
Rest of the World	14.7	15.7	16.6

Competition

The market for customer experience solutions in the communications, entertainment and media industry continues to become more competitive. Amdocs' competitive landscape is comprised of internal IT departments of large communication companies, as well as independent competitors that may compete broadly with us or in limited segments of our market, and can be categorized as follows:

- providers of BSS/OSS systems, including Comverse, CSG International, Oracle, Redknee, Salesforce and SAP;
- system integrators and providers of IT services, such as Accenture, Cognizant, Hewlett-Packard, IBM Global Services, Infosys, Tata Consultancy Services, Tech Mahindra Ltd and Wipro (some of whom we also cooperate with in certain opportunities and projects); and
- network equipment providers such as Alcatel-Lucent, Ericsson, Huawei, Nokia Siemens, NEC and its subsidiary NetCracker, and ZTE (some of whom we also cooperate with in certain opportunities and projects and some of whom have also moved into the BSS/OSS space).

We expect the competition in our industry to increase from many of such companies.

We believe that we are able to differentiate ourselves from these competitors by, among other things:

- applying our more than 30-year heritage to the development and delivery of products and professional services that enable our customers to overcome their challenges and achieve service differentiation by means of simplifying the customer experience, harnessing data, staying ahead of the competition and focusing on efficiencies,
- continuing to design and develop solutions targeted specifically to the communications, entertainment and media industry,
- innovating and enabling our customers to adopt new business models that will improve their ability to drive new revenues, and compete and win in a changing market,
- providing high-quality, reliable, scalable, integrated, yet modular applications,
- providing flexible and tailored IT and business process outsourcing solutions and delivery models, and
- offering customers end-to-end accountability from a single vendor.

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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. Some of these companies are continuing their attempts to expand their market penetration in the communications industry. 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 existing or prospective customers. Accordingly, new competitors or alliances among competitors may emerge and rapidly acquire significant market share. There can be no assurance that we will be able to compete successfully with existing or new competitors. Our failure to adapt to changing market conditions and compete successfully with established or new competitors would have a material adverse effect on the results of our operations and financial condition.

Employees

We invest significant resources in the training, retention and motivation of high quality personnel. Training programs cover areas such as technology, applications, development methodology, project methodology, programming standards, industry background, business, management development and leadership. Our management development efforts are reinforced by an organizational structure that provides opportunities for talented managers to gain experience in general management roles. We also invest considerable resources in personnel motivation, including providing various incentive plans for sales staff and high quality employees. Our future success depends in large part upon our continuing ability to attract and retain highly qualified managerial, technical, sales and marketing personnel and outstanding leaders.

See “Directors, Senior Management and Employees — Workforce Personnel” for further details regarding our employees and our relationships with them.

Research and Development, Patents and Licenses

Our research and development activities involve the development of new software architecture, modules and product offerings in response to an identified market demand, either as part of our internal product development programs or in conjunction with a customer project. We also expend additional amounts on applied research and software development activities to keep abreast of new technologies in the communications markets and to provide new and enhanced functionality to our existing product offerings.

In fiscal 2013, we released the Amdocs CES 9 portfolio which redefines the service provider’s operating environment by delivering real-time integration across BSS, OSS and network control and optimization domains, removing barriers to service and system convergence and enabling an integrated customer experience from the device to the network. Amdocs CES 9 aligns business processes around the end customer and enables service providers to rapidly launch and monetize innovative offers and personalize customer interactions with real-time insight, and permits customers to take control of their experiences across any channel, network, service or device. We dedicated significant efforts and resources to integrating the components of the CES 9 portfolio, including deeper integration between our charging and billing, customer relationship management, ordering and foundation applications. Our portfolio of pre-integrated software products was built to span the entire customer lifecycle across BSS, OSS and network control and optimization domains to enable service providers to align their business processes around the end customer. In fiscal 2014, we released the Amdocs CES 9.1 portfolio to enable service providers to interact with customers via social media channels, cost-effectively enter and serve the SMB market and better manage the customer experience from the device to the network. We also expanded our offering in the network software domain to include solutions for intelligent Wi-Fi-offloading, automated small cell planning and project management and geo-located network insight for improved rollout of next generation networks.

During fiscal 2014, we also devoted research and development resources to the Amdocs CES 9.2 product portfolio. Released in the first quarter of fiscal 2015, this release spans BSS, OSS and network control and optimization domains to enable service providers to centralize product and service data from Amdocs and third parties and eliminate barriers between business needs and information technology implementation, allowing for new market-driven modes of business and significantly reduced service design and implementation times for accelerated time to market. Amdocs CES 9.2 enables service providers to provide next generation customer management by providing a consistent user experience across all applications and channels and close the loop from the customer to the network using insights derived from big data analytics that are delivered in real time

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from a variety of data sources, including the network and BSS suite. Within the network domain, Amdocs released several solutions to enable service providers to accelerate the transformation from physical to virtual networks and support the rapid deployment and monetization of multiple technologies, such as Fiber, LTE, Small Cells and Wi-Fi. Our products are designed to allow modular expansion as a service provider evolves, ensuring rapid, low-cost and reduced-risk implementations. In addition, Amdocs focuses on offering business solutions that leverage functionality from across the CES portfolio combined with services and industry knowledge. For software development, Amdocs uses Agile, a software development methodology based on iterative and incremental development where requirements and solutions evolve through collaboration between self-organizing, cross-functional teams.

Substantially all of our research and development expenditures are directed at our customer experience solutions. We believe that our research and development efforts are a key element of our strategy and are essential to our success. However, an increase or a decrease in our total revenue would not necessarily result in a proportional increase or decrease in the levels of our research and development expenditures, which could affect our operating margin.

Our products are largely comprised of software and systems that we have developed or acquired and that we regard as proprietary. Our software and software systems are the results of long and complex development processes, and although our technology is not significantly dependent on patents or licenses from third parties, certain aspects of our products make use of readily available software components licensed from third parties. As a developer of complex software systems, third parties may claim that portions of our systems infringe their intellectual property rights. The ability to develop and use our software and software systems requires knowledge and professional experience that we believe is unique to us and would be very difficult for others to independently obtain. However, our competitors may independently develop technologies that are substantially equivalent or superior to ours. We have taken, and intend to continue to take, several measures to establish and protect our proprietary rights in our products and technologies from third-party infringement. We rely upon a combination of trademarks, patents, contractual rights, trade secret law, copyrights and nondisclosure agreements. We enter into non-disclosure and confidentiality agreements with our customers, employees and marketing representatives and with certain contractors with access to sensitive information; and we also limit customer access to the source code of our software and software systems.

Property, Plants and Equipment

Facilities

We lease land and buildings for our executive offices, sales, marketing, administrative, development and support centers. We lease an aggregate of approximately 3.0 million square feet worldwide, including significant leases in the United States, Israel, Canada, Cyprus, India and the United Kingdom. Our aggregate annual lease costs with respect to our properties as of October 31, 2014, including maintenance and other related costs, were approximately \$62.0 million. The following table summarizes information with respect to the principal facilities leased by us and our subsidiaries as of October 31, 2014:

<u>Location</u>	<u>Area (Sq. Feet)</u>
United States:	
St. Louis, MO	81,540
San Jose, CA(*)	62,560
Champaign, IL	173,283
Eldorado Hills, CA(*)	113,290
Others(*)	229,892
Total	660,565
Israel:	
Ra'anana	786,895
Sderot	99,040
Haifa	31,681
Others	67,775
Total	985,391

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<u>Location</u>	<u>Area (Sq. Feet)</u>
Canada:	
Toronto	18,692
Montreal	60,274
Ottawa	40,422
Total	119,388
Cyprus (Limassol)	65,854
India:	
Pune	623,004
Delhi	152,969
Mumbai	161
Total	776,134
United Kingdom(*)	53,534
Other locations (*) (35 countries)	352,069
Total	3,012,935

(*) Includes space sublet to third parties.

Our leases expire on various dates through 2024, not including various options to terminate or extend lease terms.

Equipment

We develop our customer experience solutions over a system of UNIX, Linux and Windows servers owned or leased by us. We use a variety of software products in our development centers, including products by Microsoft, Oracle, Syncsort, RedHat, CA, IBM and Hewlett-Packard. Our data storage is based mainly on equipment from EMC, NetApp, IBM, Hitachi and Hewlett-Packard. Our development servers are connected to more than 20,000 personal computers owned or leased by us.

Automatic tape libraries and virtual tape libraries provide full and incremental backups of the data used in and generated by our business. The backup tapes are kept on-site and off-site, as appropriate, to ensure security and integrity, and are used as part of our disaster recovery plan. The distributed development sites that we operate worldwide are connected by a high-speed redundant wide area network, using telecommunication equipment manufactured by, among others, Cisco and Avaya.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Overview of Business and Trend Information

Amdocs is a leading provider of software and services for communications, entertainment and media industry service providers in both developed countries and emerging markets. Regardless of whether providers are bringing their first offerings to market, scaling for growth, consolidating systems or transforming the way they do business, we believe that providers seek to differentiate their offerings by delivering a customer experience that is simple, personal and valuable at every point of service.

We develop, implement and manage software and services associated with BSS, OSS and network control and optimization domains to enable service providers to introduce new products and services quickly, understand their customers more deeply, process orders more efficiently, monetize data and support new business models while controlling costs. We refer to these systems collectively as customer experience solutions because of the crucial impact that these systems have on the service providers' end-user experience.

In a global communications industry impacted by unprecedented growth in data demand, increasing number of connected devices, improvement in M2M technologies, the rising influence of device makers and over-the-top

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players that bypass traditional service providers, consumers expect immediate and constant connectivity to personalized services, information and applications. To capture new revenue streams in this connected world, service providers will need the ability to expand within existing and non-traditional business models as they simultaneously attempt to reduce their costs in providing current and new services. We seek to address these market forces through a strategy of innovation from the network and business support systems to the device and end user. Our goal is to supply cost-effective, scalable software products and services that provide functionality and flexibility to service providers as they — and their markets — grow and change.

In part, we have sought, through acquisitions, to expand our service offerings and customer base and to enhance our ability to provide managed services to our customers. In recent years, we have completed numerous acquisitions, which, among other things, have expanded our business into digital commerce solutions and the network control and optimization market. As part of our strategy, we may continue to pursue acquisitions and other initiatives in order to offer new products or services, or otherwise enhance our market position or strategic strengths.

Offerings

Amdocs' offerings of software and related services consist of:

- A complete, modular yet integrated portfolio of customer experience solutions, including revenue management customer management, OSS, network control and optimization, digital lifestyle services, big data analytics and M2M solutions, all employing a unified foundation of products and tools.
- A comprehensive line of services. Because our customers' projects are complex and require systems support expertise, we provide business process and IT services, including business consulting, systems integration and transformation, project delivery, testing, order to activation VPO, managed services and product support to assist our customers with their business strategy, system implementation, integration, modification, consolidation, modernization, ongoing support, enhancement and maintenance needs. In addition, we offer comprehensive learning services to help our customers develop competency in their Amdocs systems and applications.

We have designed our customer experience solutions to meet the high-volume, complex needs of Tier-1 and Tier-2 service providers and to address the unique issues of service providers in high growth emerging markets. We support our customers' various lines of business, including wireline, wireless, broadband, cable and satellite, and a wide range of communication services, including voice, video, data, content, electronic and mobile commerce applications. In addition, we support companies that offer bundled or convergent service packages.

We also offer advertising and media products and services for advertising service providers, media publishers and ad agencies to facilitate cost-effective digital media-centric operations from selling ads to the management of the fulfillment, operations, consumer experience and financial processes across digital and print media.

We conduct our business globally, and as a result we are subject to the effects of global economic conditions and, in particular, market conditions in the communications, entertainment and media industry. In fiscal 2014, customers in North America accounted for 72.7% of our revenue, while customers in Europe and the rest of the world accounted for 12.6% and 14.7%, respectively. Customers in emerging markets accounted for 11.9% of our revenue in fiscal 2014. We maintain development facilities in Brazil, Canada, Cyprus, India, Ireland, Israel, the United Kingdom and the United States. Historically, AT&T has been our largest customer, accounting for 33% of our revenue in fiscal 2014 and 28% in fiscal 2013. Aggregate revenue derived from the multiple business arrangements we have with our ten largest customers accounted for approximately 73% of our revenue in fiscal 2014 and 70% in fiscal 2013.

We believe that demand for our customer experience solutions is primarily driven by the following key factors:

- Transformation within the communication industry, including:
 - increasing use of communications and content services,
 - widespread access to content, information and applications,
 - continued rapid growth in emerging markets,

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- expansion into new lines of business,
- consolidation among service providers in established markets, often including companies with multi-national operations,
- increased competition, including from non-traditional players,
- continued bundling and blending of communications and entertainment, and
- continued commoditization and pricing pressure.
- Technology advances, such as:
 - emergence and development of new communications products and services, such as Web services, video, data and content services, including IP-based services, such as Internet Protocol (IP), Internet Protocol Television (IPTV), M2M, Wi-Fi and Voice over IP,
 - evolution to and expansion of more sophisticated and connected communication devices, such as smart devices, electronic book readers, energy meters and systems for global positioning, home security and home health monitoring, that enable communication across and between devices and widespread access to information,
 - adoption of cloud technologies to enable new revenue models and business opportunities, such as traditional communication services and cloud services bundled together and targeted to SMBs,
 - evolution to next-generation networks that enable converged services offerings, such as fixed-mobile convergence, and
 - technological changes, such as the introduction of 4G wireless technology, next-generation content systems, fiber to the x (FTTx), Wi-Fi, IP Multimedia Subsystem (IMS) and LTE-based access technologies such as VoLTE.
- Customer focus, such as:
 - the need for service providers to focus on their customers in order to build profitable customer relationships,
 - the need for service providers to have a unified view of the customer and deliver a personalized experience across multiple services, devices and channels,
 - the “authority shift” toward the consumer, with increased customer expectations for new, innovative services and applications that are personally relevant and that can be accessed anytime, anywhere and from any device,
 - the ever-increasing expectation of customer service and support, including access to self-service options that are convenient, proactive and consistent across all channels, and
 - the need for service providers to differentiate themselves by creating a unique and mutually-valuable customer experience.
- The need for operational efficiency, including:
 - the shift from in-house management to vendor solutions,
 - business needs of service providers to reduce costs and lower total cost of ownership of software systems while retaining high-value customers in a highly competitive environment,
 - automating and integrating business processes that span service providers’ BSS, OSS and network control and optimization platforms and create a simple, one-company face to customers,
 - implementing and integrating new next-generation networks (and retiring legacy networks) to deploy new technologies, and
 - transforming fragmented legacy OSS to introduce new services in a timely and cost-effective manner.

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In fiscal 2014, our total revenue was \$3.56 billion, of which \$3.44 billion, or 96.4%, was attributable to the sale of customer experience solutions. Revenue from managed services arrangements (for customer experience solutions and advertising and media directory systems) is included in both license and service revenue. Revenue generated in connection with managed services arrangements is a significant part of our business generating substantial, long-term recurring revenue streams and cash flow. Revenue from managed services arrangements accounted for approximately \$1.73 billion and \$1.70 billion of revenue in fiscal 2014 and 2013, respectively. In managed services contracts revenue from the operation of a customer's system is recognized as services are performed based on time elapsed, output produced or volume of data processed. In the initial period of our managed services projects, we often invest in modernization and consolidation of the customer's systems. Managed services engagements can be less profitable in their early stages; however, margins tend to improve over time, more rapidly in the initial period of an engagement, as we derive benefit from the operational efficiencies and from changes in the geographical mix of our resources.

Research and Development, Patents and Licenses

Our research and development activities involve the development of new software architecture, modules and product offerings in response to an identified market demand, either as part of our internal product development programs or in conjunction with a customer project. We also expend additional amounts on applied research and software development activities to keep abreast of new technologies in the communications markets and to provide new and enhanced functionality to our existing product offerings.

In fiscal 2013, we released the Amdocs CES 9 portfolio which redefines the service provider's operating environment by delivering real-time integration across BSS, OSS and network control and optimization domains, removing barriers to service and system convergence and enabling an integrated customer experience from the device to the network. Amdocs CES 9 aligns business processes around the end customer and enables service providers to rapidly launch and monetize innovative offers and personalize customer interactions with real-time insight, and permits customers to take control of their experiences across any channel, network, service or device. We dedicated significant efforts and resources to the integration among the components of the CES 9 portfolio, including deeper integration between our charging and billing, customer relationship management, ordering and foundation applications. Our portfolio of pre-integrated software products was built to span the entire customer lifecycle across BSS, OSS and network control and optimization domains to enable service providers to align their business processes around the end customer. In fiscal 2014, we released the Amdocs CES 9.1 portfolio to enable service providers to interact with customers via social media channels, cost-effectively enter and serve the SMB market and better manage the customer experience from the device to the network. We also expanded our offering in the network software domain to include solutions for intelligent Wi-Fi offloading, automated small cell planning and project management and geo-located network insight for improved rollout of next generation networks. During fiscal 2014, we also devoted research and development resources to the Amdocs CES 9.2 product portfolio. Released in the first quarter of fiscal 2015, this release spans BSS, OSS and network control and optimization domains to enable service providers to centralize product and service data from Amdocs and third-parties and eliminate barriers between business needs and information technology implementation, allowing for new market-driven modes of business and significantly reduced service design and implementation times for accelerated time to market. Amdocs CES 9.2 enables service providers to provide next generation customer management by providing a consistent user experience across all applications and channels and close the loop from the customer to the network using insights derived from big data analytics that are delivered in real time from a variety of data sources, including the network and BSS suite. Within the network domain, Amdocs released several solutions to enable service providers to accelerate the transformation from physical to virtual networks and support the rapid deployment and monetization of multiple technologies, such as Fiber, LTE, Small Cells and Wi-Fi. Our products are designed to allow modular expansion as a service provider evolves, ensuring rapid, low-cost and reduced-risk implementations. In addition, Amdocs focuses on offering business solutions that leverage functionality from across the CES portfolio combined with services and industry knowledge. For software development, Amdocs uses Agile, a software development methodology based on iterative and incremental development where requirements and solutions evolve through collaboration between self-organizing, cross-functional teams.

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Substantially all of our research and development expenditures are directed at our customer experience solutions. We believe that our research and development efforts are a key element of our strategy and are essential to our success. However, an increase or a decrease in our total revenue would not necessarily result in a proportional increase or decrease in the levels of our research and development expenditures, which could affect our operating margin.

Operating Results

The following table sets forth for the fiscal years ended September 30, 2014, 2013 and 2012, certain items in our consolidated statements of income reflected as a percentage of total revenue:

	Year Ended September 30,		
	2014	2013	2012
Revenue:			
License	2.6%	2.4%	3.7%
Service	97.4	97.6	96.3
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Operating expenses:			
Cost of license	0.1	0.1	0.1
Cost of service	64.7	64.7	64.1
Research and development	7.2	7.2	7.5
Selling, general and administrative	12.5	12.5	13.1
Amortization of purchased intangible assets and other	1.6	1.1	1.6
	<u>86.1</u>	<u>85.6</u>	<u>86.4</u>
Operating income	13.9	14.4	13.6
Interest and other expense, net	<u>0.2</u>	<u>0.2</u>	<u>0.0</u>
Income before income taxes	13.7	14.2	13.6
Income taxes	<u>1.9</u>	<u>1.9</u>	<u>1.5</u>
Net income	<u>11.8%</u>	<u>12.3%</u>	<u>12.1%</u>

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Fiscal Years Ended September 30, 2014 and 2013

The following is a tabular presentation of our results of operations for the fiscal year ended September 30, 2014, compared to the fiscal year ended September 30, 2013. Following the table is a discussion and analysis of our business and results of operations for these fiscal years.

	<u>Year Ended September 30,</u>		<u>Increase (Decrease)</u>	
	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>%</u>
(In thousands)				
Revenue:				
License	\$ 91,798	\$ 81,613	\$ 10,185	12.5%
Service	3,471,839	3,264,241	207,598	6.4
	<u>3,563,637</u>	<u>3,345,854</u>	<u>217,783</u>	<u>6.5</u>
Operating expenses:				
Cost of license	2,768	2,602	166	6.4
Cost of service	2,304,124	2,164,450	139,674	6.5
Research and development	257,896	240,266	17,630	7.3
Selling, general and administrative	445,134	418,574	26,560	6.3
Amortization of purchased intangible assets and other	58,067	38,410	19,657	51.2
	<u>3,067,989</u>	<u>2,864,302</u>	<u>203,687</u>	<u>7.1</u>
Operating income	495,648	481,552	14,096	2.9
Interest and other expense, net	6,098	6,075	23	0.4
Income before income taxes	489,550	475,477	14,073	3.0
Income taxes	67,428	63,038	4,390	7.0
Net income	<u>\$ 422,122</u>	<u>\$ 412,439</u>	<u>\$ 9,683</u>	<u>2.3%</u>

Revenue. Total revenue increased by \$217.8 million, or 6.5%, to \$3,563.6 million in fiscal 2014, from \$3,345.9 million in fiscal 2013. The increase in revenue was primarily attributable to increased activity in North America and Europe. The 6.5% increase in revenue, which was net of a decrease of approximately half a percent from foreign exchange fluctuations, was also positively affected by network optimization activity related to our recent acquisitions of Actix and Celcite.

Total license and service revenue attributable to the sale of customer experience solutions increased by \$249.9 million, or 7.8%, to \$3,435.5 million in fiscal 2014, from \$3,185.6 million in fiscal 2013. The increase in revenue was primarily attributable to increased activity in North America and Europe. The increase in revenue was also positively affected by network optimization activity. License and service revenue resulting from the sale of customer experience solutions represented 96.4% and 95.2% of our total revenue in fiscal 2014 and 2013, respectively.

Total license and service revenue attributable to the sale of directory systems decreased by \$32.0 million, or 20.0%, to \$128.2 million in fiscal 2014, from \$160.2 million in fiscal 2013. The decrease in revenue was primarily attributable to continued slowness in the directory systems market leading to lower revenue from managed services arrangements for directory systems customers. License and service revenue from the sale of directory systems represented 3.6% and 4.8% of our total revenue in fiscal 2014 and 2013, respectively.

In fiscal 2014, revenue from customers in North America, Europe and the rest of the world accounted for 72.7%, 12.6% and 14.7%, respectively, of total revenue, compared to 72.4%, 11.9% and 15.7%, respectively, in fiscal 2013. The increase in revenue as a percentage of total revenue from customers in North America was primarily attributable to increased activity with AT&T. The increase in revenue as a percentage of total revenue from customers in Europe was attributable to higher revenue from managed services arrangements. Revenue from customers in the rest of the world decreased as a percentage of total revenue as a result of a slight decrease in revenue from customers in the rest of the world, while total revenue increased in North America and Europe.

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Cost of License and Service. Cost of license includes fee and royalty payments to software suppliers. Cost of service consists primarily of costs associated with providing services to customers, including compensation expense and costs of third-party products and services. As a percentage of revenue, cost of license and service remained flat from fiscal 2013 to fiscal 2014. Gross margin in fiscal 2014 was positively affected because a larger portion of revenue and expense was attributable to customers in developed markets, where we are well-established and generally realize higher margins; however, this was offset by our activities in Asia Pacific and Central and Latin America, where we incurred costs associated with continued efforts to expand our business into those markets.

Research and Development. Research and development expense is primarily comprised of compensation expense. Research and development expense increased by \$17.6 million, or 7.3%, to \$257.9 million in fiscal 2014, from \$240.3 million in fiscal 2013. The increase in research and development expense was primarily attributable to network software research and development activity and, to a lesser extent, efforts related to an expansion of our big data analytics offerings. Research and development expense as a percentage of revenue was 7.2% in fiscal 2014 and 2013. Our research and development efforts are a key element of our strategy and are essential to our success, and we intend to maintain our commitment to research and development. An increase or a decrease in our total revenue would not necessarily result in a proportional increase or decrease in the levels of our research and development expenditures, which could affect our operating margin. Please see “Research and Development, Patents and Licenses.”

Selling, General and Administrative. Selling, general and administrative expense, which is primarily comprised of compensation expense, increased by \$26.6 million, or 6.3%, to \$445.1 million in fiscal 2014, from \$418.6 million in fiscal 2013. The increase in selling, general and administrative expense was primarily attributable to compensation costs related to our expanded network optimization activities. Selling, general and administrative expense may fluctuate from time to time, depending upon such factors as changes in our workforce and sales efforts and the results of any operational efficiency programs that we may undertake.

Amortization of Purchased Intangible Assets and Other. Amortization of purchased intangible assets and other increased by \$19.7 million, or 51.2%, to \$58.1 million in fiscal 2014, from \$38.4 million in fiscal 2013. The increase in amortization of purchased intangible assets and other was primarily attributable to an increase in amortization of intangible assets due to the acquisitions of Actix and Celcite, partially offset by timing of amortization charges of previously purchased intangible assets.

Operating Income. Operating income increased by \$14.1 million, or 2.9%, to \$495.6 million in fiscal 2014, from \$481.6 million in fiscal 2013. Operating income decreased as a percentage of revenue, from 14.4% in fiscal 2013 to 13.9% in fiscal 2014. The decrease in operating income as a percentage of revenue was attributable to the increase in amortization of purchased intangible assets and other. Positive foreign exchange impacts on our operating expenses were partially offset by the negative foreign exchange impacts on our revenue, resulting in a minor positive impact on our operating income.

Income Taxes. Income taxes for fiscal 2014 were \$67.4 million on pre-tax income of \$489.6 million, resulting in an effective tax rate of 13.8%, compared to 13.3% in fiscal 2013. Our effective tax rate may fluctuate between periods as a result of discrete items that may affect a particular period. Please see Note 11 to our consolidated financial statements.

Net Income. Net income increased by \$9.7 million, or 2.3%, to \$422.1 million in fiscal 2014, from \$412.4 million in fiscal 2013. The increase in net income was attributable to the increase in operating income, partially offset by the increase in income taxes.

Diluted Earnings Per Share. Diluted earnings per share increased by \$0.09, or 3.6%, to \$2.62 in fiscal 2014, from \$2.53 in fiscal 2013. The increase in diluted earnings per share was mainly attributable to the increase in net income and, to a lesser extent, the decrease in the diluted weighted average number of shares outstanding.

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Fiscal Years Ended September 30, 2013 and 2012

The following is a tabular presentation of our results of operations for the fiscal year ended September 30, 2013, compared to the fiscal year ended September 30, 2012. Following the table is a discussion and analysis of our business and results of operations for these fiscal years.

	<u>Year Ended September 30,</u>		<u>Increase (Decrease)</u>	
	<u>2013</u>	<u>2012</u>	<u>Amount</u>	<u>%</u>
	(In thousands)			
Revenue:				
License	\$ 81,613	\$ 120,443	\$ (38,830)	(32.2)%
Service	3,264,241	3,126,460	137,781	4.4
	<u>3,345,854</u>	<u>3,246,903</u>	<u>98,951</u>	<u>3.0</u>
Operating expenses:				
Cost of license	2,602	3,523	(921)	(26.1)
Cost of service	2,164,450	2,081,945	82,505	4.0
Research and development	240,266	242,063	(1,797)	(0.7)
Selling, general and administrative	418,574	424,671	(6,097)	(1.4)
Amortization of purchased intangible assets and other	38,410	52,229	(13,819)	(26.5)
	<u>2,864,302</u>	<u>2,804,431</u>	<u>59,871</u>	<u>2.1</u>
Operating income	481,552	442,472	39,080	8.8
Interest and other expense, net	6,075	948	5,127	540.8
Income before income taxes	475,477	441,524	33,953	7.7
Income taxes	63,038	50,153	12,885	25.7
Net income	<u>\$ 412,439</u>	<u>\$ 391,371</u>	<u>\$ 21,068</u>	<u>5.4%</u>

Revenue. Total revenue increased by \$99.0 million, or 3.0%, to \$3,345.9 million in fiscal 2013, from \$3,246.9 million in fiscal 2012. The increase in revenue was primarily attributable to our increased activity in North America, including for AT&T, partially offset by a decrease in revenue from customers in Europe and the rest of the world. The 3.0% increase in total revenue was net of a decrease of approximately half a percent from foreign exchange fluctuations.

License revenue in fiscal 2013 decreased by \$38.8 million, or 32.2%, to \$81.6 million, from \$120.4 million in fiscal 2012. The decrease in license revenue was primarily attributable to the progress of certain transformation and implementation projects, which may fluctuate from period to period.

Total revenue attributable to the sale of customer experience solutions increased by \$119.4 million, or 3.9%, to \$3,185.6 million in fiscal 2013, from \$3,066.2 million in fiscal 2012. The increase was primarily attributable to our increased activity in North America, including for AT&T, partially offset by a decrease in revenue from customers in Europe. License and service revenue resulting from the sale of customer experience solutions represented 95.2% and 94.4% of our total revenue in fiscal 2013 and 2012, respectively.

Total revenue attributable to the sale of directory systems decreased by \$20.5 million, or 11.3%, to \$160.2 million in fiscal 2013, from \$180.7 million in fiscal 2012. The decrease was primarily attributable to continued slowness in the directory systems market leading to lower revenue from discretionary spending under managed services arrangements for directory systems. License and service revenue from the sale of directory systems represented 4.8% and 5.6% of our total revenue in fiscal 2013 and 2012, respectively.

In fiscal 2013, revenue from customers in North America, Europe and the rest of the world accounted for 72.4%, 11.9% and 15.7%, respectively, of total revenue, compared to 69.8%, 13.6% and 16.6%, respectively, for fiscal 2012. Revenue from North American customers increased as a percentage of total revenue during fiscal 2013, primarily due to higher revenue from AT&T and other key customers in North America. The decrease in

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revenue as a percentage of total revenue from customers in Europe was primarily attributable to lower revenue related to the ramp down and completion of certain transformation and implementation projects, which was not offset by sufficient revenue from new deals. The decrease in revenue as a percentage of total revenue from customers in the rest of the world was primarily attributable to our reduced activity in developed markets in those regions, partially offset by our increased activity in emerging markets.

Cost of License and Service. Cost of license and service increased by \$81.6 million, or 3.9%, to \$2,167.1 million in fiscal 2013, from \$2,085.5 million in fiscal 2012. As a percentage of revenue, cost of license and service increased to 64.8% in fiscal 2013 from 64.2% in fiscal 2012. The decrease in our gross margin was primarily attributable to our activities in Asia Pacific and Central and Latin America, where we increased our level of investment to further penetrate these regions.

Research and Development. Research and development expense decreased by \$1.8 million, or 0.7%, to \$240.3 million in fiscal 2013, from \$242.1 million in fiscal 2012. Research and development expense decreased as a percentage of revenue from 7.5% in fiscal 2012 to 7.2% in fiscal 2013.

Selling, General and Administrative. Selling, general and administrative expense decreased by \$6.1 million, or 1.4%, to \$418.6 million in fiscal 2013, from \$424.7 million in fiscal 2012.

Amortization of Purchased Intangible Assets and Other. Amortization of purchased intangible assets and other decreased by \$13.8 million, or 26.5%, to \$38.4 million in fiscal 2013, from \$52.2 million in fiscal 2012. The decrease in amortization of purchased intangible assets and other was primarily attributable to the timing of amortization charges.

Operating Income. Operating income increased by \$39.1 million, or 8.8%, to \$481.6 million in fiscal 2013, from \$442.5 million in fiscal 2012. Operating income increased as a percentage of revenue, from 13.6% in fiscal 2012 to 14.4% in fiscal 2013. The increase in operating income as a percentage of revenue was primarily attributable to revenue increasing at a higher rate than operating expenses. Positive foreign exchange impacts on our operating expenses were partially offset by the negative foreign exchange impacts on our revenue, resulting in a minor positive impact on our operating income.

Interest and Other Expense, Net. Interest and other expense, net, increased by \$5.1 million to \$6.1 million in fiscal 2013, from \$0.9 million in fiscal 2012. The increase in interest and other expense, net, was primarily attributable to a gain, recorded in fiscal 2012, resulting from the sale of our minority interest in Longshine Information Technology Company, our former Chinese subsidiary. Please see Note 16 to our consolidated financial statements.

Income Taxes. Income taxes for fiscal 2013 were \$63.0 million on pre-tax income of \$475.5 million, resulting in an effective tax rate of 13.3%, compared to 11.4% in fiscal 2012. Please see Note 11 to our consolidated financial statements.

Net Income. Net income increased by \$21.1 million, or 5.4%, to \$412.4 million in fiscal 2013, from \$391.4 million in fiscal 2012. The increase in net income was primarily attributable to the increase in operating income, partially offset by the increase in income taxes and in interest and other expense, net.

Diluted Earnings Per Share. Diluted earnings per share increased by \$0.22, or 9.5%, to \$2.53 in fiscal 2013, from \$2.31 in fiscal 2012. The increase in diluted earnings per share was the result of an increase in net income, coupled with a decrease in the diluted weighted average number of shares outstanding due primarily to our repurchase of ordinary shares, partially offset by stock option exercises.

Liquidity and Capital Resources

Cash, cash equivalents and short-term interest-bearing investments. Cash, cash equivalents and short-term interest-bearing investments, net of short-term debt, totaled \$1.21 billion as of September 30, 2014, compared to \$1.13 billion as of September 30, 2013. The increase during fiscal 2014 was mainly attributable to \$709.3 million in cash flow from operations and \$128.1 million of proceeds from stock option exercises, partially offset by \$372.0 million used to repurchase our ordinary shares, \$180.5 million in net cash paid for acquisitions, \$111.6 million for capital expenditures, net and \$90.9 million of cash dividend payments. Net cash provided by operating activities amounted to \$709.3 million and \$670.5 million in fiscal 2014 and 2013, respectively.

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Our policy is to retain sufficient cash balances in order to support our growth. We believe that our current cash balances, cash generated from operations and our current lines of credit will provide sufficient resources to meet our operational needs and to fund share repurchases and the payment of cash dividends for at least the next fiscal year.

Our interest-bearing investments are classified as available-for-sale securities. Such short-term interest-bearing investments consist primarily of money market funds, U.S. government treasuries, corporate bonds and U.S. agency securities. We believe we have conservative investment policy guidelines. Our interest-bearing investments are stated at fair value with the unrealized gains or losses reported as a separate component of accumulated other comprehensive (loss) income, net of tax, unless a security is other than temporarily impaired, in which case the loss is recorded in the income statement. Our interest-bearing investments are priced by pricing vendors and are classified as Level 1 or Level 2 investments, since these vendors either provide a quoted market price in an active market or use other observable inputs to price these securities. Please see Notes 4 and 5 to our consolidated financial statements.

Revolving Credit Facility, Letters of Credit and Guarantees. In 2011, we entered into an unsecured \$500.0 million five-year revolving credit facility with a syndicate of banks. The credit facility is available for general corporate purposes, including acquisitions and repurchases of ordinary shares that we may consider from time to time. The interest rate for borrowings under the revolving credit facility is chosen at our option from several pre-defined alternatives, depends on the circumstances of any advance and is based in part on our credit rating. As of September 30, 2014, we were in compliance with the financial covenants under the revolving credit facility. In September 2014, we borrowed an aggregate of \$210.0 million under the facility and repaid it in October 2014.

As of September 30, 2014, we had several uncommitted lines of credit available for general corporate and other specific purposes and had outstanding letters of credit and bank guarantees from various banks totaling \$75.4 million.

Capital Expenditures. Generally, 80% to 90% of our capital expenditures consist of purchases of computer equipment, and the remainder is attributable mainly to leasehold improvements. Our capital expenditures were approximately \$111.6 million in fiscal 2014. Our fiscal 2014 capital expenditures were mainly attributable to investments in our operating facilities and our development centers around the world. Our policy is to fund our capital expenditures from operating cash flows, and we do not anticipate any changes to this policy in the foreseeable future.

Share Repurchases. On November 6, 2012, our Board of Directors adopted a share repurchase plan authorizing the repurchase of up to \$500.0 million of our outstanding ordinary shares with no expiration date and on April 30, 2014, adopted another share repurchase plan authorizing the repurchase of up to \$750.0 million of our outstanding ordinary shares. The authorizations have no expiration date and permit us to purchase our ordinary shares in open market or privately negotiated transactions at times and prices that we consider appropriate. In August 2014, we completed the repurchase of the remaining authorized amount under the November 2012 plan and began executing repurchases under the April 2014 plan. In fiscal 2014, we repurchased 8.4 million ordinary shares at an average price of \$44.14 per share (excluding broker and transaction fees). As of September 30, 2014, we had remaining authority to repurchase up to \$714.0 million of our outstanding ordinary shares under the April 2014 plan.

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Cash Dividends. Our Board of Directors declared the following dividends during fiscal years 2014, 2013 and 2012:

<u>Declaration Date</u>	<u>Dividends Per Ordinary Share</u>	<u>Record Date</u>	<u>Total Amount (In millions)</u>	<u>Payment Date</u>
July 29, 2014	\$ 0.155	September 30, 2014	\$ 24.3	October 17, 2014
April 30, 2014	\$ 0.155	June 30, 2014	\$ 24.6	July 18, 2014
January 29, 2014	\$ 0.155	March 31, 2014	\$ 24.8	April 17, 2014
November 5, 2013	\$ 0.130	December 31, 2013	\$ 20.8	January 17, 2014
July 31, 2013	\$ 0.130	September 30, 2013	\$ 20.8	October 18, 2013
April 30, 2013	\$ 0.130	June 28, 2013	\$ 20.9	July 19, 2013
January 30, 2013	\$ 0.130	March 28, 2013	\$ 20.9	April 19, 2013
November 6, 2012	\$ 0.130	December 31, 2012	\$ 21.0	January 18, 2013
August 1, 2012	\$ 0.130	September 28, 2012	\$ 21.1	October 19, 2012

On November 4, 2014, our Board of Directors approved the next dividend payment, at the rate of \$0.155 per share, and set December 31, 2014 as the record date for determining the shareholders entitled to receive the dividend, which is payable on January 16, 2015.

On November 4, 2014, our Board of Directors also approved, subject to shareholder approval at the January 2015 annual general meeting of shareholders, an increase in the quarterly cash dividend to \$0.17 per share, anticipated to be paid in April 2015.

Our Board of Directors considers on a quarterly basis whether to declare and pay, if any, a dividend in accordance with the terms of the dividend program, subject to applicable Guernsey law and based on several factors including our financial performance, outlook and liquidity. Guernsey law requires that our Board of Directors consider a dividend's effects on our solvency before it may be declared or paid. While the Board of Directors will have the authority to reduce the quarterly dividend or discontinue the dividend program should it determine that doing so is in the best interests of our shareholders or is necessary pursuant to Guernsey law, any increase to the per share amount or frequency of the dividend would require further shareholder approval.

As a general long-term guideline, we expect to retain roughly half of our free cash flow (calculated as cash flow from operations less net capital expenditures and other) to support the growth of our business, including possible mergers and acquisitions, and return the other half to our shareholders through share repurchases and dividends. Our actual share repurchase activity and payment of future dividends, if any, may vary quarterly or annually and will be based on several factors including our financial performance, outlook and liquidity.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Contractual Obligations

The following table summarizes our contractual obligations as of September 30, 2014, and the effect such obligations are expected to have on our liquidity and cash flows in future periods (in millions):

<u>Contractual Obligations</u>	<u>Payments Due by Period</u>				
	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1-3 Years</u>	<u>4-5 Years</u>	<u>More Than 5 Years</u>
Long-term debt(1)	\$210.6	\$ 210.0	\$ —	\$ —	\$ 0.6
Pension funding	11.4	1.1	3.4	2.3	4.6
Purchase obligations	33.2	15.6	17.6	—	—
Non-cancelable operating leases	265.5	66.5	131.3	46.2	21.5
Total	<u>\$520.7</u>	<u>\$ 293.2</u>	<u>\$ 152.3</u>	<u>\$48.5</u>	<u>\$ 26.7</u>

(1) In September 2014, we borrowed an aggregate of \$210.0 million under our revolving credit facility and repaid it in October 2014.

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The total amount of unrecognized tax benefits for uncertain tax positions was \$123.9 million as of September 30, 2014. Payment of these obligations would result from settlements with taxing authorities. Due to the difficulty in determining the timing of resolution of audits, these obligations are not included in the above table. We believe that the amount of unrecognized tax benefits will increase during fiscal 2015 in the ordinary course of business.

Deferred Tax Asset Valuation Allowance

As of September 30, 2014, we had deferred tax assets of \$128.2 million, derived primarily from tax credits, net capital and operating loss carryforwards related to some of our subsidiaries, which were offset by valuation allowances due to the uncertainty of realizing any tax benefit for such credits and losses.

Critical Accounting Policies

Our discussion and analysis of our consolidated financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and related disclosure of contingent liabilities. On a regular basis, we evaluate and may revise our estimates. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent. Actual results could differ materially from the estimates under different assumptions or conditions.

We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. These policies require that we make estimates in the preparation of our financial statements as of a given date. Our critical accounting policies are as follows:

- Revenue recognition and contract accounting
- Tax accounting
- Business combinations
- Share-based compensation expense
- Goodwill, intangible assets and long-lived assets-impairment assessment
- Derivative and hedge accounting
- Fair value measurement of short-term interest-bearing investments
- Accounts receivable reserves

We discuss these policies further below, as well as the estimates and judgments involved. We also have other key accounting policies. We believe that, compared to the critical accounting policies listed above, the other policies either do not generally require us to make estimates and judgments that are as difficult or as subjective, or it is less likely that they would have a material impact on our reported consolidated results of operations for a given period.

Revenue Recognition and Contract Accounting

We derive our revenue principally from:

- the initial sales of licenses to use our products and related services, including modification, implementation, integration and customization services,
- providing managed services in our domain expertise and other related services, and
- recurring revenue from ongoing support, maintenance and enhancements provided to our customers, and from incremental license fees resulting from increases in a customer's business volume.

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Revenue is recognized only when all of the following conditions have been met: (i) there is persuasive evidence of an arrangement; (ii) delivery has occurred; (iii) the fee is fixed or determinable; and (iv) collectibility of the fee is reasonably assured. We usually sell our software licenses as part of an overall solution offered to a customer that combines the sale of software licenses with a broad range of services, which normally include significant customization, modification, implementation and integration. Those services are deemed essential to the software. As a result, we generally recognize initial license fee and related service revenue over the course of these long-term projects, using the percentage of completion method of accounting. Contingent subsequent license fee revenue is recognized upon completion of specified conditions in each contract, based on a customer's subscriber or transaction volume or other measurements when greater than the level specified in the contract for the initial license fee. Revenue from software solutions that do not require significant customization, implementation and modification is recognized upon delivery. Revenue from services that do not involve significant ongoing obligations is recognized as services are rendered. In managed services contracts, we typically recognize revenue from the operation of a customer's system as services are performed based on time elapsed, output produced, volume of data processed or subscriber count, depending on the specific contract terms of the managed services arrangement. Typically, managed services contracts are long-term in duration and are not subject to seasonality. Revenue from ongoing support services is recognized as work is performed. Revenue from third-party hardware sales is recognized upon delivery and installation and revenue from third-party software sales is recognized upon delivery. Maintenance revenue is recognized ratably over the term of the maintenance agreement.

A significant portion of our revenue is recognized over the course of long-term implementation and integration projects under the percentage of completion method of accounting, usually based on a percentage that incurred labor effort to date bears to total projected labor effort. When total cost estimates exceed revenue in a fixed-price arrangement, the estimated losses are recognized immediately based upon the cost applicable to the project. The percentage of completion method requires the exercise of judgment on a quarterly basis, such as with respect to estimates of progress-to-completion, contract revenue, loss contracts and contract costs. Progress in completing such projects may significantly affect our annual and quarterly operating results.

We follow very specific and detailed guidelines, several of which are discussed above, in measuring revenue; however, certain judgments affect the application of our revenue recognition policy.

Our revenue recognition policy takes into consideration the creditworthiness and past transaction history of each customer in determining the probability of collection as a criterion of revenue recognition. This determination requires the exercise of judgment, which affects our revenue recognition. If we determine that collection of a fee is not reasonably assured, we defer the revenue recognition until the time collection becomes reasonably assured.

For arrangements with multiple deliverables within the scope of software revenue recognition guidance, we allocate revenue to each component based upon its relative fair value, which is determined based on the Vendor Specific Objective Evidence ("VSOE") of fair value for that element. Such determination is judgmental and for most contracts is based on normal pricing and discounting practices for those elements when sold separately in similar arrangements. In the absence of fair value for a delivered element, we use the residual method. The residual method requires that we first allocate revenue based on fair value to the undelivered elements and then the residual revenue is allocated to the delivered elements. If VSOE of any undelivered items does not exist, revenue from the entire arrangement is deferred and recognized at the earlier of (i) delivery of those elements for which VSOE does not exist or (ii) when VSOE can be established. However, in limited cases where maintenance is the only undelivered element without VSOE, the entire arrangement fee is recognized ratably upon commencement of the maintenance services. The residual method is used mainly in multiple element arrangements that include license for the sale of software solutions that do not require significant customization, modification and implementation and maintenance to determine the appropriate value for the license component. Under the guidance for revenue arrangements with multiple deliverables that are outside the scope of the software revenue recognition guidance, we allocate revenue to each element based upon the relative fair value. Fair value would be allocated by using a hierarchy of (1) VSOE, (2) third-party evidence of selling price for that element, or (3) estimated selling price, or ESP, for individual elements of an arrangement when VSOE or third-party evidence of selling price is unavailable. This results in the elimination of the residual method of allocating

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revenue consideration for non-software arrangements. We determine ESP for the purposes of allocating the consideration to individual elements of an arrangement by considering several external and internal factors including, but not limited to, pricing practices, margin objectives, geographies in which we offer our services and internal costs. The determination of ESP is judgmental and is made through consultation with and approval by management.

Revenue from third-party hardware and software sales is recorded at a gross or net amount according to certain indicators. In certain arrangements, we may earn revenue from other third-party services which is recorded at a gross amount as we are the primary obligor under the arrangement. The application of these indicators for gross and net reporting of revenue depends on the relative facts and circumstances of each sale and requires significant judgment.

Tax Accounting

As part of the process of preparing our consolidated financial statements, we are required to estimate our income tax expense in each of the jurisdictions in which we operate. In the ordinary course of a global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of revenue sharing and reimbursement arrangements among related entities, the process of identifying items of revenue and expenses that qualify for preferential tax treatment and segregation of foreign and domestic income and expense to avoid double taxation. We also assess temporary differences resulting from differing treatment of items, such as deferred revenue, for tax and accounting differences. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We may record a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that is more likely than not to be realized.

Although we believe that our estimates are reasonable and that we have considered future taxable income and ongoing prudent and feasible tax strategies in estimating our tax outcome and in assessing the need for the valuation allowance, there is no assurance that the final tax outcome and the valuation allowance will not be different than those that are reflected in our historical income tax provisions and accruals. Such differences could have a material effect on our income tax provision, net income and cash balances in the period in which such determination is made.

We recognize the tax benefit from an uncertain tax position only if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit, or changes in tax law. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made. The provision for income taxes includes the effect of reserve provisions and changes to reserves that are considered appropriate, as well as the related net interest.

We have filed or are in the process of filing tax returns that are subject to audit by the respective tax authorities. Although the ultimate outcome is unknown, we believe that any adjustments that may result from tax return audits are not likely to have a material, adverse effect on our consolidated results of operations, financial condition or cash flows.

Business Combinations

In accordance with business combination accounting, we allocate the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed, as well as to in-process research and development based on their estimated fair values. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

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Although we believe the assumptions and estimates of fair value we have made in the past have been reasonable and appropriate, they are based in part on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain assets acquired and liabilities assumed include, but are not limited to: future expected cash flows from license and service sales, maintenance, customer contracts and acquired developed technologies, expected costs to develop the in-process research and development into commercially viable products and estimated cash flows from the projects when completed and the acquired company's brand awareness and discount rate. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

As discussed above under "Tax Accounting", we may establish a valuation allowance for certain deferred tax assets and estimate the value of uncertain tax positions of a newly acquired entity. This process requires significant judgment and analysis.

Share-Based Compensation Expense

Share-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the requisite service periods. We estimate the fair value of stock options using a Black-Scholes valuation model and value restricted stock based on the market value of the underlying shares at the date of grant. We recognize compensation costs using the graded vesting attribution method that results in an accelerated recognition of compensation costs in comparison to the straight line method.

The fair value of an award is affected by our stock price on the date of grant and other assumptions, including the estimated volatility of our stock price over the term of the awards and the estimated period of time that we expect employees to hold their stock options. We use a combination of implied volatility of our traded options and historical stock price volatility ("blended volatility") as the expected volatility assumption required in the Black-Scholes option valuation model. Share-based compensation expense recognized in our consolidated statements of income was reduced for estimated forfeitures.

Determining the fair value of share-based awards at the grant date requires the exercise of judgment, including estimating expected dividends. In addition, the exercise of judgment is also required in estimating the amount of share-based awards that are expected to be forfeited. If actual results differ significantly from these estimates, share-based compensation expense and our results of operations could be materially affected. Please see Note 19 to our consolidated financial statements.

Goodwill, Intangible Assets and Long-Lived Assets — Impairment Assessment

Goodwill is measured as the excess of the cost of a business acquisition over the sum of the amounts assigned to tangible and identifiable intangible assets acquired less liabilities assumed. Goodwill is subject to periodic impairment tests. Goodwill impairment is deemed to exist if the net book value of a reporting unit exceeds its estimated fair value. The goodwill impairment test involves a two-step process. The first step, identifying a potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of the reporting unit exceeds its fair value, the second step would need to be conducted; otherwise, no further steps are necessary as no potential impairment exists. The second step, measuring the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. Any excess of the reporting unit goodwill carrying value over the respective implied fair value is recognized as an impairment loss.

We perform an annual goodwill impairment test during the fourth quarter of each fiscal year, or more frequently if impairment indicators are present. We operate in one operating segment, and this segment comprises our only reporting unit. In calculating the fair value of the reporting unit, we used our market capitalization and a discounted cash flow methodology. There was no impairment of goodwill in fiscal 2014, 2013 or 2012.

We test long-lived assets, including definite life intangible assets, for impairment in the event an indication of impairment exists. Impairment indicators include any significant changes in the manner of our use of the assets or the strategy of our overall business, significant negative industry or economic trends and significant

decline in our share price for a sustained period. If the sum of expected future cash flows (undiscounted and without interest charges) of the long-lived assets is less than the carrying amount of such assets, an impairment would be recognized and the assets would be written down to their estimated fair values, based on expected future discounted cash flows. There was no impairment of long-lived assets in fiscal 2014, 2013 or 2012.

Derivative and Hedge Accounting

During fiscal 2014, 2013 and 2012, approximately 70% to 80% of our revenue and 50% to 60% of our operating expenses were denominated in U.S. dollars or linked to the U.S. dollar. We enter into foreign exchange forward contracts and options to hedge a significant portion of our foreign currency net exposure resulting from revenue and expense in major foreign currencies in which we operate, in order to reduce the impact of foreign currency on our results. We also enter into foreign exchange forward contracts and options to reduce the impact of foreign currency on balance sheet items. The effective portion of changes in the fair value of forward exchange contracts and options that are classified as cash flow hedges are recorded in other comprehensive (loss) income. We estimate the fair value of such derivative contracts by reference to forward and spot rates quoted in active markets.

Establishing and accounting for foreign exchange contracts involve judgments, such as determining the fair value of the contracts, determining the nature of the exposure, assessing its amount and timing, and evaluating the effectiveness of the hedging arrangement.

Although we believe that our estimates are accurate and meet the requirement of hedge accounting, if actual results differ from these estimates, such difference could cause fluctuation of our recorded revenue and expenses.

Fair Value Measurement of Short-Term Interest-Bearing Investments

Our short-term interest-bearing investments are classified as available-for-sale securities and are stated at fair value in our consolidated balance sheets. Unrealized gains or losses are reported as a separate component of accumulated other comprehensive (loss) income, net of tax. Such short-term interest-bearing investments consist primarily of money market funds, U.S. government treasuries, corporate bonds and U.S. agency securities. We believe we have conservative investment policy guidelines. Our interest-bearing investments are priced by pricing vendors and are classified as Level 1 or Level 2 investments, since these vendors either provide a quoted market price in an active market or use observable inputs such as quoted market prices for similar instruments, market dealer quotes, market spreads, non-binding market prices that are corroborated by observable market data and other observable market information and discounted cash flow techniques using observable market inputs. For securities with unrealized losses that we intend to sell or it is more likely than not that we will be required to sell the securities before recovery, the entire difference between amortized cost and fair value is recognized in earnings. For securities that we do not intend to sell and it is not more likely than not that we will be required to sell, we used a discounted cash flow analysis to determine the portion of the impairment that relates to credit losses. To the extent that the net present value of the projected cash flows was less than the amortized cost of the security, the difference is considered a credit loss and is recorded through earnings. The inputs on the future performance of the underlying assets used in the cash flow models include prepayments, defaults and loss severity assumptions. The other-than-temporary impairment on our short-term interest-bearing investments was immaterial during fiscal 2014, 2013 and 2012.

Given the relative reliability of the inputs we use to value our investment portfolio, and because substantially all of our valuation inputs are obtained using quoted market price in an active market or observable inputs, we do not believe that the nature of estimates and assumptions affected by levels of subjectivity and judgment was material to the valuation of the investment portfolio as of September 30, 2014.

It is possible that the valuation of the securities will further fluctuate, and as market conditions change, we may determine that unrealized losses, which are currently considered temporary in nature, may become "other than temporary" resulting in additional impairment charges.

Accounts Receivable Reserves

The allowance for doubtful accounts is for estimated losses resulting from accounts receivable for which their collection is not reasonably assured. We evaluate accounts receivable to determine if they will ultimately be

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collected. Significant judgments and estimates are involved in performing this evaluation, which we base on factors that may affect a customer's ability and intent to pay, such as past experience, credit quality of the customer, age of the receivable balance and current economic conditions. If collection is not reasonably assured at the time the transaction is consummated, we do not recognize revenue until collection becomes reasonably assured. If we estimate that our customers' ability and intent to make payments have been impaired, additional allowances may be required. We regularly review the allowance for doubtful accounts by considering factors that may affect a customer's ability to pay, such as historical experience, credit quality, age of the accounts receivable balances, and current economic conditions.

Within the context of these critical accounting policies, we are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

Recent Accounting Standards

In May 2014, the Financial Accounting Standards Board, or FASB, issued an Accounting Standard Update, or ASU, on revenue from contracts with customers, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. This ASU, which will be effective for us beginning October 1, 2017, allows for either full or modified retrospective methods of adoption and early adoption is not permitted. We are currently evaluating the method of adoption, as well as the effect that adoption of this ASU will have on our consolidated financial statements.

In July 2013, the FASB issued an ASU, under which an entity must present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, in the absence of certain conditions. This ASU became effective for us on October 1, 2014, and may result in changes in our financial statements presentation but will not affect the substantive content of our consolidated financial statements.

Adoption of New Accounting Standard

In February 2013, the FASB issued an ASU to require reclassification adjustments from other comprehensive income to be presented either in the financial statements or in the notes to the financial statements. This ASU became effective for us in the first quarter of fiscal 2014 and its adoption did not have a material impact on our consolidated financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Senior Management

We rely on the executive officers of our principal operating subsidiaries to manage our business. In addition, Amdocs Management Limited, our management subsidiary, performs certain executive coordination functions for all of our operating subsidiaries. As of November 30, 2014, our directors and officers were as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Robert A. Minicucci	62	Chairman of the Board, Amdocs Limited
Adrian Gardner(1)	52	Director and Chairman of the Audit Committee, Amdocs Limited
John T. McLennan(2)	69	Director and Chairman of the Management Resources and Compensation Committee, Amdocs Limited
Simon Olswang(1)(3)	70	Director and Chairman of the Nominating and Corporate Governance Committee, Amdocs Limited
Zohar Zisapel(2)(4)	65	Director and Chairman of the Technology and Innovation Committee, Amdocs Limited
Julian A. Brodsky(3)	81	Director, Amdocs Limited
James S. Kahan(3)	67	Director, Amdocs Limited
Richard T.C. LeFave(1)(2)	62	Director, Amdocs Limited
Giora Yaron(4)	66	Director, Amdocs Limited
Eli Gelman	56	Director, Amdocs Limited; President and Chief Executive Officer, Amdocs Management Limited
Tamar Rapaport-Dagim	43	Senior Vice President and Chief Financial Officer, Amdocs Management Limited
Shuky Sheffer	54	Senior Vice President and President of Customer Business Group, Amdocs Management Limited
Anshoo Gaur	46	Division President, Amdocs Development Center India Pvt. Ltd.
Elizabeth W. McDermon	37	Secretary, Amdocs Limited; Vice President of Corporate Strategy, Amdocs Inc.

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- (1) Member of the Audit Committee
 - (2) Member of the Management Resources and Compensation Committee
 - (3) Member of the Nominating and Corporate Governance Committee
 - (4) Member of the Technology and Innovation Committee

Robert A. Minicucci has been Chairman of the Board of Directors of Amdocs since 2011 and a director since 1997. He has been a general partner of Welsh, Carson, Anderson & Stowe, or WCAS, an investment firm that specializes in the acquisition of companies in the information and business services and health care industries, since 1993. Until 2003, investment partnerships affiliated with WCAS had been among our largest shareholders. From 1992 to 1993, Mr. Minicucci served as Senior Vice President and Chief Financial Officer of First Data Corporation, a provider of information processing and related services for credit card and other payment transactions. From 1991 to 1992, he served as Senior Vice President and Treasurer of the American Express Company. He served for 12 years with Lehman Brothers (and its predecessors) until his resignation as a Managing Director in 1991. Mr. Minicucci is also a director of two other publicly-held companies, Alliance Data Systems, Inc. and Paycom Software Inc. He is also a director of several private companies. Mr. Minicucci's career in information technology investing, including as a director of more than 20 different public and private companies, and his experience as chief financial officer to a public company and treasurer of another public company, have provided him with strong business acumen and strategic and financial expertise.

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Adrian Gardner has been a director of Amdocs since 1998 and is Chairman of the Audit Committee. Since January 2014, Mr. Gardner has served as Chief Financial Officer of International Personal Finance plc, an international home credit business. Mr. Gardner was Chief Financial Officer and a director of RSM Tenon Group PLC, a London-based accounting and advisory firm listed on the London Stock Exchange, from 2011 until the acquisition in 2013 of its operating subsidiaries by Baker Tilly UK Holdings Limited. Mr. Gardner served from 2011 to 2013 as Chief Financial Officer and as a director of the former principal operating subsidiary, which has been renamed Baker Tilly Business Services Limited. Mr. Gardner was Chief Financial Officer of PA Consulting Group, a London-based business consulting firm from 2007 to 2011. Mr. Gardner was Chief Financial Officer and a director of ProStrakan Group plc, a pharmaceuticals company based in the United Kingdom and listed on the London Stock Exchange, from 2002 until 2007. Prior to joining ProStrakan, he was a Managing Director of Lazard LLC, based in London, where he worked with technology and telecommunications-related companies. Prior to joining Lazard in 1989, Mr. Gardner qualified as a chartered accountant with Price Waterhouse (now PricewaterhouseCoopers). Mr. Gardner is a fellow of the Institute of Chartered Accountants in England & Wales. Mr. Gardner's extensive experience as an accountant, technology investment banker and chief financial officer enables him to make valuable contributions to our strategic and financial affairs.

John T. McLennan has been a director of Amdocs since 1999 and is Chairman of the Management Resources and Compensation Committee. From 2000 until 2004, he served as Vice-Chair and Chief Executive Officer of Allstream (formerly AT&T Canada). Mr. McLennan founded Jenmark Consulting Inc. and was its President from 1997 until 2000. From 1993 to 1997, Mr. McLennan served as the President and Chief Executive Officer of Bell Canada. Prior to that, he held various positions at several telecommunications companies, including BCE Mobile Communications and Cantel Inc. Mr. McLennan is also a director of Emera Inc., a Canadian publicly-held energy services company, and was its Chairman from 2009 to 2014. We believe Mr. McLennan's qualifications to sit on our Board of Directors include his years of experience in the telecommunications industry, including as chief executive officer of a leading Canadian telecommunications provider, and his experience providing strategic advice to complex organizations across a variety of industries, including as a public company director.

Simon Olswang has been a director of Amdocs since 2004 and is Chairman of the Nominating and Corporate Governance Committee. In 2002, Mr. Olswang retired as Chairman of Olswang, a media and communications law firm in the United Kingdom that he founded in 1981. He is a member of the Advisory Board of Palamon Capital Partners LLP and of the Board of Directors of Amiad Filtration Systems Limited, an Israeli clean water company listed on the London AIM market. In 2012, Mr. Olswang was appointed a Trustee of Tel Hai Academic College. Mr. Olswang was a member of the Board of Directors of The British Library until March 2008 and has served as a non-executive director of a number of companies and organizations, including Aegis Group plc, The Press Association and the British Film Institute. Mr. Olswang previously served as Trustee of Langdon College of Further (Special) Education in Salford, of which he is a co-founder. We believe Mr. Olswang's qualifications to sit on our Board of Directors include his extensive experience providing strategic and legal advisory services to complex organizations, as well as startups, and his membership of the boards of directors of companies and other bodies active in the media and communications industry.

Zohar Zisapel has been a director of Amdocs since 2008 and is the Chairman of the Technology and Innovation Committee. Mr. Zisapel co-founded RAD Data Communications Ltd., a privately-held voice and data communications company and part of the RAD Group, a family of independent networking and telecommunications companies, and was its chairman from 1982 until 2012. Mr. Zisapel also serves as chairman of Ceragon Networks Ltd. and RADCOM Ltd., each of which is a publicly-traded member of the RAD Group, as a director of Silicom Ltd., a public company, and on the boards of directors of several privately-held companies. Mr. Zisapel served as chairman of the Israel Association of Electronic Industries from 1998 until 2001. Mr. Zisapel's experience as founder, chairman and director of several public and private high technology companies, and his leadership in several government organizations, demonstrate his leadership capability and provide him with valuable insights into the voice and data communications industries.

Julian A. Brodsky has been a director of Amdocs since 2003. Since 2011, Mr. Brodsky has served as a senior advisor to Comcast Corporation. Mr. Brodsky served as a director of Comcast Corporation from 1969 to 2011, and as Vice Chairman of Comcast Corporation from 1989 to 2011. From 1999 to 2004, Mr. Brodsky was

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Chairman of Comcast Interactive Capital, LP, a venture fund affiliated with Comcast. He is a director of RBB Fund, Inc. Mr. Brodsky brings to our Board of Directors deep and extensive knowledge of business in general and of the cable industry in particular gained through his longstanding executive leadership roles at Comcast, as well as financial expertise in capital markets, accounting and tax matters gained through his experience as Chief Financial Officer of Comcast and as a practicing CPA.

James S. Kahan has been a director of Amdocs since 1998. From 1983 until his retirement in 2007, he worked at SBC, which is now AT&T, and served as a Senior Executive Vice President from 1992 until 2007. AT&T is our most significant customer. Prior to joining AT&T, Mr. Kahan held various positions at several telecommunications companies, including Western Electric, Bell Laboratories, South Central Bell and AT&T Corp. Mr. Kahan also serves on the Board of Directors of Live Nation Entertainment, Inc., a publicly-traded live music and ticketing entity, as well as two private companies. Mr. Kahan's long service at SBC and AT&T, as well as his management and financial experience at several public and private companies, have provided him with extensive knowledge of the telecommunications industry, particularly with respect to corporate development, mergers and acquisitions and business integration.

Richard T.C. LeFave has been a director of Amdocs since 2011. Since 2008, Mr. LeFave has been a Principal at D&L Partners, LLC, an information technology consulting firm. Mr. LeFave served as Chief Information Officer for Nextel Communications, a telecommunications company, from 1999 until its merger with Sprint Corporation in 2005, after which he served as Chief Information Officer for Sprint Nextel Corporation until 2008. From 1995 to 1999, Mr. LeFave served as Chief Information Officer for Southern New England Telephone Company, a provider of communications products and services. We believe Mr. LeFave's qualifications to sit on our board include his extensive experience and leadership in the information technology and telecommunications industry.

Dr. Giora Yaron has been a director of Amdocs since 2009. Dr. Yaron co-founded Itamar Medical Ltd., a publicly-traded medical technology company, and has been its co-chairman since 1997. Dr. Yaron provides consulting services to Itamar Medical and to various other technology companies. He co-founded P-cube, Pentacom, Qumranet, Exanet and Comsys, privately-held companies sold to multinational corporations. In 2009, Dr. Yaron also co-founded Qwilt, Inc., a privately-held video technology company and serves as one of its directors. Dr. Yaron serves as a director of Hyperwise Security, a company focused on providing a comprehensive APT protection, and Excelero (ExpressIO), a company focused on providing ultra-fast block storage solution. Since 2010, Dr. Yaron has been the chairman of The Executive Council of Tel Aviv University, an institution of higher education and the chairman of Ramot, which is the Tel Aviv University's technology transfer company. Dr. Yaron has served on the advisory board of Rafael Advanced Defense Systems, Ltd., a developer of high-tech defense systems, since 2008, and on the advisory board of the Israeli Ministry of Defense since 2011. Dr. Yaron served from 1996 to 2006 as a member of the Board of Directors of Mercury Interactive, a publicly-traded IT optimization software company acquired by Hewlett-Packard, including as chairman from 2004 to 2006. We believe that Dr. Yaron's qualifications to sit on our Board of Directors include his experience as an entrepreneur and the various leadership positions he has held on the boards of directors of software and technology companies.

Eli Gelman has been a director of Amdocs since 2002. Mr. Gelman became the President and Chief Executive Officer of Amdocs Management Limited, our wholly-owned subsidiary, in 2010. From 2010 until 2013, Mr. Gelman served as a director of Retalix, a global software company, and during 2010, he also served as its Chairman. From 2008 to 2010, Mr. Gelman devoted his time to charitable matters focused on youth education. He served as Executive Vice President of Amdocs Management Limited from 2002 until 2008 and as our Chief Operating Officer from 2006 until 2008. Prior to 2002, he was a Senior Vice President, where he headed our U.S. sales and marketing operations and helped spearhead our entry into the customer care and billing systems market. Before that, Mr. Gelman was an account manager for our major European and North American installations, and has led several major software development projects. Before joining Amdocs, Mr. Gelman was involved in the development of real-time software systems for communications networks and software projects for NASA. Mr. Gelman's qualifications to serve on our Board of Directors include his more than two decades of service to Amdocs and its customers, including as our Chief Operating Officer. With more than 30 years of experience in the software industry, he possesses a vast institutional knowledge and strategic understanding of our organization and industry.

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Tamar Rapaport-Dagim has been Senior Vice President and Chief Financial Officer of Amdocs Management Limited since 2007. Ms. Rapaport-Dagim served as our Vice President of Finance from 2004 until 2007. Prior to joining Amdocs, from 2000 to 2004, Ms. Rapaport-Dagim was the Chief Financial Officer of Emblaze, a provider of multimedia solutions over wireless and IP networks. She has also served as controller of Teledata Networks (formerly a subsidiary of ADC Telecommunications) and has held various finance management positions in public accounting.

Shuky Sheffer has been Senior Vice President and President of the Customer Business Group since October 2013. Mr. Sheffer served as Chief Executive Officer of Retalix Ltd., a global software company, from 2009 until its acquisition by NCR Corporation in 2013. Following the acquisition, he served as a General Manager of Retalix through September 2013. From 1986 to 2009, Mr. Sheffer served at various managerial positions at Amdocs, most recently as President of the Emerging Markets Divisions.

Anshoo Gaur has been our Division President for India operations since 2007. From 2006 to 2007, Mr. Gaur was the President of IT Infrastructure Management of EDS/MphasiS, a technology services company. From 2005 to 2006, Mr. Gaur served as the Managing Director of EDS India Enterprise (“EDS”), where he was responsible for India strategy and operations. From 2003 to 2005, Mr. Gaur was the Global Transformation Director for Desktop Services of EDS.

Elizabeth W. McDermon has been Secretary of Amdocs Limited since August 2012. Ms. McDermon joined Amdocs in 2008 and has been Vice President of Corporate Strategy since February 2014. Ms. McDermon served as our Vice President of Investor Relations from 2009 to 2011, as our Vice President of Investor Relations and Corporate Strategy from 2011 until February 2014, and as our Vice President of Corporate Strategy since February 2014. From 2000 to 2008, Ms. McDermon was an equity research analyst at Goldman Sachs & Co. covering the telecommunications software, data processing and IT services sectors.

Compensation

During fiscal 2014, each of our directors who was not our employee, or Non-Employee Directors, received compensation for their services as directors in the form of cash and restricted shares. Each Non-Employee Director received an annual cash payment of \$75,000. Each member of our Audit Committee who is a Non-Employee Director and who is not the chairman of such committees received an annual cash payment of \$15,000. Each member of our Management Resources and Compensation, Nominating and Corporate Governance and Technology and Innovation Committees who is a Non-Employee Director and who is not a committee chairman received an annual cash payment of \$10,000. The Chairman of our Audit Committee received an annual cash payment of \$30,000 and the Chairmen of our Management Resources and Compensation, Nominating and Corporate Governance and Technology and Innovation Committees each received an annual cash payment of \$20,000. Each Non-Employee Director received an annual grant of restricted shares at a total value of \$210,000. The Chairman of the Board of Directors received an additional annual amount equal to \$200,000 awarded in the form of restricted shares. All restricted share awards to our Non-Employee Directors are fully vested upon grant. The price per share for the purpose of determining the value of the grants to our Non-Employee Directors was the Nasdaq closing price of our shares on the last trading day preceding the grant date. We also reimburse all of our Non-Employee Directors for their reasonable travel expenses incurred in connection with attending Board or committee meetings. Cash compensation paid to our Non-Employee Directors is prorated for partial year service.

A total of 14 persons who served either as directors or officers of Amdocs during all or part of fiscal 2014 received remuneration from Amdocs. The aggregate remuneration paid by us to such persons in fiscal 2014 was approximately \$6.3 million, compared to \$6.2 million in fiscal 2013 and \$7.6 million in fiscal 2012, which includes amounts set aside or accrued to provide cash bonuses, pension, retirement or similar benefits, but does not include amounts expended by us for automobiles made available to such persons, expenses (including business travel, professional and business association dues) or other fringe benefits. During fiscal 2014, we granted to such persons options to purchase an aggregate of 373,833 ordinary shares at a weighted average price of \$42.64 per share with vesting generally over four-year terms and expiring ten years from the date of grant, and an aggregate of 282,650 restricted shares typically subject to three to four-year vesting, and in the case of our directors, no vesting restrictions. All options and restricted share awards were granted pursuant to our 1998 Stock Option and Incentive Plan, as amended. See discussion below — “Share Ownership — Employee Stock Option and Incentive Plan.”

Board Practices

Ten directors currently serve on our Board of Directors, all of whom were elected at our annual meeting of shareholders on January 30, 2014. All directors hold office until the next annual meeting of our shareholders, which generally is in January or February of each calendar year, or until their respective successors are duly elected and qualified or their positions are earlier vacated by resignation or otherwise.

The executive officers of Amdocs Limited and each of its subsidiaries are elected by the board of directors of the relevant company on an annual basis and serve until the next annual meeting of such board of directors or until their respective successors have been duly elected and qualified or their positions are earlier vacated by resignation or otherwise.

Other than the employment agreement between us and our President and Chief Executive Officer, which provides for immediate cash severance upon termination of employment, there are currently no service contracts in effect between us and any of our directors providing for immediate cash severance upon termination of their employment.

Board Committees

Our Board of Directors maintains four committees as set forth below. Members of each committee are appointed by the Board of Directors.

The Audit Committee reviews, acts on and reports to the Board of Directors with respect to various auditing and accounting matters, including the selection of our independent registered public accounting firm, the scope of the annual audits, fees to be paid to, and the performance of, such public accounting firm, and assists with the Board of Directors' oversight of our accounting practices, financial statement integrity and compliance with legal and regulatory requirements, including establishing and maintaining adequate internal control over financial reporting, risk assessment and risk management. The current members of our Audit Committee are Messrs. Gardner (Chair), LeFave and Olswang, all of whom are independent directors, as defined by the rules of Nasdaq, and pursuant to the categorical director independence standards adopted by our Board of Directors. The Board of Directors has determined that Mr. Gardner is an "audit committee financial expert" as defined by rules promulgated by the SEC, and that each member of the Audit Committee is financially literate as required by the rules of Nasdaq. The Audit Committee written charter is available on our website at www.amdocs.com.

The Nominating and Corporate Governance Committee identifies individuals qualified to become members of our Board of Directors, recommends to the Board of Directors the persons to be nominated for election as directors at the annual general meeting of shareholders, develops and makes recommendations to the Board of Directors regarding our corporate governance principles and oversees the evaluations of our Board of Directors. The current members of the Nominating and Corporate Governance Committee are Messrs. Olswang (Chair), Brodsky and Kahan, all of whom are independent directors, as required by the Nasdaq listing standards, and pursuant to the categorical director independence standards adopted by our Board of Directors. The Nominating and Corporate Governance Committee written charter is available on our website at www.amdocs.com. The Nominating and Corporate Governance Committee has approved corporate governance guidelines that are also available on our website at www.amdocs.com.

The Management Resources and Compensation Committee discharges the responsibilities of our Board of Directors relating to the compensation of the Chief Executive Officer of Amdocs Management Limited, makes recommendations to our Board of Directors with respect to the compensation of our other executive officers and oversees management succession planning for the executive officers of the Company. The current members of our Management Resources and Compensation Committee are Messrs. McLennan (Chair), LeFave and Zisapel, all of whom are independent directors, as defined by the rules of Nasdaq, and pursuant to the categorical director independence standards adopted by our Board of Directors. The Management Resources and Compensation Committee written charter is available on our website at www.amdocs.com.

The Technology and Innovation Committee was established to assist the Board of Directors in reviewing our technological development, opportunities and innovation, in connection with the current and future business and markets. The current members of our Technology and Innovation Committee are Messrs. Zisapel (Chair) and Dr. Yaron.

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Our independent directors receive no compensation from us, except in connection with their membership on the Board of Directors and its committees as described above regarding Non-Employee Directors under “— Compensation.”

Workforce Personnel

The following table presents the approximate number of our workforce as of each date indicated, by function and by geographical location (in each of which we operate at multiple sites):

	As of September 30		
	2014	2013	2012
Software and Information Technology, Sales and Marketing			
North America	5,082	4,669	4,775
Israel	4,499	4,401	4,210
India	7,976	7,101	6,681
Rest of the World	3,555	3,144	2,977
	<u>21,112</u>	<u>19,315</u>	<u>18,623</u>
Management and Administration	<u>1,434</u>	<u>1,459</u>	<u>1,482</u>
Total Workforce	<u>22,546</u>	<u>20,774</u>	<u>20,105</u>

As a company with global operations, we are required to comply with various labor and immigration laws throughout the world. Our employees in certain countries of Europe, and to a limited extent in Canada and Brazil, are protected by mandatory collective bargaining agreements. To date, compliance with such laws has not been a material burden for us. As the number of our employees increases over time in specific countries, our compliance with such regulations could become more burdensome.

Our principal operating subsidiaries are not party to any collective bargaining agreements. However, our Israeli subsidiaries are subject to certain provisions of general extension orders issued by the Israeli Ministry of Labor and Welfare which derive from various labor related statutes. The most significant of these provisions provide for mandatory pension benefits and wage adjustments in relation to increases in the consumer price index, or CPI. The amount and frequency of these adjustments are modified from time to time.

A small number of employees in Canada have union representation. In addition, all employees in Brazil, including local senior employees, are represented by unions, and our employees in Chile have formalized a union representation. Collective bargaining between employers and unions is mandatory, negotiated annually, and covers work conditions, including cost of living increases, minimum wages that exceed government thresholds and overtime pay. We have a works council body in the Netherlands and Germany which represents the employees and with which we work closely to ensure compliance with the applicable local law. We also have an employee representative body in France and in Finland.

We consider our relationship with our employees to be good and have never experienced an organized labor dispute, strike or work stoppage.

Share Ownership

Security Ownership of Directors and Senior Management and Certain Key Employees

As of December 1, 2014, the aggregate number of our ordinary shares beneficially owned by our directors and senior management was 2,321,801 shares. As of December 1, 2014, none of our directors or members of senior management beneficially owned 1% or more of our outstanding ordinary shares.

Beneficial ownership by a person, as of a particular date, assumes the exercise of all options and warrants held by such person that are currently exercisable or are exercisable within 60 days of such date.

Stock Option and Incentive Plan

Our Board of Directors has adopted, and our shareholders have approved, our 1998 Stock Option and Incentive Plan, as amended, which we refer to as the Equity Incentive Plan, pursuant to which up to 62,300,000 of our ordinary shares may be issued.

The Equity Incentive Plan provides for the grant of restricted shares, stock options and other stock-based awards to our directors, officers, employees and consultants. The purpose of the Equity Incentive Plan is to enable us to attract and retain qualified personnel and to motivate such persons by providing them with an equity participation in Amdocs. As of September 30, 2014, of the 62,300,000 ordinary shares available for issuance under the Equity Incentive Plan, 43,169,488 ordinary shares had been issued as a result of option exercises and restricted share issuances under the provisions of the Equity Incentive Plan. As of September 30, 2014, 9,523,692 ordinary shares remained available for future grants, subject to a sublimit applicable to the award of restricted shares or awards dominated in stock units. As of November 30, 2014, there were outstanding options to purchase an aggregate of 9,942,289 ordinary shares at exercise prices ranging from \$16.92 to \$48.12 per share and 76,317 shares are subject to outstanding restricted stock units.

The Equity Incentive Plan is administered by a committee that determines all the terms of the awards (subject to the above), including which employees, directors or consultants are granted awards. The Board of Directors may amend or terminate the Equity Incentive Plan, provided that shareholder approval is required to increase the number of ordinary shares available under the Equity Incentive Plan, to materially increase the benefits accruing to participants, to change the class of employees eligible for participation, to decrease the basis upon which the minimum exercise price of options is determined or to extend the period in which awards may be granted or to grant an option that is exercisable for more than ten years. Ordinary shares subject to restricted stock awards are subject to certain restrictions on sale, transfer or hypothecation. Under its current terms, no awards may be granted pursuant to the Equity Incentive Plan after January 2016. Our Board of Directors, however, has approved an extension of the term of plan to January 28, 2025, subject to shareholder approval at the January 2015 annual general meeting of shareholders.

As a result of acquisitions, as of September 30, 2014, we were obligated to issue (and have reserved for issuance) an additional 16,921 ordinary shares upon exercise of options that had previously been granted under the option plans of the acquired companies and were exchanged for options to purchase our ordinary shares. These options have exercise prices ranging from \$0.88 to \$37.66 per share. No additional options have been or will be granted under these predecessor plans.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The following table sets forth specified information with respect to the beneficial ownership of the ordinary shares as of December 1, 2014 of (i) any person known by us to be the beneficial owner of more than 5% of our ordinary shares, and (ii) all of our directors and executive officers as a group. Beneficial ownership is determined in accordance with the rules of the SEC and, unless otherwise indicated, includes voting and investment power with respect to all ordinary shares, subject to community property laws, where applicable. The number of ordinary shares used in calculating the percentage beneficial ownership included in the table below is based on 155,871,679 ordinary shares outstanding as of December 1, 2014. Information concerning shareholders is based on periodic public filings made by such shareholders and may not necessarily be accurate as of December 1, 2014. None of our major shareholders have voting rights that are different from those of any other shareholder.

Name	Shares Beneficially Owned	Percentage Ownership
FMR LLC(1)	14,064,173	8.66%
Janus Capital Management LLC(2)	8,581,736	5.40%
Manning & Napier Advisors, Inc.(3)	8,162,325	5.02%
All directors and officers as a group (14 persons)(4)	2,321,801	1.48%

- (1) Based on a Schedule 13G/A filed by FMR LLC with the SEC on February 14, 2014, as of December 31, 2013, FMR LLC had sole power to vote or direct the vote over 767,030 shares and sole power to dispose or direct the disposition of 14,064,173 shares. This includes 13,102,362 shares beneficially owned by Fidelity Management & Research Company (“Fidelity”) in its capacity as an investment advisor; 513 shares beneficially owned by Strategic Advisers, Inc. (“SAI”) in its capacity as an investment advisor; 41,400 shares beneficially owned by Pyramis Global Advisors, LLC (“PGALLC”) in its capacity as an investment advisor; 26,021 shares beneficially owned by Pyramis Global Advisors Trust Company (“PGATC”) as a result of its serving as an investment manager of institutional accounts owning such shares; and 787,777 shares over which FIL Limited (“FIL”) has sole dispositive power through its investment advisory and management services to a number of non-U.S. investment companies and institutional investors. Fidelity and SAI are wholly owned subsidiaries of FMR LLC. PGALLC and PGATC are indirect wholly owned subsidiaries of FMR LLC. Partnerships controlled predominantly by members of the family of Edward C. Johnson 3d, Chairman of FMR LLC and FIL or trusts for their benefit, own shares of FIL voting stock. Edward C. Johnson 3d, and members of his family, directly or through trusts, own approximately 49% of the voting power of FMR LLC. The address of Fidelity, FMTC and SAI is 82 Devonshire Street, Boston, Massachusetts 02109. The address of PGALLC and PGATC is 900 Salem Street, Smithfield, Rhode Island 02917. The address of FIL is Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda.
- (2) Based on a Schedule 13G/A filed by Janus Capital Management LLC, or Janus, with the SEC on February 14, 2014, as of December 31, 2013, Janus has a direct 96.74% ownership stake in INTECH Investment Management, or INTECH, and a direct 99.61% ownership stake in Perkins Investment Management LLC, or Perkins. Due to this ownership structure, holdings for Janus, Perkins and INTECH are aggregated. Janus, Perkins and INTECH are registered investment advisers, each furnishing investment advice to various investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients (collectively, the “Managed Portfolios”). As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, Janus may be deemed to be the beneficial owner of 8,532,236 ordinary shares held by the Managed Portfolios. However, Janus does not have the right to receive any dividends from, or the proceeds from the sale of, the securities held in the Managed Portfolios and disclaims any ownership associated with such rights. The address of Janus Capital is 151 Detroit Street, Denver, Colorado 80206.
- (3) Based on a Schedule 13G/A filed by Manning & Napier Advisors, Inc., or Manning & Napier, with the SEC on February 3, 2014, as of December 31, 2013, Manning & Napier had sole voting power over 7,214,057 of our ordinary shares and sole dispositive power over 8,162,325 of our ordinary shares. The address of Manning & Napier is 290 Woodcliff Drive, Fairport, New York 14450.
- (4) Includes options held by such directors and executive officers that are exercisable within 60 days after December 1, 2014. As of such date, none of our directors, senior managers or key employees beneficially own 1% or more of our outstanding ordinary shares.

T. Rowe Price Associates, Inc. reported beneficial ownership over 7.33% of our ordinary shares in fiscal 2013. T. Rowe Price Associates, Inc.’s beneficial ownership decreased below 5% in fiscal 2014.

As of December 1, 2014, our ordinary shares were held by 2,274 record holders. Based on a review of the information provided to us by our transfer agent, 1,112 record holders, holding approximately 95.3% of our outstanding ordinary shares held of record, were residents of the United States.

ITEM 8. FINANCIAL INFORMATION

Financial Statements

See “Financial Statements” for our audited Consolidated Financial Statements and Financial Statement Schedule filed as part of this Annual Report.

Legal Proceedings

We are involved in various legal proceedings arising in the normal course of our business. We accrue for a loss contingency when we determine that it is probable, after consultation with counsel, that a liability has been

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incurred and the amount of such loss can be reasonably estimated. At this time, we believe that the results of any such contingencies, either individually or in the aggregate, will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Dividend Policy

Please refer to “Liquidity and Capital Resources — Cash Dividends” for a discussion of our dividend policy.

ITEM 9. THE OFFER AND LISTING

On December 19, 2013, we voluntarily withdrew our ordinary shares from the New York Stock Exchange and transferred our listing to the Nasdaq Global Select Market (“Nasdaq”) and commenced trading on Nasdaq on December 20, 2013. Our ordinary shares were quoted on the New York Stock Exchange (“NYSE”) from 1998 to 2013 under the symbol “DOX” and are now quoted on Nasdaq under the same symbol. The following table sets forth the high and low reported sale prices for our ordinary shares for the periods indicated:

	<u>High</u>	<u>Low</u>
Fiscal Year Ended September 30,		
2010	\$32.44	\$24.10
2011	\$32.00	\$25.41
2012	\$33.79	\$25.67
2013	\$39.01	\$31.41
2014	\$48.99	\$36.39
Quarter		
<i>Fiscal 2013:</i>		
First Quarter	\$35.02	\$31.41
Second Quarter	\$36.73	\$33.84
Third Quarter	\$37.22	\$34.07
Fourth Quarter	\$39.01	\$36.45
<i>Fiscal 2014:</i>		
First Quarter	\$41.50	\$36.39
Second Quarter	\$46.85	\$40.39
Third Quarter	\$48.99	\$44.73
Fourth Quarter	\$48.50	\$44.11
<i>Fiscal 2015:</i>		
First Quarter (through November 30, 2014)	\$48.91	\$44.06
Most Recent Six Months		
June 2014	\$48.99	\$45.63
July 2014	\$48.30	\$45.31
August 2014	\$47.50	\$44.11
September 2014	\$48.50	\$45.60
October 2014	\$47.56	\$44.06
November 2014	\$48.91	\$46.18

ITEM 10. ADDITIONAL INFORMATION

Memorandum and Articles of Incorporation

Amdocs Limited is registered as a company with limited liability pursuant to the laws of the Island of Guernsey with company number 19528 and whose registered office situated at Hirzel House, Smith Street, St Peter Port, Guernsey, GY1 2NG. The telephone number at that location is +44-1481-728444.

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Our Memorandum of Incorporation, or the Memorandum, provides that the objects and powers of Amdocs Limited are not restricted and our Articles of Incorporation, or the Articles, provide that our business is to engage in any lawful act or activity for which companies may be organized under the Companies (Guernsey) Law, 2008, as amended, or the Companies Law.

The Articles grant the Board of Directors all the powers necessary for managing, directing and supervising the management of the business and affairs of Amdocs Limited.

Article 70(1) of the Articles provides that a director may vote in respect of any contract or arrangement in which such director has an interest notwithstanding such director's interest and an interested director will not be liable to us for any profit realized through any such contract or arrangement by reason of such director holding the office of director. Article 71(1) of the Articles provides that the directors shall be paid out of the funds of Amdocs Limited by way of fees such sums as the Board shall reasonably determine. Article 73 of the Articles provides that directors may exercise all the powers of Amdocs Limited to borrow money, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, and to issue securities whether outright or as security for any debt, liability or obligation of Amdocs Limited for any third party. Such borrowing powers can only be altered through an amendment to the Articles by special resolution. Our Memorandum and Articles do not impose a requirement on the directors to own shares of Amdocs Limited in order to serve as directors, however, the Board of Directors has adopted guidelines for minimum share ownership by the directors.

On January 22, 2009 the Board of Directors was granted a five-year standing authority by the shareholders to issue a maximum of (i) 25,000,000 preferred shares and (ii) 700,000,000 ordinary shares, consisting of voting and non-voting ordinary shares. At our Annual General Meeting of Shareholders held on January 30, 2014, the Board of Directors was granted shareholder approval for an additional five-year standing authority to issue shares at the same levels as the current authorization. As of September 30, 2014, 156,704,355 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 set out in the Memorandum and Articles and 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 accrue.
- *Liquidation* — in the event of any liquidation, dissolution or winding-up of Amdocs Limited, the holders of preferred shares are entitled to a preference with respect to payment over the holders of any shares ranking junior to the preferred in liquidation 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. Except as provided in the resolution or resolutions providing for the issue of the preferred, the holders of preferred shares are entitled to no further payment. 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 preferred shares ratably in accordance with the respective amount such holder would have received if all amounts had been paid in full.
- *Voting Rights* — except as otherwise provided for by the directors upon the issue of any new series of preferred shares, the holders 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 shareholders.

Ordinary Shares and Non-Voting Ordinary Shares

Except as otherwise provided by the Memorandum and Articles, 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 shares are entitled to share equally, share for share, in such dividends except that if dividends are declared that are payable in voting ordinary shares or non-voting ordinary shares, dividends must be declared that 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 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 shareholders, 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.

As regards both preferred shares and voting and non-voting ordinary shares, we have the power to purchase any of our own shares, whether or not they are redeemable and may make a payment out of capital for such purchase. If we repurchase shares off market, the repurchase must be approved by special resolution of our shareholders. If we are making a market acquisition of our own shares, the acquisition must be approved by an ordinary resolution of our shareholders. In practice, we expect that we would continue to effect any future repurchases of our ordinary shares through our subsidiaries.

The Articles now provide that our directors, officers and other agents will be indemnified by us from and against all liabilities to Amdocs Limited or third parties (including our shareholders) sustained in connection with their performance of their duties, except to the extent prohibited by the Companies Law. Under the Companies Law, Amdocs Limited may not indemnify a director for certain excluded liabilities, which are:

- fines imposed in criminal proceedings;
- regulatory fines;
- expenses incurred in defending criminal proceedings resulting in a conviction;
- expenses incurred in defending civil proceedings brought by Amdocs Limited or an affiliated company in which judgment is rendered against the director; and
- expenses incurred in unsuccessfully seeking judicial relief from claims of a breach of duty.

In addition to the excluded liabilities listed above, directors may also not be indemnified by us for liabilities to us or any of our subsidiaries arising out of negligence, default, breach of duty or breach of trust of a director in relation to us or any of our subsidiaries. The Companies Law authorizes Guernsey companies to purchase insurance against such liabilities to companies or to third parties for the benefit of directors. We currently maintain such insurance. Judicial relief is available for an officer charged with a neglect of duty if the court determines that such person acted honestly and reasonably, having regard to all the circumstances of the case.

There are no provisions in the Memorandum or Articles that provide for a classified board of directors or for cumulative voting for directors.

If the share capital is divided into different classes of shares, Article 11 of the Articles provides that the rights attached to any class of shares (unless otherwise provided by the terms of issue) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

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A special resolution is defined by the Companies Law as being a resolution passed by a majority of shareholders representing not less than 75% of the total voting rights of the shareholders present in person or by proxy.

Rather than attend general or special meetings of our shareholders, shareholders may confer voting authority by proxy to be represented at such meetings. Generally speaking, proxies will not be counted as voting in respect of any matter as to which abstention is indicated, but abstentions will be counted as ordinary shares that are present for purposes of determining whether a quorum is present at a general or special meeting. Nominees who are members of NYSE and who, as brokers, hold ordinary shares in “street name” for customers have, by NYSE rules, the authority to vote on certain items in the absence of instructions from their customers, the beneficial owners of the ordinary shares. If such nominees or brokers indicate that they do not have authority to vote shares as to a particular matter, we will not count those votes in favor of such matter, however, such “broker non-votes” will be counted as ordinary shares that are present for purposes of determining whether a quorum is present.

Provisions in respect of the holding of general meetings and extraordinary general meetings are set out at Articles 22-41 of the Articles. The Articles provide that an annual general meeting must be held once in every calendar year (provided that not more than 15 months have elapsed since the last such meeting) at such time and place as the directors appoint. The shareholders of the Company may waive the requirement to hold an annual general meeting in accordance with the Companies Law. The directors may, whenever they deem fit, convene an extraordinary general meeting. General meetings may be convened by any shareholders holding more than 10% in the aggregate of Amdocs Limited’s share capital. Shareholders may participate in general meetings by video link, telephone conference call or other electronic or telephonic means of communication.

A minimum of ten days’ written notice is required in connection with an annual general meeting and a minimum of 14 days’ written notice is required for an extraordinary general meeting, although a general meeting may be called by shorter notice if all shareholders entitled to attend and vote agree. The notice shall specify the place, the day and the hour of the meeting, and in the case of any special business, the general nature of that business and details of any special resolutions, waiver resolutions or unanimous resolutions being proposed at the meeting. The notice must be sent to every shareholder and every director and may be published on a website.

At general meetings, the Chairman of the Board may choose whether a resolution put to a vote shall be decided by a show of hands or by a poll. However, a poll may be demanded by not less than five shareholders having the right to vote on the resolution or by shareholders representing not less than 10% of the total voting rights of all shareholders having the right to vote on the resolution.

A shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of Amdocs Limited.

Amdocs Limited may pass resolutions by way of written resolution.

There are no limitations on the rights to own securities, including the rights of non-resident or foreign shareholders to hold or exercise voting rights on the securities.

There are no provisions in the Memorandum or Articles that would have the effect of delaying, deferring or preventing a change in control of Amdocs Limited or that would operate only with respect to a merger, acquisition or corporate restructuring involving us (or any of our subsidiaries).

There are no provisions in the Memorandum or Articles governing the ownership threshold above which our shareholder ownership must be disclosed. U.S. federal law, however, requires that all directors, executive officers and holders of 10% or more of the stock of a company that has a class of stock registered under the Securities Exchange Act of 1934, as amended (other than a foreign private issuer, such as Amdocs Limited), disclose such ownership. In addition, holders of more than 5% of a registered equity security of a company (including a foreign private issuer) must disclose such ownership.

The directors may reduce our share capital or any other capital subject to us satisfying the solvency requirements set out in the Companies Law.

Material Contracts

On December 20, 2011, we entered into a Credit Agreement among us, certain of our subsidiaries, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Europe Limited, as London agent, and JPMorgan Chase Bank, N.A., Toronto branch, as Canadian agent providing for an unsecured \$500 million five-year revolving credit facility with a syndicate of banks, which facility is available for general corporate purposes, including acquisitions and repurchases of our ordinary shares that we may consider from time to time.

In the past two years, we have not entered into any other material contracts other than contracts entered into in the ordinary course of our business.

Taxation

Taxation of the Company

The following is a summary of certain material tax considerations relating to Amdocs and our subsidiaries. To the extent that the discussion is based on tax legislation that has not been subject to judicial or administrative interpretation, there can be no assurance that the views expressed in the discussion will be accepted by the tax authorities in question. The discussion is not intended, and should not be construed, as legal or professional tax advice and is not exhaustive of all possible tax considerations.

General

Our effective tax rate was 13.8% for fiscal 2014, compared to 13.3% for fiscal 2013 and 11.4% for fiscal 2012.

Our effective tax rate may fluctuate between periods as a result of discrete items that may affect a particular period and there can be no assurance that our effective tax rate will not change over time as a result of a change in corporate income tax rates or other changes in the tax laws of Guernsey, the jurisdiction in which our holding company is organized, or of the various countries in which we operate. Moreover, our effective tax rate in future years may be adversely affected in the event that a tax authority challenges the manner in which items of income and expense are allocated among us and our subsidiaries. In addition, we and certain of our subsidiaries benefit from certain special tax benefits. The loss of any such tax benefits could have an adverse effect on our effective tax rate.

Certain Guernsey Tax Considerations

Tax legislation in Guernsey subjects us to the standard rate of corporate income tax for a Guernsey resident company of zero percent.

Certain Indian Tax Considerations

Through a subsidiary, we operate development centers and a business processing operations center in India. In 2014, the corporate tax rate applicable in India on trading activities was 33.99%. Our subsidiary in India business operates under specific favorable tax entitlements that are based upon pre-approved information technology related services activity. As a result, these activities are entitled to considerable corporate income tax exemptions on all income derived from such pre-approved information technology activity, provided our subsidiary continues to meet the conditions required for such tax benefits. However, as of April 1, 2011, the Minimum Alternative Tax, or MAT, became applicable to all of our Indian operations. The MAT is levied on book profits at the effective rate of 20% and can be carried forward for 10 years to be credited against corporate income taxes. Our Indian subsidiary, as per part of its operating units, is subject to a separate tax entitlement under which such units are exempt from tax on the respective tax incentive-eligible activity for the first five years of operations and enjoys a 50% reduction on its corporate income tax for such activity for the following five years. After 10 years of operations, such 50% reduction may be available for an additional five years, subject to further investment-related undertakings that we would be required to make. Under Indian laws, any dividend distribution by our Indian subsidiary would be subject to a dividend distribution tax at the new effective rate of

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19.995% beginning on October 1, 2014 to be paid by such subsidiary. The Indian government has published a draft for the replacement of the country's tax code. This draft, if enacted, would substantially change Indian tax laws, and might reduce or eliminate the availability of these beneficial tax rates for our Indian subsidiary.

Certain Israeli Tax Considerations

Our primary Israeli subsidiary, Amdocs (Israel) Limited, operates one of our largest development centers. Discussed below are certain Israeli tax considerations relating to this subsidiary.

General Corporate Taxation in Israel. The general corporate tax rate on taxable income is 26.5%. However, the effective tax rate payable by an Israeli company that derives income from an Approved Enterprise may be considerably less.

Law for the Encouragement of Capital Investments, 1959. Certain production and development facilities of our primary Israeli subsidiary have been granted "Approved Enterprise" status pursuant to the Law for the Encouragement of Capital Investments, 1959, or the Investment Law, which provides certain tax and financial benefits to investment programs that have been granted such status.

In general, investment programs of our primary Israeli subsidiary that have already obtained instruments of approval for an Approved Enterprise issued by the Israeli Investment Center prior to the change in legislation in 2005 continue to be subject to the old provisions of the Investment Law as described below. In addition, our primary Israeli subsidiary obtained expansions to its Approved Enterprise approval under the terms of the Investment Law of 2005.

The provisions of the Investment Law applicable to investment programs approved prior to the effective date of the amendments to the Investment Law provide that capital investments in production facilities (or other eligible assets) may, upon application to the Israeli Investment Center, be designated as an "Approved Enterprise." Each instrument of approval for an Approved Enterprise relates to a specific investment program delineated both by the financial scope of the investment, including source of funds, and by the physical characteristics of the facility or other assets. The tax benefits available under any instrument of approval relate only to taxable profits attributable to the specific investment program and are contingent upon compliance with the conditions set out in the instrument of approval.

Tax Benefits. Taxable income derived from an Approved Enterprise is subject to a reduced corporate tax rate of 25% until the earliest of:

- 7 consecutive years (or ten in the case of an FIC (as defined below)) commencing in the year in which the Approved Enterprise first generates taxable income,
- 12 years from the year of commencement of production, or
- 14 years from the year of the approval of the Approved Enterprise status.

Such income is eligible for further reductions in tax rates if we qualify as a Foreign Investors' Company, or FIC, depending on the percentage of the foreign ownership. Subject to certain conditions, an FIC is a company more than 25% of whose share capital (in terms of shares, rights of profits, voting and appointment of directors) and more than 25% of whose combined share and loan capital is owned by non-Israeli residents. The tax rate is 20% if the foreign investment is 49% or more but less than 74%; 15% if the foreign investment is 74% or more but less than 90%; and 10% if the foreign investment is 90% or more. The determination of foreign ownership is made on the basis of the lowest level of foreign ownership during the tax year. A company that owns an Approved Enterprise approved after April 1, 1986, may elect to forego the entitlement to grants and apply for an alternative package of tax benefits. In addition, a company (like our primary Israeli subsidiary) with an enterprise outside the National Priority Regions (which is not entitled to grants) may also apply for the alternative benefits. Under the alternative benefits, undistributed income from the Approved Enterprise operations is fully tax exempt (a tax holiday) for a defined period. The tax holiday ranges between two to ten years from the first year of taxable income subject to the limitations as described above, depending principally upon the geographic location within Israel. On expiration of the tax holiday, the Approved Enterprise is eligible for a beneficial tax rate (25% or lower in the case of an FIC, as described above) for the remainder of the otherwise applicable period of benefits.

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The 2005 amendment to the Investment Law introduced various changes to the Approved Enterprise regime. The tax rates applicable to the route elected by our primary Israeli subsidiary under the 2005 amendment are similar to the tax rates that applied prior to the 2005 amendment (as detailed above).

Our primary Israeli subsidiary has elected the alternative benefits with respect to its current Approved Enterprise and its expansions, pursuant to which the primary Israeli subsidiary enjoys, in relation to its Approved Enterprise operations, certain tax holidays, based on the location of activities within Israel, for a period of two to ten years and, in the case of a two year tax holiday, reduced tax rates for an additional period of up to eight years. In case this primary Israeli subsidiary pays a dividend, at any time, out of income earned during the tax holiday period in respect of its Approved Enterprise, it will be subject, assuming that the current level of foreign investment in Amdocs is not reduced, to corporate tax at the otherwise applicable rate of 10% of the income from which such dividend has been paid and up to 25% if such foreign investments are reduced (as detailed above). This tax is in addition to the withholding tax on dividends as described below. Specific investment programs of our primary Israeli subsidiary and the income derived therefrom, are entitled to reduced tax rates for 13 years (instead of the eight-year period referred to above). The tax benefits, available with respect to an Approved Enterprise only to taxable income attributable to that specific enterprise, are provided according to an allocation formula set forth in the Investment Law or in the instrument of approval, and are contingent upon the fulfillment of the conditions stipulated by the Investment Law, the regulations issued thereunder and the instruments of approval for the specific investments in the Approved Enterprises. In the event our primary Israeli subsidiary fails to comply with these conditions, the tax and other benefits could be rescinded, in whole or in part, and the subsidiary might be required to refund the amount of the rescinded benefits, with the addition of CPI linkage differences and interest. We believe that the Approved Enterprise of our primary Israeli subsidiary substantially complies with all such conditions currently, but there can be no assurance that it will continue to do so.

In recent years changes were introduced to the Investment Law, specifically a major amendment of the Investment Law in 2011. Among other things, these changes include a prospective termination of all tax incentives available under the law prior to the amendment. The amendment to the Investment Law also introduced a new concept of "Preferred Enterprise". However, under the transition rules, with respect to the applicability of the provisions of the Investment Law as amended in 2011, benefits granted pursuant to incentive programs commenced prior to 2011 would continue to apply until their expiration, unless the company affirmatively elects to apply the regime provided pursuant to the amended Investment Law. Additionally, the amendments include a tax incentive package that consists of flat tax rates of 10% through 15%, depending on the geographic location of the activities of the taxable entity, for calendar years 2011 through 2012; 7% through 12.5%, depending on the geographic location of the activities of the taxable entity for calendar year 2013, and 9% through 16% for calendar years 2014 and thereafter. These incentives would apply to industrial companies that meet certain criteria.

In 2014, our primary Israeli subsidiary continues to apply the benefits under the terms of the law as provided prior to the 2011 amendment.

Dividends

Dividends paid out of income derived by an Approved Enterprise are subject to withholding tax at a reduced rate compared to the 30% withholding tax generally applicable to dividends paid out of income derived by a non-Approved Enterprise. If we pay a dividend from our primary Israeli subsidiary, such dividend will likely be distributed out of income from both Approved Enterprises and non-Approved Enterprises. As such, we expect the weighted average withholding tax rate applicable to such dividend to be approximately 20%. This withholding tax shall be levied in addition to the corporate tax to which our primary Israeli subsidiary shall be subject in the event it pays a dividend out of exempt income generated during the tax holiday period related to its Approved Enterprise status.

Taxation Of Holders Of Ordinary Shares

Certain United States Federal Income Tax Considerations

The following discussion describes the material U.S. federal income tax consequences to a U.S. holder of the ownership or disposition of our ordinary shares. A U.S. holder is:

- (i) an individual who is a citizen or resident of the United States;

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- (ii) a corporation created or organized in, or under the laws of, the United States or of any state thereof;
- (iii) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons has the authority to control all substantial decisions of the trust.

This summary generally considers only U.S. holders that own ordinary shares as capital assets. This summary does not discuss the U.S. federal income tax consequences to a holder of ordinary shares that is not a U.S. holder.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended, or the Code, current and proposed Treasury regulations promulgated thereunder, and administrative and judicial decisions as of the date hereof, all of which are subject to change, possibly on a retroactive basis. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a holder of ordinary shares based on such holder's particular circumstances (including potential application of the alternative minimum tax), U.S. federal income tax consequences to certain holders that are subject to special treatment (such as taxpayers who are broker-dealers, insurance companies, tax-exempt organizations, financial institutions, holders of securities held as part of a "straddle," "hedge" or "conversion transaction" with other investments, or holders owning directly, indirectly or by attribution at least 10% of the ordinary shares), or any aspect of state, local or non-U.S. tax laws. Additionally, this discussion does not consider the tax treatment of persons who hold ordinary shares through a partnership or other pass-through entity or the possible application of U.S. federal gift or estate taxes.

This summary is for general information only and is not binding on the Internal Revenue Service, or the IRS. There can be no assurance that the IRS will not challenge one or more of the statements made herein. U.S. holders are urged to consult their own tax advisers as to the particular tax consequences to them of owning and disposing of our ordinary shares.

Dividends. In general, a U.S. holder receiving a distribution with respect to the ordinary shares will be required to include such distribution (including the amount of foreign taxes, if any, withheld therefrom) in gross income as a taxable dividend to the extent such distribution is paid from our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Any distributions in excess of such earnings and profits will first be treated, for U.S. federal income tax purposes, as a nontaxable return of capital to the extent of the U.S. holder's tax basis in the ordinary shares, and then, to the extent in excess of such tax basis, as gain from the sale or exchange of a capital asset. However, since we do not calculate our earnings and profits under U.S. federal income tax principles, it is expected that any distribution will be reported as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. In general, U.S. corporate shareholders will not be entitled to any deduction for distributions received as dividends on the ordinary shares.

Dividend income is generally taxed as ordinary income. However, a maximum U.S. federal income tax rate of 20% currently applies to "qualified dividend income" received by individuals (as well as certain trusts and estates), provided that certain holding period requirements are met. "Qualified dividend income" includes dividends paid on shares of U.S. corporations as well as dividends paid on shares of "qualified foreign corporations," including shares of a foreign corporation that are readily tradable on an established securities market in the United States. Since our ordinary shares are readily tradable on the Nasdaq, we believe that dividends paid by us with respect to our ordinary shares should constitute "qualified dividend income" for U.S. federal income tax purposes, provided that the holding period requirements are satisfied and none of the other special exceptions applies. However, dividends paid by us will not qualify for the 20% U.S. federal income tax rate if we are treated, for the tax year in which the dividends are paid or the preceding tax year, as a "passive foreign investment company" for U.S. federal income tax purposes.

The amount of foreign income taxes that may be claimed as a credit against U.S. federal income tax in any year is subject to certain complex limitations and restrictions, which must be determined on an individual basis by each U.S. holder. The limitations set out in the U.S. Internal Revenue Code of 1986, as amended, include,

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among others, rules that may limit foreign tax credits allowable with respect to specific classes of income to the U.S. federal income taxes otherwise payable with respect to each such class of income. Dividends paid by us generally will be foreign source “passive income” or “financial services income” for U.S. foreign tax credit purposes.

In addition, U.S. holders generally will be subject to information reporting requirements with respect to dividends that are paid within the United States or through U.S.-related financial intermediaries, as well as with respect to disposition of our ordinary shares, unless the U.S. holder is an “exempt recipient.” U.S. holders may also be subject to backup withholding (currently at a 28% rate) on such payments, unless the U.S. holder provides a taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax and the amount of any backup withholding will be allowed as a credit against a U.S. holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Disposition of Ordinary Shares. Upon the sale, exchange or other disposition of our ordinary shares, a U.S. holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized on the disposition by such U.S. holder and its tax basis in the ordinary shares. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder has held the ordinary shares for more than one year at the time of the disposition. In the case of a U.S. holder that is an individual, trust or estate, long-term capital gains realized upon a disposition of the ordinary shares generally will be subject to a maximum U.S. federal tax income rate of 20%. Gains realized by a U.S. holder on a sale, exchange or other disposition of ordinary shares generally will be treated as U.S. source income for U.S. foreign tax credit purposes.

Medicare Contribution Tax. U.S. holders who are individuals, estates and certain trusts may be required to pay a 3.8% Medicare tax on their net investment income (including dividends on and gains from the sale or other disposition of our ordinary shares) or, in the case of trusts and estates, on their net investment income that is not distributed. In each case, the 3.8% Medicare tax applies only to the extent that the U.S. Holder’s total modified adjusted income exceeds certain thresholds.

Additional Information Reporting.

Under certain circumstances, we or our paying agent may be required, pursuant to the Code (or analogous provisions of non-U.S. law) and regulations or pronouncements thereunder, any “intergovernmental agreement” entered into pursuant to those provisions or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any such agreement, to withhold use tax at a rate of 30% on all or a portion of payments of dividends or other amounts that are treated as “foreign pass-thru payments” and are made on or after January 1, 2017, if such payments are not exempt from such withholding. We believe, and this discussion assumes, that under current law payments we make on account of our ordinary shares will not be “foreign pass-thru payments” subject to such withholding; however, our treatment under these rules is not completely clear and further guidance may be issued by the IRS that would clarify how these rules might apply to dividends or other amounts paid on or with respect to ordinary shares.

Certain U.S. holders are required to report information with respect to their investment in our ordinary shares not held through a custodial account with a U.S. financial institution to the IRS. In general, U.S. taxpayers holding specified “foreign financial assets” (which generally would include our ordinary shares) with an aggregate value exceeding certain threshold amounts should report information about those assets on IRS Form 8938, which must be attached to the taxpayer’s annual income tax return. Investors who fail to report required information could become subject to substantial penalties.

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% or 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, we do not intend to take steps necessary to qualify as a qualified electing fund. However, if we are treated as a passive foreign investment

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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 guarantee 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.

Certain Guernsey Tax Considerations

Under the laws of Guernsey as currently in effect, a holder of our ordinary shares who is not a resident of Guernsey and who does not carry on business in Guernsey through a permanent establishment situated there is exempt from Guernsey income tax on dividends paid with respect to the ordinary shares and is not liable for Guernsey income tax on gains realized on sale or disposition of such ordinary shares. In addition, Guernsey does not impose a withholding tax on dividends paid by us to the holders of our ordinary shares. Tax legislation was enacted in Guernsey, effective as of January 1, 2008, to tax Guernsey resident shareholders on actual or deemed distribution of certain profits of a Guernsey company. We do not believe this legislation will affect the taxation of 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.

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

Documents On Display

We are subject to the reporting requirements of foreign private issuers under the U.S. Securities Exchange Act of 1934. Pursuant to the Exchange Act, we file reports with the SEC, including this Annual Report on Form 20-F. We also submit reports to the SEC, including Form 6-K Reports of Foreign Private Issuers. You may read and copy such reports at the SEC's public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. Such reports are also available to the public on the SEC's website at www.sec.gov. Some of this information may also be found on our website at www.amdocs.com.

You may request copies of our reports, at no cost, by writing to or telephoning us as follows:

Amdocs, Inc.
Attention: Elizabeth W. McDermon
1390 Timberlake Manor Parkway,
Chesterfield, Missouri 63017
Telephone: 314-212-8328

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Risk

We manage our foreign subsidiaries as integral direct components of our operations. The operations of our foreign subsidiaries provide the same type of services with the same type of expenditures throughout the Amdocs group. We have determined that the U.S. dollar is our functional currency. We periodically assess the applicability of the U.S. dollar as our functional currency by reviewing the salient indicators as indicated in the authoritative guidance for foreign currency matters.

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During fiscal 2014, our revenue and operating expenses in the U.S. dollar or linked to the U.S. dollar were approximately 70% to 80% and 50% to 60%, respectively. If more customers will seek contracts in currencies other than the U.S. dollar, the percentage of our revenue and operating expenses in the U.S. dollar or linked to the U.S. dollar may decrease over time and our exposure to fluctuations in currency exchange rates could increase.

In managing our foreign exchange risk, we enter into various foreign exchange contracts. We do not hedge all of our exposure in currencies other than the U.S. dollar, but rather our policy is to hedge significant net exposures in the major foreign currencies in which we operate. We use such contracts to hedge net exposure to changes in foreign currency exchange rates associated with revenue denominated in a foreign currency, primarily Canadian dollars, euros and Australian dollars, and anticipated costs to be incurred in a foreign currency, primarily Israeli shekels, Indian rupees and British pounds. We also use such contracts to hedge the net impact of the variability in exchange rates on certain balance sheet items such as accounts receivable and employee related accruals denominated primarily in Israeli shekels, Canadian dollars, euros and Australian dollars. We seek to minimize the net exposure that the anticipated cash flow from sales of our products and services, cash flow required for our expenses and the net exposure related to our balance sheet items, denominated in a currency other than our functional currency will be affected by changes in exchange rates. Please see Note 6 to our consolidated financial statements.

The table below presents the total volume or notional amounts and fair value of our derivative instruments as of September 30, 2014. Notional values are in U.S. dollars and are translated and calculated based on forward rates as of September 30, 2014, for forward contracts, and based on spot rates as of September 30, 2014 for options.

	<u>Notional Value*</u>	<u>Fair Value of Derivatives</u>
Foreign exchange contracts (in millions)	\$ 1,386	\$ (1.4)

(*) Gross notional amounts do not quantify risk or represent assets or liabilities of the Company, but are used in the calculation of settlements under the contracts.

Interest Rate Risk

Our interest expenses and income are sensitive to changes in interest rates, as all of our cash and some of our borrowings, are subject to interest rate changes. Our short-term interest-bearing investments are invested in short term conservative debt instruments, primarily U.S. dollar-denominated, and consist mainly of money market funds, U.S. government treasuries, corporate bonds and U.S. agency securities. As of September 30, 2014, there was \$210.0 million of short-term outstanding borrowing under our revolving lines of credit, which we repaid in October 2014.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. With the participation of the Chief Executive Officer and Chief Financial Officer of Amdocs

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Management Limited, our management evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2014. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2014, the Chief Executive Officer and the Chief Financial Officer of Amdocs Management Limited concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level. Ernst and Young LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report on Form 20-F, has issued an attestation report on our internal control over financial reporting as of September 30, 2014, which is included herein.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal year ended September 30, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management’s report on our internal control over financial reporting (as such defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act), and the related reports of our independent public accounting firm, are included on pages F-2, F-3 and F-4 of this Annual Report on Form 20-F, and are incorporated herein by reference.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Board of Directors has determined that there is at least one audit committee financial expert, Adrian Gardner, serving on our Audit Committee. Our Board of Directors has determined that Mr. Gardner is an independent director.

ITEM 16B. CODE OF ETHICS

Our Board of Directors has adopted a Code of Ethics and Business Conduct that sets forth legal and ethical standards of conduct for our directors and employees, including our principal executive officer, principal financial officer and other executive officers, of our subsidiaries and other business entities controlled by us worldwide.

Our Code of Ethics and Business Conduct is available on our website at www.amdocs.com, or you may request a copy of our code of ethics, at no cost, by writing to or telephoning us as follows:

Amdocs, Inc.
Attention: Elizabeth W. McDermon
1390 Timberlake Manor Parkway,
Chesterfield, Missouri 63017
Telephone: 314-212-8328

We intend to post on our website within five business days all disclosures that are required by law or Nasdaq rules concerning any amendments to, or waivers from, any provision of the code.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

During each of the last three fiscal years, Ernst & Young LLP has acted as our independent registered public accounting firm.

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Audit Fees

Ernst & Young billed us approximately \$3.2 million for audit services for fiscal 2014, including fees associated with the annual audit and reviews of our quarterly financial results submitted on Form 6-K, consultations on various accounting issues and performance of local statutory audits. Ernst & Young billed us approximately \$3.0 million for audit services for fiscal 2013.

Audit-Related Fees

Ernst & Young billed us approximately \$1.0 million for audit-related services for fiscal 2014. Audit-related services principally include SSAE 16 report issuances and due diligence examinations. Ernst & Young billed us approximately \$1.7 million for audit-related services for fiscal 2013.

Tax Fees

Ernst & Young billed us approximately \$1.2 million for tax advice, including fees associated with tax compliance, tax advice and tax planning services for fiscal 2014. Ernst & Young billed us approximately \$1.6 million for tax advice in fiscal 2013.

All Other Fees

Ernst & Young did not bill us for services other than Audit Fees, Audit-Related Fees and Tax Fees described above for fiscal 2014 or fiscal 2013.

Pre-Approval Policies for Non-Audit Services

The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. These policies generally provide that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the Audit Committee or the engagement is entered into pursuant to the pre-approval procedure described below.

From time to time, the Audit Committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount. In fiscal 2014, our Audit Committee approved all of the services provided by Ernst & Young.

ITEM 16D. EXEMPTION FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

[Table of Contents](#)**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

The following tables provide information about purchases by us and our affiliated purchasers during the fiscal year ended September 30, 2014 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act:

Ordinary Shares

<u>Period</u>	<u>(a) Total Number of Shares Purchased</u>	<u>(b) Average Price Paid per Share(1)</u>	<u>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(2)</u>
10/1/13-10/31/13	832,900	\$ 37.21	832,900	\$ 304,874,168
11/1/13-11/30/13	574,200	\$ 39.63	574,200	\$ 282,117,379
12/1/13-12/31/13	744,700	\$ 40.60	744,700	\$ 251,879,986
01/1/14-01/31/14	418,400	\$ 41.42	418,400	\$ 234,547,864
02/1/14-02/28/14	675,600	\$ 43.51	675,600	\$ 205,151,274
03/1/14-03/31/14	844,200	\$ 45.20	844,200	\$ 166,994,955
04/1/14-04/30/14	446,204	\$ 46.06	446,204	\$ 896,441,833
05/1/14-05/31/14	794,100	\$ 47.14	794,100	\$ 859,006,173
06/1/14-06/30/14	726,640	\$ 48.12	726,640	\$ 824,041,039
07/1/14-07/31/14	740,556	\$ 47.17	740,556	\$ 789,110,816
08/1/14-08/31/14	1,079,722	\$ 45.47	1,079,722	\$ 740,012,835
09/1/14-09/30/14	547,547	\$ 47.55	547,547	\$ 713,979,319
Total	8,424,769	\$ 44.14	8,424,769	\$ 713,979,319

(1) Excludes broker and transaction fees.

(2) On November 6, 2012, our Board of Directors adopted a share repurchase plan authorizing the repurchase of up to \$500.0 million of our outstanding ordinary shares with no expiration date and on April 30, 2014, adopted another share repurchase plan authorizing the repurchase of up to \$750.0 million of our outstanding ordinary shares. The authorizations have no expiration date and permit us to purchase our ordinary shares in open market or privately negotiated transactions at times and prices that we consider appropriate. In August 2014, we completed the repurchase of the remaining authorized amount under the November 2012 plan and began executing repurchases under the April 2014 plan. In fiscal 2014, we repurchased 8.4 million ordinary shares at an average price of \$44.14 per share (excluding broker and transaction fees). As of September 30, 2014, we had remaining authority to repurchase up to \$714.0 million of our outstanding ordinary shares under the April 2014 plan.

Convertible Notes

In April 2014, we purchased for cash \$0.4 million principal amount of our convertible notes due 2024 tendered by holders. As of September 30, 2014, \$0.6 million principal amount of the notes remained outstanding.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

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ITEM 16G. CORPORATE GOVERNANCE

We believe there are no significant ways that our corporate governance practices differ from those followed by U.S. domestic companies under the Nasdaq listing standards. For further information regarding our corporate governance practices, please refer to our Notice and Proxy Statement to be mailed to our shareholders in December 2014, and to our website at www.amdocs.com.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

Financial Statements And Schedule

The following Financial Statements and Financial Statement Schedule of Amdocs Limited, with respect to financial results for the fiscal years ended September 30, 2014, 2013 and 2012, are included at the end of this Annual Report:

Audited Financial Statements of Amdocs Limited

Reports of Independent Registered Public Accounting Firm
Consolidated Balance Sheets as of September 30, 2014 and 2013
Consolidated Statements of Income for the fiscal years ended September 30, 2014, 2013 and 2012
Consolidated Statements of Comprehensive Income for the fiscal years ended September 30, 2014, 2013 and 2012
Consolidated Statements of Cash Flows for the fiscal years ended September 30, 2014, 2013 and 2012
Notes to Consolidated Financial Statements

Financial Statement Schedules of Amdocs Limited

Valuation and Qualifying Accounts

All other schedules have been omitted since they are either not required or not applicable, or the information has otherwise been included.

ITEM 19. EXHIBITS

The exhibits listed on the Exhibit Index hereof are filed herewith in response to this Item.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Amdocs Limited

/s/ Elizabeth W. McDermon

Elizabeth W. McDermon

Secretary and Authorized Signatory

Date: December 8, 2014

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
1.1	Amended and Restated Memorandum of Incorporation of Amdocs Limited (incorporated by reference to Exhibits 99.1 to Amdocs' Form 6-K filed January 26, 2009)
1.2	Amended and Restated Articles of Incorporation of Amdocs Limited (incorporated by reference to Exhibit 1.2 to Amdocs' Annual Report on Form 20-F, filed December 7, 2010)
2.a.1	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' Form 6-K, filed March 5, 2004)
4.b.1†	Agreement between Amdocs, Inc. and SBC Services, Inc. for Software and Professional Services, effective August 7, 2003 (incorporated by reference to Exhibit 99.3 to Amdocs' Amendment No. 1 to Registration Statement on Form F-3, dated September 21, 2004, Registration No. 333-114344)
4.b.2†	Amendments to Agreement between the Company and AT&T Services, Inc. (f/k/a SBC Services, Inc.) for Software and Professional Services effective August 7, 2003
4.b.6	Credit Agreement, dated as of December 20, 2011, among Amdocs Limited, certain of its subsidiaries, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Europe Limited, as London agent, and JPMorgan Chase Bank, N.A., Toronto branch, as Canadian agent (incorporated by reference to Exhibit 99.1 to Amdocs' Report of Foreign Private Issuer on Form 6-K dated December 22, 2011)
4.c.1	Amdocs Limited 1998 Stock Option and Incentive Plan, as amended (incorporated by reference to Appendix C to Amdocs' Report of Foreign Private Issuer on Form 6-K filed December 22, 2011)
8	Subsidiaries of Amdocs Limited
12.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)
12.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)
13.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350
13.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350
14.1	Consent of Ernst & Young LLP
100.1	The following financial information from Amdocs Limited's Annual Report on Form 20-F for the year ended September 30, 2014, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets as of September 30, 2014 and 2013, (ii) Consolidated Statements of Income for the years ended September 30, 2014, 2013 and 2012, (iii) Consolidated Statements of Comprehensive Income for the years ended September 30, 2014, 2013 and 2012, (iv) the Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012, and (v) Notes to Consolidated Financial Statements
†	Confidential treatment requested as to portions of the exhibit. Confidential materials omitted and filed separately with the Securities and Exchange Commission.

AMDOCS LIMITED
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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2014. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) in Internal Control-Integrated Framework.

Based on its assessment, management concluded that, as of September 30, 2014, the Company's internal control over financial reporting is effective based on those criteria.

The financial statements and internal control over financial reporting have been audited by Ernst & Young LLP, an independent registered public accounting firm which has issued an attestation report on the Company's internal control over financial reporting included elsewhere in this Annual Report on Form 20-F.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
Amdocs Limited

We have audited the accompanying consolidated balance sheets of Amdocs Limited as of September 30, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2014. Our audits also included the financial statement schedule listed in the Index at Item 18 of Part III. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amdocs Limited at September 30, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Amdocs Limited's internal control over financial reporting as of September 30, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and our report dated December 8, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
December 8, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
Amdocs Limited

We have audited Amdocs Limited's internal control over financial reporting as of September 30, 2014, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the COSO criteria). Amdocs Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Amdocs Limited maintained, in all material respects, effective internal control over financial reporting as of September 30, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Amdocs Limited as of September 30, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2014 of Amdocs Limited and our report dated December 8, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
December 8, 2014

AMDOCS LIMITED
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	As of September 30,	
	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,103,269	\$ 1,014,192
Short-term interest-bearing investments	321,196	312,188
Accounts receivable, net	715,837	678,219
Deferred income taxes and taxes receivable	148,346	125,880
Prepaid expenses and other current assets	135,326	151,595
Total current assets	2,423,974	2,282,074
Equipment and leasehold improvements, net	288,956	275,544
Deferred income taxes	99,274	113,966
Goodwill	1,925,225	1,818,334
Intangible assets, net	181,227	156,726
Other noncurrent assets	266,621	279,169
Total assets	\$ 5,185,277	\$ 4,925,813
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 142,627	\$ 132,709
Accrued expenses and other current liabilities	422,291	322,539
Accrued personnel costs	220,630	228,520
Short-term financing arrangements	210,000	200,000
Deferred revenue	156,743	151,112
Deferred income taxes and taxes payable	48,456	39,376
Total current liabilities	1,200,747	1,074,256
Deferred income taxes and taxes payable	311,134	315,965
Other noncurrent liabilities	277,560	260,809
Total liabilities	1,789,441	1,651,030
Shareholders' equity:		
Preferred Shares — Authorized 25,000 shares; £0.01 par value; 0 shares issued and outstanding	—	—
Ordinary Shares — Authorized 700,000 shares; £0.01 par value; 264,735 and 259,668 issued and 156,704 and 160,062 outstanding, in 2014 and 2013, respectively	4,284	4,199
Additional paid-in capital	3,054,780	2,878,898
Treasury stock, at cost — 108,031 and 99,606 ordinary shares in 2014 and 2013, respectively	(3,157,085)	(2,785,071)
Accumulated other comprehensive (loss) income	(9,972)	632
Retained earnings	3,503,829	3,176,125
Total shareholders' equity	3,395,836	3,274,783
Total liabilities and shareholders' equity	\$ 5,185,277	\$ 4,925,813

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

	Year Ended September 30,		
	2014	2013	2012
Revenue:			
License	\$ 91,798	\$ 81,613	\$ 120,443
Service	3,471,839	3,264,241	3,126,460
	<u>3,563,637</u>	<u>3,345,854</u>	<u>3,246,903</u>
Operating expenses:			
Cost of license	2,768	2,602	3,523
Cost of service	2,304,124	2,164,450	2,081,945
Research and development	257,896	240,266	242,063
Selling, general and administrative	445,134	418,574	424,671
Amortization of purchased intangible assets and other	58,067	38,410	52,229
	<u>3,067,989</u>	<u>2,864,302</u>	<u>2,804,431</u>
Operating income	495,648	481,552	442,472
Interest and other expense, net	6,098	6,075	948
Income before income taxes	489,550	475,477	441,524
Income taxes	67,428	63,038	50,153
Net income	<u>\$ 422,122</u>	<u>\$ 412,439</u>	<u>\$ 391,371</u>
Basic earnings per share	<u>\$ 2.65</u>	<u>\$ 2.56</u>	<u>\$ 2.33</u>
Diluted earnings per share	<u>\$ 2.62</u>	<u>\$ 2.53</u>	<u>\$ 2.31</u>
Basic weighted average number of shares outstanding	<u>159,012</u>	<u>161,330</u>	<u>168,275</u>
Diluted weighted average number of shares outstanding	<u>161,366</u>	<u>163,118</u>	<u>169,437</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	<u>Year Ended September 30,</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net income	\$422,122	\$412,439	\$391,371
Other comprehensive (loss) income, net of tax:			
Net change in fair value of cash flow hedges(1)	(10,218)	22,638	(3,505)
Net change in fair value of available-for-sale securities(2)	(283)	190	2,077
Net actuarial (losses) gains on defined benefit plan(3)	(103)	3,305	(4,417)
Other comprehensive (loss) income, net of tax	(10,604)	26,133	(5,845)
Comprehensive income	<u>\$411,518</u>	<u>\$438,572</u>	<u>\$385,526</u>

(1) Net of tax benefit (expense) of \$4,413, \$(7,413) and \$2,489 for the fiscal years ended September 30, 2014, 2013 and 2012, respectively.

(2) Net of tax benefit (expense) of \$2, \$(49) and \$(40) for the fiscal years ended September 30, 2014, 2013 and 2012, respectively.

(3) Net of tax benefit (expense) of \$38, \$(1,196) and \$1,598 for the fiscal years ended September 30, 2014, 2013 and 2012, respectively.

The accompanying notes are an integral part of these consolidated financial statements

AMDOCS LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands)

	Ordinary Shares		Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Shareholders' Equity
	Shares	Amount					
Balance as of October 1, 2011	174,692	\$ 4,013	\$ 2,495,211	\$ (1,933,402)	\$ (19,656)	\$ 2,477,135	\$ 3,023,301
Comprehensive income:							
Net income	—	—	—	—	—	391,371	391,371
Other comprehensive loss	—	—	—	—	(5,845)	—	(5,845)
Comprehensive income							385,526
Employee stock options exercised	3,585	56	86,610	—	—	—	86,666
Repurchase of shares	(16,288)	—	—	(484,608)	—	—	(484,608)
Cash dividends declared (\$0.130 per ordinary share)	—	—	—	—	—	(21,120)	(21,120)
Issuance of restricted stock, net of forfeitures	465	8	—	—	—	—	8
Equity-based compensation expense related to employees	—	—	43,429	—	—	—	43,429
Balance as of September 30, 2012	162,454	4,077	2,625,250	(2,418,010)	(25,501)	2,847,386	3,033,202
Comprehensive income:							
Net income	—	—	—	—	—	412,439	412,439
Other comprehensive income	—	—	—	—	26,133	—	26,133
Comprehensive income							438,572
Employee stock options exercised	7,243	112	213,308	—	—	—	213,420
Repurchase of shares	(10,370)	—	—	(367,061)	—	—	(367,061)
Cash dividends declared (\$0.520 per ordinary share)	—	—	—	—	—	(83,700)	(83,700)
Issuance of restricted stock, net of forfeitures	735	10	—	—	—	—	10
Equity-based compensation expense related to employees	—	—	40,340	—	—	—	40,340
Balance as of September 30, 2013	160,062	4,199	2,878,898	(2,785,071)	632	3,176,125	3,274,783
Comprehensive income:							
Net income	—	—	—	—	—	422,122	422,122
Other comprehensive loss	—	—	—	—	(10,604)	—	(10,604)
Comprehensive income							411,518
Employee stock options exercised	4,395	73	128,063	—	—	—	128,136
Repurchase of shares	(8,425)	—	—	(372,014)	—	—	(372,014)
Tax benefit from equity-based awards	—	—	3,241	—	—	—	3,241
Cash dividends declared (\$0.595 per ordinary share)	—	—	—	—	—	(94,418)	(94,418)
Issuance of restricted stock, net of forfeitures	672	12	—	—	—	—	12
Equity-based compensation expense related to employees	—	—	44,578	—	—	—	44,578
Balance as of September 30, 2014	156,704	\$ 4,284	\$ 3,054,780	\$ (3,157,085)	\$ (9,972)	\$ 3,503,829	\$ 3,395,836

As of September 30, 2014, 2013 and 2012, accumulated other comprehensive (loss) income is comprised of unrealized (loss) gain on derivatives, net of tax, of \$(5,522), \$4,696 and \$(17,942), unrealized (loss) gain on short-term interest-bearing investments, net of tax, of \$(39), \$244 and \$54 and unrealized (loss) on defined benefit plan, net of tax, of \$(4,411), \$(4,308) and \$(7,613).

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended September 30,		
	2014	2013	2012
Cash Flow from Operating Activities:			
Net income	\$ 422,122	\$ 412,439	\$ 391,371
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	162,772	140,776	159,614
Equity-based compensation expense	44,578	40,340	43,429
Deferred income taxes	(6,510)	12,485	(4,857)
Excess tax benefit from equity-based compensation	(3,925)	(366)	(181)
Gain on sale of investments	—	—	(9,172)
Loss from short-term interest-bearing investments	1,023	2,269	3,041
Net changes in operating assets and liabilities, net of amounts acquired:			
Accounts receivable, net	5,540	29,999	(106,551)
Prepaid expenses and other current assets	(1,769)	(86)	1,601
Other noncurrent assets	7,434	29,384	19,734
Accounts payable, accrued expenses and accrued personnel	73,949	(4,104)	60,200
Deferred revenue	(1,967)	(15,078)	(55,811)
Income taxes payable, net	1,106	(5,268)	14,305
Other noncurrent liabilities	4,905	27,757	(2,654)
Net cash provided by operating activities	<u>709,258</u>	<u>670,547</u>	<u>514,069</u>
Cash Flow from Investing Activities:			
Payments for purchase of equipment and leasehold improvements, net	(111,569)	(106,724)	(122,053)
Proceeds from sale of short-term interest-bearing investments	379,484	311,677	440,145
Purchase of short-term interest-bearing investments	(389,800)	(386,876)	(337,989)
Net cash paid for acquisitions	(180,540)	(112,405)	—
Other	3,872	(2,801)	2,608
Net cash used in investing activities	<u>(298,553)</u>	<u>(297,129)</u>	<u>(17,289)</u>
Cash Flow from Financing Activities:			
Borrowings under financing arrangements	210,000	200,000	200,000
Payments under financing arrangements	(200,000)	(200,000)	(250,000)
Repurchase of shares	(372,014)	(367,061)	(484,608)
Proceeds from employee stock option exercises	128,125	213,430	86,674
Payments of dividends	(90,939)	(84,008)	—
Excess tax benefit from equity-based compensation	3,925	366	181
Other	(725)	(1,111)	(1,240)
Net cash used in financing activities	<u>(321,628)</u>	<u>(238,384)</u>	<u>(448,993)</u>
Net increase in cash and cash equivalents	89,077	135,034	47,787
Cash and cash equivalents at beginning of year	1,014,192	879,158	831,371
Cash and cash equivalents at end of year	<u>\$1,103,269</u>	<u>\$1,014,192</u>	<u>\$ 879,158</u>
Supplementary Cash Flow Information			
Interest and Income Taxes Paid			
Cash paid for:			
Income taxes, net of refunds	\$ 59,216	\$ 38,441	\$ 36,909
Interest	628	468	408

The accompanying notes are an integral part of these consolidated financial statements.

AMDOCS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(dollar and share amounts in thousands, except per share data)

Note 1 — Nature of Entity

Amdocs Limited (the “Company”) is a leading provider of software and services for communications, media and entertainment industry service providers. The Company and its subsidiaries operate in one segment, providing integrated products and services. The Company designs, develops, markets, supports, implements and operates customer experience solutions primarily for leading wireless, wireline, cable and satellite service providers throughout the world. Amdocs also offers a full range of advertising and media solutions for local marketing service providers and search and directory publishers.

The Company is a Guernsey corporation, which directly or indirectly holds numerous wholly-owned subsidiaries around the world. The majority of the Company’s customers are in North America, Europe, Latin America and the Asia-Pacific region. The Company’s main development facilities are located in Brazil, Canada, Cyprus, India, Ireland, Israel, the United Kingdom and the United States.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, or GAAP.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

From time to time, certain immaterial amounts in prior years’ financial statements may be reclassified to conform to the current year’s presentation.

Functional Currency

The Company manages its foreign subsidiaries as integral direct components of its operations. The operations of the Company’s foreign subsidiaries provide the same type of services with the same type of expenditures throughout the Amdocs group. The Company has determined that its functional currency is the U.S. dollar. The Company periodically assesses the applicability of the U.S. dollar as the Company’s functional currency by reviewing the salient indicators as indicated in the authoritative guidance for foreign currency matters.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing investments with insignificant interest rate risk and maturities from acquisition date of 90 days or less.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

Investments

The Company classifies all of its short-term interest-bearing investments as available-for-sale securities. Such short-term interest-bearing investments consist primarily of money market funds, U.S. government treasuries, corporate bonds and U.S. agency securities, which are stated at market value. Unrealized gains and losses are comprised of the difference between market value and amortized costs of such securities and are reflected, net of tax, as “accumulated other comprehensive (loss) income” in shareholders’ equity, unless a security is other than temporarily impaired. The Company recognizes an impairment charge in earnings when a decline in the fair value of its investments below the cost basis is judged to be other-than-temporary. For securities with an unrealized loss that the Company intends to sell, or it is more likely than not that the Company will be required to sell before recovery of their amortized cost basis, the entire difference between amortized cost and fair value is recognized in earnings. For securities that do not meet these criteria, the amount of impairment recognized in earnings is limited to the amount related to credit losses, while other declines in fair value related to other factors are recognized in other comprehensive (loss) income. The Company uses a discounted cash flow analysis to determine the portion of the impairment that relates to the credit losses. To the extent that the net present value of the projected cash flows is less than the amortized cost of the security, the difference is considered credit loss. Realized gains and losses on short-term interest-bearing investments are included in earnings and are derived using the first-in-first-out (FIFO) method for determining the cost of securities.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which primarily ranges from three to ten years. Leasehold improvements are amortized over the shorter of the estimated useful lives or the term of the related lease.

The Company capitalizes certain expenditures for software that is internally developed for use in the business, which is classified as computer equipment. Amortization of internal use software begins when the software is ready for service and continues on the straight-line method over the estimated useful life.

Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets deemed to have indefinite lives are subject to an annual impairment test or more frequently if impairment indicators are present. Goodwill impairment is deemed to exist if the net book value of a reporting unit exceeds its estimated fair value. The goodwill impairment test involves a two-step process. The first step, identifying a potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of the reporting unit exceeds its fair value, the second step would need to be conducted; otherwise, no further steps are necessary as no potential impairment exists. The second step, measuring the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. Any excess of the reporting unit goodwill carrying value over the respective implied fair value is recognized as an impairment loss.

The total purchase price of business acquisitions accounted for using the purchase method is allocated first to identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the fair value of net assets of purchased businesses is recorded as goodwill.

Other definite-life intangible assets consist primarily of core technology and customer relationships. Core technology acquired by the Company is amortized over its estimated useful life on a straight-line basis.

Some of the acquired customer relationships are amortized over their estimated useful lives in proportion to the economic benefits realized. This accounting policy generally results in accelerated amortization of such customer relationships as compared to the straight-line method. All other acquired customer relationships are amortized over their estimated useful lives on a straight-line basis.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

The Company tests long-lived assets, including definite life intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability of long-lived assets is based on an estimate of the undiscounted future cash flows resulting from the use of the cash generating unit and its eventual disposition. Measurement of an impairment loss for long-lived assets, including definite life intangible assets that management expects to hold and use is based on the fair value of the cash generating unit. Long-lived assets, including definite life intangible assets, to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Comprehensive Income

Comprehensive income, net of related taxes where applicable, includes, in addition to net income:

- (i) net change in fair value of available-for-sale securities;
- (ii) net change in fair value of cash flow hedges; and
- (iii) net actuarial gains and losses on defined benefit plans.

Treasury Stock

The Company repurchases its ordinary shares from time to time on the open market or in other transactions and holds such shares as treasury stock. The Company presents the cost to repurchase treasury stock as a reduction of shareholders' equity.

Income Taxes

The Company records deferred income taxes to reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax purposes. Deferred taxes are computed based on tax rates anticipated to be in effect when the deferred taxes are expected to be paid or realized. A valuation allowance is provided for deferred tax assets if it is more likely than not, the Company will not be able to realize their benefit.

Deferred tax liabilities and assets are classified as current or noncurrent based on the classification of the related asset or liability for financial reporting, or according to the expected reversal dates of the specific temporary differences if not related to an asset or liability for financial reporting, and also include anticipated withholding taxes due on subsidiaries' earnings when paid as dividends to the Company.

The Company recognizes the tax benefit from an uncertain tax position only if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The tax benefits recognized in the financial statements from such a position is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company will classify the liability for unrecognized tax benefits as current to the extent that the Company anticipates payment of cash within one year. Interest and penalties related to uncertain tax positions are recognized in the provision for income taxes. Please see Note 11 to the consolidated financial statements.

Revenue Recognition

Revenue is recognized only when all of the following conditions have been met: (i) there is persuasive evidence of an arrangement; (ii) delivery has occurred; (iii) the fee is fixed or determinable; and (iv) collectibility of the fee is reasonably assured. The Company usually sells its software licenses as part of an overall solution offered to a customer that combines the sale of software licenses with a broad range of services, which normally include significant customization, modification, implementation and integration. Those services are deemed

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essential to the software. As a result, combined license and service revenue is generally recognized over the course of these long-term projects, using the percentage of completion method of accounting, usually based on a percentage that incurred labor effort to date bears to total projected labor effort. When total cost estimates for these types of arrangements exceed revenues in a fixed-price arrangement, the estimated losses are recognized immediately based upon the cost applicable to the delivering unit. Significant judgment is required when estimating total labor effort and progress to completion on these arrangements, as well as whether a loss is expected to be incurred on the project.

Initial license fee for software revenue is recognized as work is performed, under the percentage of completion method of accounting. Contingent subsequent license fee revenue is recognized upon completion of specified conditions in each contract, based on a customer's subscriber level or transaction volume or other measurements when greater than the level specified in the contract for the initial license fee.

Service revenue that involves significant ongoing obligations, including fees for software customization, modification, implementation and integration as part of a long-term contract, is recognized as work is performed, under the percentage of completion method of accounting. Revenue from software solutions that do not require significant customization, implementation and modification is recognized upon delivery. Service revenue that does not involve significant ongoing obligations is recognized as services are rendered.

Fees are generally considered fixed and determinable unless a significant portion (more than 10%) of the license and related service fee is due more than 12 months after delivery, in which case license and related services fees are recognized when payments are due.

In managed services contracts and in other long term contracts, revenue from the operation of a customer's system is recognized either as services are performed based on time elapsed, output produced, volume of data processed or subscriber count, depending on the specific contract terms of the managed services arrangement. Typically, managed services contracts are long term in duration and are not subject to seasonality. Revenue from ongoing support services is recognized as work is performed.

Revenue from third-party hardware sales is recognized upon delivery and installation, and revenue from third-party software sales is recognized upon delivery. Revenue from third-party hardware and software sales is recorded at gross amount for transactions in which the Company is the primary obligor under the arrangement as well as, in some cases, possesses other attributes such as latitude in determining prices and selecting suppliers. In specific circumstances where the Company does not meet the above criteria, particularly when the contract stipulates that the Company is not the primary obligor, the Company recognizes revenue on a net basis. Revenue from third-party sales is included in service revenue and was less than 10% of total revenue in each of fiscal 2014, 2013 and 2012. In certain arrangements, the Company may earn revenue from other third-party services which is recorded at a gross amount as the Company is the primary obligor under the arrangement.

Maintenance revenue is recognized ratably over the term of the maintenance agreement, which in most cases is one year.

As a result of a significant portion of the Company's revenue being subject to the percentage of completion accounting method, the Company's annual and quarterly operating results may be significantly affected by the size and timing of customer projects and the Company's progress in completing such projects.

Many of the Company's agreements include multiple deliverables. The Company's multiple element arrangements are comprised of a variety of different combinations of the deliverables mentioned above. For multiple element arrangements within the scope of software revenue recognition guidance, the Company allocates revenue to each element based upon its relative fair value as determined by Vendor Specific Objective Evidence ("VSOE"). In the absence of fair value for a delivered element the Company uses the residual method. The residual method requires that the Company first allocate revenue to the fair value of the undelivered

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elements and residual revenue to delivered elements. If VSOE of any undelivered items does not exist, revenue from the entire arrangement is deferred and recognized at the earlier of (i) delivery of those elements for which VSOE does not exist or (ii) when VSOE can be established. However, in limited cases where maintenance is the only undelivered element without VSOE, the entire arrangement fee is recognized ratably upon commencement of the maintenance services. The residual method is used mainly in multiple element arrangements that include license for the sale of software solutions that do not require significant customization, modification, implementation and integration and maintenance to determine the appropriate value for the license component. Under the guidance for revenue arrangements with multiple deliverables that are outside the scope of the software revenue recognition guidance, the Company allocates revenue to each element based upon the relative fair value. Fair value would be allocated by using a hierarchy of 1) VSOE, 2) third-party evidence of selling price for that element, or 3) estimated selling price, or ESP, for individual elements of an arrangement when VSOE or third-party evidence of selling price is unavailable. This results in the elimination of the residual method of allocating revenue consideration. The Company determines ESP for the purposes of allocating the consideration to individual elements of an arrangement by considering several external and internal factors including, but not limited to, pricing practices, margin objectives, geographies in which the Company offers its services and internal costs. The determination of ESP is judgmental and is made through consultation with and approval by management.

In certain circumstances where the Company enters into a contract with a customer for the provision of managed services for a defined period of time, the Company defers certain direct costs incurred at the inception of the contract. These costs include expenses incurred in association with the origination of a contract. In addition, if the revenue for a delivered item is not recognized because it is not separable from the undelivered item, then the Company also defers the cost of the delivered item. The deferred costs are amortized on a straight-line basis over the managed services period, or over the recognition period of the undelivered item. Revenue associated with these capitalized costs is deferred and is recognized over the same period.

Deferred revenue represents billings to customers for licenses and services for which revenue has not been recognized. Deferred revenue that is expected to be recognized beyond the next 12 months is considered long-term deferred revenue. Unbilled accounts receivable include all revenue amounts that had not been billed as of the balance sheet date due to contractual or other arrangements with customers. Unbilled accounts receivable that are expected to be billed beyond the next 12 months are considered long-term unbilled receivables.

Cost of License and Cost of Service

Cost of license and cost of service consist of all costs associated with providing software licenses and services to customers, including identified losses on contracts. Estimated losses on contracts accounted for using the percentage of completion method of accounting are recognized in the period in which the loss is identified. Cost of license includes license fees and royalty payments to software suppliers.

Cost of service also includes costs of third-party products associated with reselling third-party computer hardware and software products to customers and other third-party services, when the related revenue is recorded at the gross amount. Customers purchasing third-party products and services from the Company generally do so in conjunction with the purchase of the Company's software and services.

Research and Development

Research and development expenditures consist of costs incurred in the development of new software modules and product offerings, either as part of the Company's internal product development programs, which are sold, leased or otherwise marketed. Research and development costs are expensed as incurred.

Based on the Company's product development process, technological feasibility is established upon completion of a detailed program design or, in the absence thereof, completion of a working model. Costs

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incurred by the Company after achieving technological feasibility and before the product is ready for customer release have been insignificant.

Equity-Based Compensation

The Company measures and recognizes the compensation expense for all equity-based payments to employees and directors based on their estimated fair values. The Company estimates the fair value of employee stock options at the date of grant using a Black-Scholes valuation model and values restricted stock based on the market value of the underlying shares at the date of grant. The Company recognizes compensation costs using the graded vesting attribution method that results in an accelerated recognition of compensation costs in comparison to the straight-line method.

The Company uses a combination of implied volatility of the Company's traded options and historical stock price volatility ("blended volatility") as the expected volatility assumption required in the Black-Scholes option valuation model. As equity-based compensation expense recognized in the Company's consolidated statements of income is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and cash equivalents, short-term interest-bearing investments, and trade receivables. Cash and cash equivalents are maintained with several financial institutions. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit and therefore bear minimal credit risk. The Company seeks to mitigate its credit risks by spreading such risks across multiple financial institutions and monitoring the risk profiles of these counterparties. The Company has conservative investment policy guidelines under which it invests its excess cash primarily in highly liquid U.S. dollar-denominated securities. The Company's revenue is generated primarily in North America. To a lesser extent, revenue is generated in Europe, the Asia-Pacific region and Latin America. Most of the Company's customers are among the largest communications and directory publishing companies in the world (or are owned by them). The Company's business is subject to the effects of general global economic conditions and market conditions in the communications industry. The Company performs ongoing credit analyses of its customer base and generally does not require collateral.

The Company evaluates accounts receivable to determine if they will ultimately be collected. Significant judgments and estimates are involved in performing this evaluation, which are based on factors that may affect a customer's ability to pay, such as past experience, credit quality of the customer, age of the receivable balance and current economic conditions. The allowance for doubtful accounts is for estimated losses resulting from accounts receivable for which their collection is not reasonably probable. As of September 30, 2014, the Company had one customer with an accounts receivable balance of more than 10% of total accounts receivable, amounting to 32%, which was lower than its respective portion of total revenue. As of September 30, 2013, the Company had one customer with an accounts receivable balance of more than 10% of total accounts receivable, amounting to 25%, which was lower than its respective portion of total revenue.

Earnings per Share

Basic earnings per share is calculated using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares outstanding, the effect of dilutive outstanding equity-based awards using the treasury stock method and the effect of dilutive outstanding convertible notes using the if-converted method.

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Derivatives and Hedging

The Company carries out transactions involving foreign currency exchange derivative financial instruments. The transactions are designed to hedge the Company's exposure in currencies other than the U.S. dollar. The Company recognizes derivative instruments as either assets or liabilities and measures those instruments at fair value. If a derivative meets the definition of a cash flow hedge and is so designated, changes in the fair value of the derivative are recognized in other comprehensive (loss) income until the hedged item is recognized in earnings as interest and other expense, net. The ineffective portion of a derivative designated as a cash flow hedge is recognized in earnings. If a derivative does not meet the definition of a cash flow hedge, the changes in the fair value are included in earnings.

Recent Accounting Standards

In May 2014, the Financial Accounting Standards Board, or FASB, issued an Accounting Standard Update, or ASU, on revenue from contracts with customers, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. This ASU, which will be effective for the Company beginning October 1, 2017, allows for either full or modified retrospective methods of adoption and early adoption is not permitted. The Company is currently evaluating the method of adoption, as well as the effect that adoption of this ASU will have on its consolidated financial statements.

In July 2013, the FASB issued an ASU, under which an entity must present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, in the absence of certain conditions. This ASU became effective for the Company on October 1, 2014, and may result in changes in the Company's financial statements presentation but will not affect the substantive content of the Company's consolidated financial statements.

Adoption of New Accounting Standard

In February 2013, the FASB issued an ASU to require reclassification adjustments from other comprehensive income to be presented either in the financial statements or in the notes to the financial statements. This ASU became effective for the Company in the first quarter of fiscal 2014 and its adoption did not have a material impact on the Company's consolidated financial statements.

Note 3 — Acquisitions

Entities acquired by the Company during the last three fiscal years have been consolidated into the Company's results of operations since their respective acquisition dates. These acquisitions, individually and in the aggregate, were not material in any fiscal year.

During fiscal 2013, the Company acquired Actix International Limited ("Actix"), a provider of software for mobile network optimization, for \$112,405, net of cash. During fiscal 2014, the Company acquired substantially all of the assets of Celcite Management Solutions LLC ("Celcite"), a provider of network management and self-optimizing network solutions, for \$142,077 in cash, with the potential for additional consideration to be paid in the future if certain performance metrics are achieved. Please see Note 9 to the consolidated financial statements.

Note 4 — Fair Value Measurements

The Company accounts for certain assets and liabilities at fair value. Fair value is the price that would be received from selling an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and

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liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. The Company categorizes each of its fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets), or other inputs that are observable (model-derived valuations in which significant inputs are observable) or can be derived principally from, or corroborated by, observable market data; and

Level 3: Unobservable inputs that are supported by little or no market activity that is significant to the fair value of the assets or liabilities.

The following tables present the Company's assets and liabilities measured at fair value on a recurring basis as of September 30, 2014 and 2013:

	As of September 30, 2014			Total
	Level 1	Level 2	Level 3	
Available-for-sale securities:				
Money market funds	\$649,745	\$ —	\$ —	\$649,745
U.S. government treasuries	118,708	—	—	118,708
Corporate bonds	—	102,420	—	102,420
U.S. agency securities	—	41,649	—	41,649
Asset backed obligations	—	29,095	—	29,095
Commercial paper and certificates of deposit	2,007	26,502	—	28,509
Supranational and sovereign debt	—	5,799	—	5,799
Government-guaranteed debt	—	1,187	—	1,187
Mortgages	—	527	—	527
Total available-for-sale securities	<u>770,460</u>	<u>207,179</u>	<u>—</u>	<u>977,639</u>
Derivative financial instruments, net	—	(1,358)	—	(1,358)
Other liabilities	—	—	(35,944)	(35,944)
Total	<u>\$770,460</u>	<u>\$205,821</u>	<u>\$(35,944)</u>	<u>\$940,337</u>

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	As of September 30, 2013		
	Level 1	Level 2	Total
Available-for-sale securities:			
Money market funds	\$565,216	\$ —	\$565,216
U.S. government treasuries	198,164	—	198,164
Corporate bonds	—	81,727	81,727
U.S. agency securities	—	25,529	25,529
Commercial paper and certificates of deposit	6,189	3,901	10,090
Supranational and sovereign debt	—	6,311	6,311
Government-guaranteed debt	—	6,846	6,846
Mortgages	—	879	879
Total available-for-sale securities	<u>769,569</u>	<u>125,193</u>	<u>894,762</u>
Derivative financial instruments, net	<u>—</u>	<u>7,538</u>	<u>7,538</u>
Total	<u>\$769,569</u>	<u>\$132,731</u>	<u>\$902,300</u>

Available-for-sale securities that are classified as Level 2 assets are priced using observable data that may include quoted market prices for similar instruments, market dealer quotes, market spreads, non-binding market prices that are corroborated by observable market data and other observable market information. The Company's derivative instruments are classified as Level 2 as they represent foreign currency forward and option contracts valued primarily based on observable inputs including forward rates and yield curves. The Company did not have any transfers between Level 1 and Level 2 fair value measurements during fiscal 2014 or fiscal 2013. Level 3 amounts relate to certain acquisition-related liabilities, which were valued using a Monte-Carlo simulation model and were included in both accrued expenses and other current liabilities and other noncurrent liabilities as of September 30, 2014.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued personnel costs, short-term financing arrangements and other current liabilities approximate their fair value because of the relatively short maturity of these items.

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Note 5 — Available-For-Sale Securities

Available-for-sale securities consist of the following interest-bearing investments:

	As of September 30, 2014			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Money market funds	\$649,745	\$ —	\$ —	\$649,745
U.S. government treasuries	118,652	88	32	118,708
Corporate bonds	102,387	152	119	102,420
U.S. agency securities	41,658	—	9	41,649
Asset backed obligations	29,160	—	65	29,095
Commercial paper and certificates of deposit	28,509	—	—	28,509
Supranational and sovereign debt	5,804	—	5	5,799
Government-guaranteed debt	1,185	2	—	1,187
Mortgages	569	—	42	527
Total(1)	<u>\$977,669</u>	<u>\$ 242</u>	<u>\$ 272</u>	<u>\$977,639</u>

(1) Available-for-sale securities with maturities longer than 90 days from the date of acquisition were classified as short term interest-bearing investments and available-for-sale securities with maturities of 90 days or less from the date of acquisition were included in cash and cash equivalents on the Company's balance sheet. As of September 30, 2014, \$321,196 of securities were classified as short term interest-bearing investments and \$656,443 of securities were classified as cash and cash equivalents.

	As of September 30, 2013			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Money market funds	\$565,216	\$ —	\$ —	\$565,216
U.S. government treasuries	198,031	133	—	198,164
Corporate bonds	81,599	223	95	81,727
U.S. agency securities	25,529	—	—	25,529
Commercial paper and certificates of deposit	10,090	—	—	10,090
Supranational and sovereign debt	6,318	—	7	6,311
Government-guaranteed debt	6,766	80	—	6,846
Mortgages	958	—	79	879
Total(2)	<u>\$894,507</u>	<u>\$ 436</u>	<u>\$ 181</u>	<u>\$894,762</u>

(2) As of September 30, 2013, \$312,188 of securities were classified as short term interest-bearing investments and \$582,574 of securities were classified as cash and cash equivalents.

As of September 30, 2014, the unrealized losses attributable to the Company's available-for-sale securities were primarily due to credit market conditions and interest rate movements. The Company assessed whether such unrealized losses for the investments in its portfolio were other-than-temporary. Based on this assessment, the Company recognized an immaterial credit loss in fiscal 2014, 2013 and 2012.

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As of September 30, 2014, the Company's available-for-sale securities had the following maturity dates:

	<u>Market Value</u>
Due within one year	\$ 746,357
1 to 2 years	121,335
2 to 3 years	90,136
3 to 4 years	8,317
Thereafter	11,494
	<u>\$ 977,639</u>

Note 6 — Derivative Financial Instruments

The Company's risk management strategy includes the use of derivative financial instruments to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates. The Company does not enter into derivative transactions for trading purposes.

The Company's derivatives expose it to credit risks from possible non-performance by counterparties. The Company utilizes standard counterparty master netting agreements that net certain foreign currency transactions in the event of the insolvency of one of the parties to the transaction. These master netting arrangements permit the Company to net amounts due from the Company to a counterparty with amounts due to the Company from the same counterparty. Although all of the Company's recognized derivative assets and liabilities are subject to enforceable master netting arrangements, the Company has elected to present these assets and liabilities on a gross basis. Taking into account the Company's right to net certain gains with losses, the maximum amount of loss due to credit risk that the Company would incur if all counterparties to the derivative financial instruments failed completely to perform, according to the terms of the contracts, based on the gross fair value of the Company's derivative contracts that are favorable to the Company, was approximately \$8,314 as of September 30, 2014. The Company has limited its credit risk by entering into derivative transactions exclusively with investment-grade rated financial institutions and monitors the creditworthiness of these financial institutions on an ongoing basis.

The Company classifies cash flows from its derivative transactions as cash flows from operating activities in the consolidated statements of cash flow.

The table below presents the total volume or notional amounts of the Company's derivative instruments as of September 30, 2014. Notional values are in U.S. dollars and are translated and calculated based on forward rates as of September 30, 2014 for forward contracts, and based on spot rates as of September 30, 2014 for options.

	<u>Notional Value*</u>
Foreign exchange contracts	\$ 1,386,409

(*) Gross notional amounts do not quantify risk or represent assets or liabilities of the Company, but are used in the calculation of settlements under the contracts.

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The Company records all derivative instruments on the balance sheet at fair value. For further information, please see Note 4 to the consolidated financial statements. The fair value of the open foreign exchange contracts recorded by the Company on its consolidated balance sheets as of September 30, 2014 and September 30, 2013, as an asset or a liability is as follows:

	As of	
	September 30,	
	2014	2013
<i>Derivatives designated as hedging instruments</i>		
Prepaid expenses and other current assets	\$ 5,936	\$ 21,595
Other noncurrent assets	2,485	3,134
Accrued expenses and other current liabilities	(9,686)	(11,641)
Other noncurrent liabilities	(1,908)	(5,567)
	(3,173)	7,521
<i>Derivatives not designated as hedging instruments</i>		
Prepaid expenses and other current assets	7,551	2,688
Other noncurrent assets	26	—
Accrued expenses and other current liabilities	(5,736)	(2,671)
Other noncurrent liabilities	(26)	—
	1,815	17
Net fair value	<u><u>\$(1,358)</u></u>	<u><u>\$ 7,538</u></u>

Cash Flow Hedges

In order to reduce the impact of changes in foreign currency exchange rates on its results, the Company enters into foreign currency exchange forward and option contracts to purchase and sell foreign currencies to hedge a significant portion of its foreign currency net exposure resulting from revenue and expense transactions denominated in currencies other than the U.S. dollar. The Company designates these contracts for accounting purposes as cash flow hedges. The Company currently hedges its exposure to the variability in future cash flows for a maximum period of two years (a significant portion of the forward and option contracts outstanding as of September 30, 2014 is expected to mature within the next 12 months).

The effective portion of the gain or loss on the derivative instruments is initially recorded as a component of other comprehensive (loss) income, a separate component of shareholders' equity, and subsequently reclassified into earnings in the same line item as the related forecasted transaction and in the same period or periods during which the hedged exposure affects earnings. The cash flow hedges are evaluated for effectiveness at least quarterly. As the critical terms of the forward contract or option and the hedged transaction are matched at inception, the hedge effectiveness is assessed generally based on changes in the fair value for cash flow hedges, as compared to the changes in the fair value of the cash flows associated with the underlying hedged transactions. Hedge ineffectiveness, if any, and hedge components, such as time value, excluded from assessment of effectiveness testing for hedges of estimated revenue from customers, are recognized immediately in interest and other expense, net.

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The effect of the Company's cash flow hedging instruments in the consolidated statements of income for the fiscal years ended September 30, 2014, 2013 and 2012, respectively, which partially offsets the foreign currency impact from the underlying exposures, is summarized as follows:

Line item in statements of income:	Gains (Losses) Reclassified from Other Comprehensive (Loss) Income (Effective Portion) Year Ended September 30,		
	2014	2013	2012
Revenue	\$ 539	\$ (66)	\$ 3,091
Cost of service	15,424	(2,945)	(21,504)
Research and development	4,056	803	(2,928)
Selling, general and administrative	4,072	661	(3,395)
Total	<u>\$24,091</u>	<u>\$(1,547)</u>	<u>\$(24,736)</u>

The activity related to the changes in net unrealized (losses) gains on cash flow hedges recorded in accumulated other comprehensive (loss) income, net of tax, is as follows:

	Year Ended September 30,		
	2014	2013	2012
Net unrealized (losses) gains on cash flow hedges, net of tax, beginning of period	\$ 4,696	\$(17,942)	\$(14,437)
Changes in fair value of cash flow hedges, net of tax	9,162	20,035	(26,108)
Reclassification of (gains) losses into earnings, net of tax	(19,380)	2,603	22,603
Net unrealized (losses) gains on cash flow hedges, net of tax, end of period	<u>\$ (5,522)</u>	<u>\$ 4,696</u>	<u>\$(17,942)</u>

Gains (losses) from cash flow hedges recognized in other comprehensive (loss) income, net of taxes, during the fiscal years ended September 30, 2014, 2013 and 2012 were \$9,460, \$28,504 and \$(30,730), or \$9,162, \$20,035 and \$(26,108), respectively.

Of the net losses related to derivatives designated as cash flow hedges and recorded in accumulated other comprehensive (loss) income as of September 30, 2014, a net loss of \$5,280 will be reclassified into earnings during fiscal 2015 and will partially offset the foreign currency impact from the underlying exposures. The amount ultimately realized in earnings will likely differ due to future changes in foreign exchange rates.

The ineffective portion of the change in fair value of a cash flow hedge, including the time value portion excluded from effectiveness testing for the fiscal years ended September 30, 2014, 2013 and 2012, was not material.

Cash flow hedges are required to be discontinued in the event it becomes probable that the underlying forecasted hedged transaction will not occur. The Company did not discontinue any cash flow hedges during any of the periods presented nor does the Company anticipate any such discontinuance in the normal course of business.

Other Risk Management Derivatives

The Company also enters into foreign currency exchange forward and option contracts that are not designated as hedging instruments under hedge accounting and are used to reduce the impact of foreign currency on certain balance sheet exposures and certain revenue and expense transactions.

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These instruments are generally short-term in nature, with typical maturities of less than 12 months, and are subject to fluctuations in foreign exchange rates.

The effect of the Company's derivative instruments not designated as hedging instruments in the consolidated statements of income for the fiscal years ended September 30, 2014, 2013 and 2012, respectively, which partially offsets the foreign currency impact from the underlying exposure, is summarized as follows:

Line item in statements of income:	(Losses) Gains Recognized in Income Year Ended September 30,		
	2014	2013	2012
Revenue	\$ 18	\$ 362	\$ (302)
Cost of service	(3,446)	4,666	(1,548)
Research and development	(432)	1,136	(319)
Selling, general and administrative	(821)	1,276	(518)
Interest and other expense, net	9,080	4,145	(1,250)
Income taxes	657	(1,179)	506
Total	<u>\$ 5,056</u>	<u>\$10,406</u>	<u>\$(3,431)</u>

Note 7 — Accounts Receivable, Net

Accounts receivable, net consists of the following:

	As of September 30,	
	2014	2013
Accounts receivable — billed	\$617,712	\$587,928
Accounts receivable — unbilled	134,523	110,626
Less — allowances	(36,398)	(20,335)
Accounts receivable, net	<u>\$715,837</u>	<u>\$678,219</u>

Note 8 — Equipment and Leasehold Improvements, Net

Components of equipment and leasehold improvements, net are:

	As of September 30,	
	2014	2013
Computer equipment	\$ 1,071,720	\$ 1,020,643
Leasehold improvements	192,007	189,655
Furniture, fixtures and other	65,071	63,158
	1,328,798	1,273,456
Less accumulated depreciation	(1,039,842)	(997,912)
	<u>\$ 288,956</u>	<u>\$ 275,544</u>

Total depreciation expense on equipment and leasehold improvements for fiscal 2014, 2013 and 2012, was \$105,364, \$104,624 and \$107,470, respectively.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

As of September 30, 2014 and 2013, the unamortized software assets developed for internal use were \$73,813 and \$68,255, respectively, and are presented under Computer equipment in the table above.

Note 9 — Goodwill and Intangible Assets, Net

The following table presents details of the Company's total goodwill:

As of October 1, 2012	\$ 1,741,786
Goodwill resulting from an immaterial acquisition(1)	80,193
Other	(3,645)
As of September 30, 2013	1,818,334
Goodwill resulting from immaterial acquisitions(2)	100,935
Other(1)	5,956
As of September 30, 2014	<u>\$ 1,925,225</u>

- (1) Mainly relates to the acquisition of Actix. In allocating the total purchase price of Actix based on estimated fair values, the Company recorded \$84,261 of goodwill, \$22,900 of core technology to be amortized over approximately four years, \$21,400 of customer relationships to be amortized over approximately four years and \$2,000 of other intangible assets to be amortized over approximately four years.
- (2) Mainly relates to the acquisition of Celcite. In allocating the total preliminary purchase price of Celcite based on estimated fair values, the Company recorded \$78,142 of goodwill, \$46,432 of customer relationships to be amortized over approximately four years, \$22,372 of core technology to be amortized over approximately three years and \$1,781 of other intangible assets to be amortized over approximately three years.

The Company performs an annual goodwill impairment test during the fourth quarter of each fiscal year, or more frequently if impairment indicators are present. The Company operates in one operating segment, and this segment comprises its only reporting unit. In calculating the fair value of the reporting unit, the Company uses its market capitalization and a discounted cash flow methodology. There was no impairment of goodwill in fiscal 2014, 2013 or 2012.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

The following table presents details regarding the Company's total definite-lived purchased intangible assets:

	Estimated Useful Life (in years)	Gross	Accumulated Amortization	Net
September 30, 2014				
Core technology	3-8	\$434,669	\$ (367,609)	\$ 67,060
Customer relationships	4-15	398,519	(297,791)	100,728
Intellectual property rights and purchased computer software	—	51,996	(51,996)	—
Other	1-10	31,666	(18,227)	13,439
Total		<u>\$916,850</u>	<u>\$ (735,623)</u>	<u>\$181,227</u>
September 30, 2013				
Core technology	4-8	\$408,256	\$ (344,251)	\$ 64,005
Customer relationships	4-15	346,707	(267,252)	79,455
Intellectual property rights and purchased computer software	—	51,996	(51,996)	—
Other	5-10	25,282	(14,716)	10,566
Total		<u>\$832,241</u>	<u>\$ (678,215)</u>	<u>\$154,026</u>

The following table presents the amortization expense of the Company's definite-lived purchased intangible assets, included in each financial statement caption reported in the consolidated statements of income:

	Year Ended September 30,		
	2014	2013	2012
Cost of service	\$ 1,609	\$ 1,609	\$ 1,609
Amortization of definite-lived purchased intangible assets	55,799	34,543	50,535
Total	<u>\$57,408</u>	<u>\$36,152</u>	<u>\$52,144</u>

The estimated future amortization expense of definite-lived purchased intangible assets as of September 30, 2014 is as follows:

Fiscal year:	Amount
2015	\$ 56,318
2016	50,479
2017	38,405
2018	19,442
2019	10,076
Thereafter	6,507
Total	<u>\$181,227</u>

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

Note 10 — Other Noncurrent Assets

Other noncurrent assets consist of the following:

	As of September 30,	
	2014	2013
Funded employee benefit costs(1)	\$ 172,906	\$ 165,899
Deferred costs(2)	16,674	38,281
Prepaid expense	13,291	7,346
Long term accounts receivable-unbilled	5,571	4,917
Other	58,179	62,726
	<u>\$ 266,621</u>	<u>\$ 279,169</u>

- (1) Primarily funding for severance pay liability in accordance with Israeli law. Please see Note 18 to the consolidated financial statements.
(2) Please see Note 2 (revenue recognition) to the consolidated financial statements.

Note 11 — Income Taxes

The provision (benefit) for income taxes consists of the following:

	Year Ended September 30,		
	2014	2013	2012
Current	\$ 73,938	\$ 50,553	\$ 55,010
Deferred	(6,510)	12,485	(4,857)
	<u>\$ 67,428</u>	<u>\$ 63,038</u>	<u>\$ 50,153</u>

All income taxes are from continuing operations reported by the Company in the applicable taxing jurisdiction. Income taxes also include anticipated withholding taxes due on subsidiaries' earnings when paid as dividends to the Company.

During fiscal 2014 and 2013, the Company recognized \$4,179 and \$14,671, respectively, of deferred income tax expense as a result of enacted changes in tax laws or rates. The Company's deferred income tax expense as a result of enacted changes in tax laws or rates was immaterial in fiscal 2012.

Deferred income taxes are comprised of the following components:

	As of September 30,	
	2014	2013
Deferred tax assets:		
Deferred revenue	\$ 49,624	\$ 50,623
Employee compensation and benefits	72,832	75,356
Intangible assets, computer software and intellectual property	11,481	11,518
Tax credits, net capital and operating loss carryforwards	163,913	166,639
Other	47,301	40,754
Total deferred tax assets	345,151	344,890
Valuation allowances	(128,207)	(127,202)
Total deferred tax assets, net	<u>216,944</u>	<u>217,688</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

	As of September 30,	
	2014	2013
Deferred tax liabilities:		
Anticipated withholdings on subsidiaries' earnings	(56,868)	(53,095)
Intangible assets, computer software and intellectual property	(113,920)	(109,354)
Other	(24,262)	(34,990)
Total deferred tax liabilities	(195,050)	(197,439)
Net deferred tax assets	\$ 21,894	\$ 20,249

The effective income tax rate varied from the statutory Guernsey tax rate as follows:

	Year Ended September 30,		
	2014	2013	2012
Statutory Guernsey tax rate	0%	0%	0%
Foreign taxes(1)	14	13	11
Effective income tax rate	14%	13%	11%

(1) In fiscal 2014, foreign taxes included a benefit of \$18,709 attributable to the expiration during fiscal 2014 of statutes of limitations related to unrecognized tax benefits accumulated over several years in certain jurisdictions, as well as a benefit of \$14,557 as a result of a tax position, which was settled during fiscal 2014. In fiscal 2013, foreign taxes included a benefit of \$29,786 attributable to the expiration during fiscal 2013 of statutes of limitations related to unrecognized tax benefits accumulated over several years in certain jurisdictions.

As a Guernsey company subject to a corporate tax rate of zero percent, the Company's overall effective tax rate is attributable to foreign taxes. The Company's income before income tax expense is considered to be foreign income.

During fiscal 2014, the net increase in valuation allowances was \$1,005, which related to the uncertainty of realizing tax benefits primarily for tax credits, net capital and operating loss carryforwards related to certain of the Company's subsidiaries. As of September 30, 2014, the Company had tax credits, net capital and operating loss carryforwards of \$541,666, of which \$133,345 have expiration dates through 2034, and the remainder do not expire.

During fiscal 2013, the net increase in valuation allowances was \$10,191, which related to the uncertainty of realizing tax benefits primarily for tax credits, net capital and operating loss carryforwards related to certain of the Company's subsidiaries. As of September 30, 2013, the Company had tax credits, net capital and operating loss carryforwards of \$527,574, of which \$153,563 have expiration dates through 2033, and the remainder do not expire.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

The aggregate changes in the balance of the Company's gross unrecognized tax benefits were as follows:

	Year Ended September 30,		
	2014	2013	2012
Balance at beginning of fiscal year	\$ 130,371	\$ 133,874	\$ 132,861
Additions based on tax positions related to the current year	22,821	19,527	20,183
Additions for tax positions of prior years	4,016	10,750	4,918
Reductions for tax positions of prior years	—	—	(5,527)
Settlements with tax authorities	(14,557)	(3,994)	(3,290)
Lapse of statute of limitations	(18,709)	(29,786)	(15,271)
Balance at end of fiscal year	<u>\$ 123,942</u>	<u>\$ 130,371</u>	<u>\$ 133,874</u>

The total amount of unrecognized tax benefits, which includes interest and penalties, was \$123,942 as of September 30, 2014, and \$130,371 as of September 30, 2013, all of which would affect the effective tax rate if realized.

The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes. As of September 30, 2014, the Company had accrued \$20,855 in income taxes payable for interest and penalties relating to unrecognized tax benefits, of which \$1,729 was recognized in the statements of income in fiscal 2014. As of September 30, 2013, the Company had accrued \$19,126 in income taxes payable for interest and penalties relating to unrecognized tax benefits, of which \$422 was recognized in the statements of income in fiscal 2013.

The Company is currently under audit in several jurisdictions for the tax years 2007 and onwards. Timing of the resolution of audits is highly uncertain and therefore, as of September 30, 2014, the Company cannot estimate the change in unrecognized tax benefits resulting from these audits within the next 12 months.

It is reasonably possible that the amount of unrecognized tax benefits may decrease by \$3,675 during fiscal 2015 as a result of lapse of statutes of limitations in jurisdictions in which the Company operates.

Note 12 — Repurchase of Shares

From time to time, the Company's Board of Directors has adopted share repurchase plans authorizing the repurchase of the Company's outstanding ordinary shares. On November 6, 2012, the Company's Board of Directors adopted a share repurchase plan authorizing the repurchase of up to \$500,000 of its outstanding ordinary shares with no expiration date. On April 30, 2014, the Company's Board of Directors adopted another share repurchase plan authorizing the repurchase of up to \$750,000 of its outstanding ordinary shares with no expiration date. In August 2014, the Company completed the repurchase of the remaining authorized amount under the November 2012 share repurchase plan and began executing repurchases under the April 2014 plan. In fiscal 2014, the Company repurchased approximately 8,425 ordinary shares at an average price of \$44.14 per share (excluding broker and transaction fees). As of September 30, 2014, the Company had remaining authority to repurchase up to \$713,979 of its outstanding ordinary shares. The authorization permits the Company to purchase its ordinary shares in open market or privately negotiated transactions at times and prices that it considers appropriate.

Note 13 — Financing Arrangements

In December 2011, the Company entered into a \$500,000 five-year revolving credit facility with a syndicate of banks. The credit facility is available for general corporate purposes, including acquisitions and repurchases of ordinary shares that the Company may consider from time to time. The interest rate for borrowings under the

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

revolving credit facility is chosen at the Company's option from several pre-defined alternatives, depends on the circumstances of any advance and is based in part on the Company's credit ratings. As of September 30, 2014, the Company was in compliance with the financial covenants under the revolving credit facility. In September 2014, the Company borrowed an aggregate of \$210,000 under the facility and repaid it in October 2014. In September 2013, the Company borrowed an aggregate of \$200,000 under the facility and repaid it in October 2013.

As of September 30, 2014, the Company had additional uncommitted lines of credit available for general corporate and other specific purposes and had outstanding letters of credit and bank guarantees from various banks totaling \$75,431. These were supported by a combination of the uncommitted lines of credit and restricted cash balances that the Company maintains with various banks.

Note 14 — Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	As of September 30,	
	2014	2013
Project-related provisions	\$ 118,536	\$ 85,039
Dividend payable(1)	24,291	20,812
Derivative instruments(2)	15,422	14,312
Acquisition-related liabilities(3)	15,397	—
Other	248,645	202,376
	<u>\$422,291</u>	<u>\$322,539</u>

(1) The amounts payable as a result of the July 29, 2014 and the July 31, 2013 dividend declarations. Please see Note 20 to the consolidated financial statements.

(2) Includes derivatives that are designated as hedging instruments and derivatives that are not designated as hedging instruments. Please see Note 6 to the consolidated financial statements.

(3) Classified as a Level 3 liability. Please see Note 4 to the consolidated financial statements.

Note 15 — Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following:

	As of September 30,	
	2014	2013
Accrued employees costs(1)	\$ 217,705	\$ 210,335
Noncurrent deferred revenue	18,189	22,641
Accrued pension liability(2)	14,017	16,189
Other	27,649	11,644
	<u>\$277,560</u>	<u>\$260,809</u>

(1) Primarily severance pay liability in accordance with Israeli law. Please see Note 18 to the consolidated financial statements.

(2) Primarily relates to funded status of non-contributory defined benefit plans. Please see Note 18 to the consolidated financial statements.

AMDOCS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)**Note 16 — Interest and other expense, net**

Interest and other expense, net, consists of the following:

	Year Ended September 30,		
	2014	2013	2012
Interest income	\$(4,075)	\$(4,915)	\$(5,478)
Interest expense	3,483	3,557	3,175
Foreign exchange loss	3,447	4,279	7,378
Gain on sale of investments(1)	—	—	(9,172)
Other, net	3,243	3,154	5,045
	<u>\$ 6,098</u>	<u>\$ 6,075</u>	<u>\$ 948</u>

(1) Includes primarily a gain of \$6,270 on the sale of the remaining minority interest in Longshine Information Technology Company Ltd.

Note 17 — Contingencies and Commitments**Commitments**

The Company leases office space and vehicles under non-cancelable operating leases in various countries in which it does business. Future minimum non-cancelable lease payments based on the Company's contractual obligations as of September 30, 2014 are as follows:

For the year ended September 30,	
2015	\$ 66,488
2016	50,687
2017	42,728
2018	37,904
2019	31,184
Thereafter	36,534
	<u>\$265,525</u>

Future minimum non-cancelable lease payments, as stated above, do not reflect committed future sublease income of \$1,970, \$1,087, \$306, \$317 and \$219 for the years ended September 30, 2015, 2016, 2017, 2018 and 2019, respectively.

Rent expense net of sublease income was approximately \$45,032, \$45,610 and \$41,488 for fiscal 2014, 2013 and 2012, respectively.

Legal Proceedings

The Company is involved in various legal proceedings arising in the normal course of its business. The Company accrues for a loss contingency when it determines that it is probable, after consultation with counsel, that a liability has been incurred and the amount of such loss can be reasonably estimated. At this time, the Company believes that the results of any such contingencies, either individually or in the aggregate, will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Guarantor's Accounting and Disclosure Requirements for Guarantees

The Company generally offers its products with a limited warranty for a period of 90 days or more. The Company's policy is to accrue for warranty costs, if needed, based on historical trends in product failure. Based

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
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on the Company's experience, only minimal warranty charges have been required after revenue was fully recognized and, as a result, the Company did not accrue any amounts for product warranty liability during fiscal 2014, 2013 and 2012.

The Company generally indemnifies its customers against claims of intellectual property infringement made by third parties arising from the use of the Company's software. To date, the Company has incurred and recorded only minimal costs as a result of such obligations in its consolidated financial statements.

Note 18 — Employee Benefits

The Company accrues severance pay for the employees of its Israeli operations in accordance with Israeli law and certain employment procedures on the basis of the latest monthly salary paid to these employees and the length of time that they have worked for the Israeli operations. The severance pay liability, which is included as accrued employee costs in other noncurrent liabilities, is partially funded by amounts on deposit with insurance companies, which are included in other noncurrent assets. These accrued severance expenses were \$27,490, \$22,326 and \$24,611 for fiscal 2014, 2013 and 2012, respectively.

The Company sponsors defined contribution plans covering certain of its employees around the world. The plans primarily provide for Company matching contributions based upon a percentage of the employees' contributions. The Company's contributions in fiscal 2014, 2013 and 2012 under such plans were not material compared to total operating expenses.

The Company maintains non-contributory defined benefit plans that provide for pension, other retirement and post-employment benefits for certain employees of a Canadian subsidiary based on length of service and rate of pay. The Company accrues its obligations to these employees under employee benefit plans and the related costs net of returns on plan assets. Pension expense and other retirement benefits earned by employees are actuarially determined using the projected benefit method pro-rated on service and based on management's best estimates of expected plan investments performance, salary escalation, retirement ages of employees, discount rate, inflation and expected health care costs. The fair value of the employee benefit plans' assets is based on market values. The plan assets are valued at market value for the purpose of calculating the expected return on plan assets and the amortization of experienced gains and losses. The Company recognized the funded status of such plans in the balance sheet (see Note 15). The pension and other benefits costs related to the non-contributory defined benefit plans were immaterial in fiscal 2014, 2013 and 2012.

Note 19 — Stock Option and Incentive Plan

In January 1998, the Company adopted the 1998 Stock Option and Incentive Plan, or Equity Incentive Plan, which provides for the grant of restricted stock awards, stock options and other equity-based awards to employees, officers, directors, and consultants. The purpose of the Equity Incentive Plan is to enable the Company to attract and retain qualified personnel and to motivate such persons by providing them with an equity participation in the Company. Since its adoption, the Equity Incentive Plan has been amended on several occasions to, among other things, increase the number of ordinary shares issuable under the Equity Incentive Plan. The maximum number of ordinary shares currently authorized to be granted under the Equity Incentive Plan is 62,300. Awards granted under the Equity Incentive Plan generally vest over a period of four years and stock options have a term of ten years.

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(dollar and share amounts in thousands, except per share data)

The following table summarizes information about options to purchase the Company's ordinary shares, as well as changes during the fiscal year ended September 30, 2014:

	Number of Share Options	Weighted Average Exercise Price
Outstanding as of October 1, 2013	12,138	\$ 30.38
Granted	2,410	41.98
Exercised	(4,395)	29.15
Forfeited	(590)	32.70
Outstanding as of September 30, 2014(1)	<u>9,563</u>	\$ 33.72
Exercisable as of September 30, 2014(1)	<u>3,182</u>	\$ 30.35

(1) As of September 30, 2014, the weighted average remaining contractual life of outstanding and exercisable options was 7.21 and 5.19 years, respectively.

The following table summarizes information relating to awards of restricted shares, as well as changes during the fiscal year ended September 30, 2014:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of October 1, 2013	1,795	\$ 31.61
Granted	828	41.92
Vested	(642)	31.47
Forfeited	(95)	33.51
Outstanding as of September 30, 2014	<u>1,886</u>	\$ 36.09

The total intrinsic value of options exercised during fiscal 2014, 2013 and 2012 was \$62,640, \$44,604 and \$22,929, respectively.

The value of restricted shares vested during fiscal 2014, 2013 and 2012 was \$26,737, \$20,891 and \$15,594, respectively.

The following table summarizes information about stock options outstanding as of September 30, 2014:

Exercise Price	Outstanding			Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life (in Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 0.88 — 26.68	826	4.86	\$ 23.63	462	\$ 21.31
26.85 — 28.66	1,366	6.77	28.57	584	28.58
28.75 — 32.97	2,198	6.17	29.94	1,152	30.46
32.99 — 35.69	2,340	7.20	34.82	778	34.91
35.70 — 40.46	1,451	8.43	38.55	206	37.79
41.24 — 48.12	1,382	9.46	43.92	—	—

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(dollar and share amounts in thousands, except per share data)

The aggregate intrinsic value of outstanding and exercisable stock options as of September 30, 2014 was \$116,430 and \$49,423, respectively.

Employee equity-based compensation pre-tax expense for the years ended September 30, 2014, 2013 and 2012 was as follows:

	Year Ended September 30,		
	2014	2013	2012
Cost of service	\$17,496	\$18,284	\$22,641
Research and development	3,599	3,805	4,320
Selling, general and administrative	23,483	18,251	16,468
Total	<u>\$44,578</u>	<u>\$40,340</u>	<u>\$43,429</u>

The total income tax benefit recognized in the income statement for stock-based compensation (including restricted shares) for fiscal 2014, 2013 and 2012 was \$5,295, \$4,150 and \$6,254, respectively.

As of September 30, 2014, there was \$41,465 of unrecognized compensation expense related to unvested stock options and unvested restricted stock awards. The Company recognizes compensation costs using the graded vesting attribution method, which results in a weighted average period of approximately one year over which the unrecognized compensation expense is expected to be recognized.

The fair value of options granted was estimated on the date of grant using the Black-Scholes pricing model with the assumptions noted in the following table (all in weighted averages for options granted during the year):

	Year Ended September 30,		
	2014	2013	2012
Risk-free interest rate(1)	1.30%	0.74%	0.70%
Expected life of stock options(2)	4.50	4.50	4.50
Expected volatility(3)	17.3%	22.7%	28.5%
Expected dividend yield(4)	1.45%	1.48%	0.02%
Fair value per option	\$5.56	\$5.74	\$7.18

- (1) Risk-free interest rate is based upon U.S. Treasury yield curve appropriate for the term of the Company's employee stock options.
- (2) Expected life of stock options is based upon historical experience.
- (3) Expected volatility is based on blended volatility. Please see Note 2 to the consolidated financial statements.
- (4) Expected dividend yield is based on the Company's history and future expectation of dividend payouts.

Note 20 — Dividends

The Company's Board of Directors declared the following dividends during the fiscal years ended September 30, 2014, 2013 and 2012:

Declaration Date	Dividends Per Ordinary Share	Record Date	Total Amount	Payment Date
July 29, 2014	\$ 0.155	September 30, 2014	\$ 24,291	October 17, 2014
April 30, 2014	\$ 0.155	June 30, 2014	\$ 24,576	July 18, 2014
January 29, 2014	\$ 0.155	March 31, 2014	\$ 24,799	April 17, 2014
November 5, 2013	\$ 0.130	December 31, 2013	\$ 20,752	January 17, 2014

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

Declaration Date	Dividends Per Ordinary Share	Record Date	Total Amount	Payment Date
July 31, 2013	\$ 0.130	September 30, 2013	\$ 20,812	October 18, 2013
April 30, 2013	\$ 0.130	June 28, 2013	\$ 20,929	July 19, 2013
January 30, 2013	\$ 0.130	March 28, 2013	\$ 20,927	April 19, 2013
November 6, 2012	\$ 0.130	December 31, 2012	\$ 21,032	January 18, 2013
August 1, 2012	\$ 0.130	September 28, 2012	\$ 21,120	October 19, 2012

The amount payable as a result of the July 29, 2014 declaration was included in accrued expenses and other current liabilities as of September 30, 2014.

On November 4, 2014, the Company's Board of Directors approved the next quarterly dividend payment, at the rate of \$0.155 per share, and set December 31, 2014 as the record date for determining the shareholders entitled to receive the dividend, which is payable on January 16, 2015.

On November 4, 2014, the Company's Board of Directors also approved, subject to shareholder approval at the January 2015 annual general meeting of shareholders, an increase in the quarterly cash dividend to \$0.17 per share, anticipated to be paid in April 2015.

Note 21 — Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Year Ended September 30,		
	2014	2013	2012
Numerator:			
Numerator for basic and diluted earnings per share	\$422,122	\$412,439	\$391,371
Denominator:			
Denominator for basic earnings per share — weighted average number of shares outstanding	159,012	161,330	168,275
Effect of assumed conversion of 0.50% convertible notes	20	24	24
Effect of dilutive stock options granted	2,334	1,764	1,138
Denominator for dilutive earnings per share — adjusted weighted average shares and assumed conversions	161,366	163,118	169,437
Basic earnings per share	\$ 2.65	\$ 2.56	\$ 2.33
Diluted earnings per share	\$ 2.62	\$ 2.53	\$ 2.31

The weighted average effect of the repurchase of ordinary shares by the Company has been included in the calculation of basic earnings per share.

For the fiscal years ended September 30, 2014, 2013 and 2012, 1,064, 3,005 and 12,313 shares, respectively, on a weighted average basis, were attributable to antidilutive outstanding stock options and therefore were not included in the calculation of diluted earnings per share.

Note 22 — Segment Information and Sales to Significant Customers

The Company and its subsidiaries operate in one operating segment, providing software products and services for the communications, media and entertainment industry service providers.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)

Geographic Information

The following is a summary of revenue and long-lived assets by geographic area. Revenue is attributed to geographic region based on the location of the customers.

	Year Ended September 30,		
	2014	2013	2012
Revenue			
North America (mainly United States)	\$ 2,589,613	\$ 2,423,067	\$ 2,266,110
Europe	450,669	398,400	441,731
Rest of the world	523,355	524,387	539,062
Total	\$ 3,563,637	\$ 3,345,854	\$ 3,246,903
	As of September 30,		
	2014	2013	2012
Long-lived Assets(1)			
Europe	\$ 88,218	\$ 78,501	\$ 65,746
North America (mainly United States)	77,273	72,855	83,645
Rest of the world:			
Israel	56,289	56,683	51,086
India	27,479	25,036	29,401
Others	39,697	42,469	48,029
Total	\$288,956	\$275,544	\$277,907

(1) Equipment and leasehold improvements.

Revenue and Customer Information

Customer experience solutions include the following offerings: revenue management, customer management, operational support systems (OSS), network control and optimization, digital lifestyle services, big data analytics and machine-to-machine (M2M) solutions. Customer experience solutions also include a comprehensive line of services such as consulting, systems integration and transformation, project delivery, testing, order-to-activation value process operation (VPO), managed services and product support, system implementation, integration, modification, consolidation, modernization, ongoing support, enhancement and maintenance. Directory includes comprehensive set of products and services for local marketing service providers and search and directory publishers.

	Year Ended September 30,		
	2014	2013	2012
Customer experience solutions	\$ 3,435,478	\$ 3,185,637	\$ 3,066,170
Directory	128,159	160,217	180,733
Total	\$ 3,563,637	\$ 3,345,854	\$ 3,246,903

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(dollar and share amounts in thousands, except per share data)**Sales to Significant Customers**

The following table summarizes the percentage of sales to significant customer groups (when they amount to at least 10 percent of total revenue for the year).

	Year Ended September 30,		
	2014	2013	2012
Customer 1	33%	28%	26%
Customer 2	*	*	10

* Represents an amount of less than 10%.

Note 23 — Selected Quarterly Results of Operations (Unaudited)

The following are details of the unaudited quarterly results of operations for the three months ended:

	September 30,	June 30,	March 31,	December 31,
2014				
Revenue	\$ 900,261	\$902,477	\$896,854	\$ 864,045
Operating income	126,107	125,003	123,848	120,690
Net income	100,503	109,827	110,357	101,435
Basic earnings per share	0.64	0.69	0.69	0.64
Diluted earnings per share	0.63	0.68	0.68	0.63
2013				
Revenue	\$ 845,225	\$841,332	\$832,938	\$ 826,359
Operating income	122,876	123,164	122,855	112,657
Net income	88,954	119,558	104,912	99,015
Basic earnings per share	0.55	0.74	0.65	0.61
Diluted earnings per share	0.54	0.73	0.64	0.61

VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

	<u>Accounts Receivable</u> <u>Allowances</u>	<u>Valuation Allowances on</u> <u>Net Deferred Tax Assets</u>
Balance as of October 1, 2011	\$ 15,566	\$ 137,836
Charged to costs and expenses	4,498	23,708(1)
Charged to other accounts	1,659(2)	—
Deductions	<u>(5,159)</u>	<u>(44,533)(3)</u>
Balance as of September 30, 2012	16,564	117,011
Charged to costs and expenses	5,851	23,199(4)
Charged to other accounts	1,176(6)	2,552(5)
Deductions	<u>(3,256)</u>	<u>(15,560)(7)</u>
Balance as of September 30, 2013	20,335	127,202
Charged to costs and expenses	6,100	12,725(8)
Charged to other accounts	12,754	4,418(9)
Deductions	<u>(2,791)</u>	<u>(16,138)(10)</u>
Balance as of September 30, 2014	<u>\$ 36,398</u>	<u>\$ 128,207</u>

- (1) Valuation allowances recorded on deferred tax assets during fiscal 2012.
- (2) \$640 was related to an immaterial acquisition in fiscal 2011 and was charged to other accounts during fiscal 2012.
- (3) \$38,268 of valuation allowances on deferred tax assets were written off against the related deferred tax assets which expired unused, and the remaining deductions in the valuation allowances on net deferred tax assets were released to earnings.
- (4) Valuation allowances recorded on deferred tax assets during fiscal 2013.
- (5) Valuation allowances on deferred tax assets recorded in connection with an immaterial acquisition in fiscal 2013.
- (6) \$109 was related to an immaterial acquisition in fiscal 2013 and was charged to other accounts during fiscal 2013.
- (7) \$7,707 of valuation allowances on deferred tax assets were written off against the related deferred tax assets, and the remaining deductions in the valuation allowances on net deferred tax assets were released primarily to earnings.
- (8) Valuation allowances recorded on deferred tax assets during fiscal 2014.
- (9) Includes mainly valuation allowances on deferred tax assets incurred in connection with an immaterial acquisition in fiscal 2014.
- (10) \$9,641 of valuation allowances on deferred tax assets were written off against the related deferred tax assets, and the remaining deductions in the valuation allowances on net deferred tax assets were released to earnings.

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

AMENDMENT NUMBER ONE

TO

AGREEMENT NO. 02026713

THIS AMENDMENT NUMBER ONE TO AGREEMENT NO. 02026713 (this "Amendment") is made and entered by and between Amdocs Inc. ("Amdocs") and SBC Services, Inc. ("SBC"), each of which may be referred to in the singular as "Party" or in the plural as "Parties", as of the date the last Party signs.

WITNESSETH

WHEREAS, SBC and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of 7 August 2003 (the "Agreement");

WHEREAS, SBC has issued a Request for Proposal RF2003000156 (the "RFP") describing requirements for a complex ordering planning and strategy initiative ("COPS");

WHEREAS, Amdocs desires to provide a solution for COPS consisting of certain core software to be customized by Amdocs to meet SBC's requirements as described in the RFP, as such requirements may be further refined, modified, and/or extended from time to time;

WHEREAS, Amdocs Software Systems Limited and SBC have entered into that certain Agreement No. 03032360 pursuant to which SBC has the right to obtain a license to use Amdocs' Order Management Software system ("OMS");

WHEREAS, SBC may desire Amdocs to implement customizations to OMS pursuant to the terms and conditions of the Agreement as amended herein; and

WHEREAS, Amdocs desires to implement customizations to OMS pursuant to the terms and conditions of the Agreement as amended herein.

NOW, THEREFORE, In consideration of the mutual promises contained below, the parties amend the Agreement as follows:

1. Definitions. All terms used in this Amendment with initial capital letters shall have the meanings, if any, ascribed to such terms in the Agreement.
2. Definition of "COPS". The following is added as a new Section 2.8A:

"COPS" means SBC's Complex Ordering System initiative described in SBC's Request for Proposal RF2003000156, as the same may be further refined, modified, and/or extended by SBC from time to time.

3. Amdocs Information. Section 3.13(B)(1) is deleted in its entirety and replaced with:

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.

4. Infringement. The phrase “refund any charges paid by SBC, with a credit for use pro-rated based upon a five (5) year usable life” at the end of Section 3.14(A)(4) is replaced with “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, which refund shall be excluded from the limitations on liability set forth in Section 3.18(B)”.

5. Appendix 3.38. Annex 1 to this Amendment is added to the Agreement as Appendix 3.38.

6. COPS Orders. The following is added as a new Section 3.36(C):

C. Amdocs shall, upon SBC’s request from time to time, enter into Order(s) for Custom Software Development for COPS in the form attached to this Agreement as Appendix 3.38. The terms of Appendix 3.38 shall apply to all COPS Orders.

7. Extension of Acceptance Test Period. The final sentence of Section 5.3(B) is deleted and replaced with:

The Acceptance Test Period shall be extended by the greater of either (i) [**] during which [**] the Software, or (ii) when applicable, [**].

8. Deemed Acceptance. The final sentence of Section 5.3(C) is deleted and replaced with:

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 Amdocs shall promptly notify SBC's IT leadership of such failure via e-mail or other writing, with a copy to SBC's Project Manager. If neither SBC's IT leadership nor SBC's Project Manager responds via e-mail or other writing within four (4) business days after such notice has been duly given, the Software shall be deemed to be Accepted as of the end of such Acceptance Test Period.

9. Training. The following is added at the end of Section 7.2:

The rates for types (b) and (c) training shall not exceed the rates for other work performed under the applicable Order. There shall be no charge for preparation (excluding reproduction costs, if applicable) of standard training materials for the core Software that is licensed to SBC by Amdocs pursuant to the Software Master Agreement No. 03032360 between the Parties dated December 16, 2003 (the "Software Master Agreement"), and all such standard training materials shall be deemed Documentation for the purposes of the Software Master Agreement.

10. Full Force and Effect. All provisions of the Agreement not specifically affected by this Amendment shall remain in full force and effect without alteration or modification.

IN WITNESS WHEREOF, the Parties have caused this Amendment 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.

Amdocs Inc.

SBC Services, Inc.

By: /s/ John L. Conlin

By: /s/ Ron Watt

Printed Name: John L. Conlin

Printed Name: Ron Watt

Title: Vice President

Title: Director – IT Strategic Sourcing

Date: _____

Date: 12-15-03

Form of Qualified Custom Software Development Order for Custom Software Development Associated with Software Master Agreement #

This Qualified Custom Software Development Order for Custom Software Development (this “Order”), effective upon execution by the parties (“Effective Date”), is by and between Amdocs Inc., a Delaware corporation (“Supplier” or “Amdocs”) and SBC Services, Inc., a Delaware corporation (“SBC”), and shall be governed pursuant to the provisions of Agreement Number 02026713 (the “Master Services Agreement”), which by this reference are incorporated as if fully set forth herein. Any special terms and conditions in this Order that add to, differ from, or modify the provisions of the Master Services Agreement shall apply to this Order only, and shall survive the Termination, or Expiration of the Master Services Agreement.

This Order is associated with Agreement # [To be filled in prior to signing] (the “Base Agreement”) under Software Master Agreement #03032360 (the “Software Master Agreement”) between Amdocs Software Systems Limited and SBC.

1. Order Number:

2. Term of Agreement:

3. Project Name and Description: [Insert]

4. The Custom Software and Program Material Ordered

This Order incorporates the Detailed Functional Specifications (Attachment 1).

5. Third Party Software

6. Additional Items Ordered

The following are a part of this order .

7. Milestones

Amdocs shall deliver the Custom Software and Program Material as listed and described herein, on or before the Delivery Date(s) specified in the following table:

Milestone Schedule:

<u>Milestone</u>	<u>Required Delivery Date</u>	<u>Payment Amount</u>	<u>Holdback Amount</u>
<Milestone 1>			
<Milestone 2>			
...			
...			

Liquidated Damages for Delay in Delivery:

Upon discovery of anything indicating a reasonable certainty that Software and/or Services will not be delivered by the scheduled Delivery Date, Amdocs shall notify SBC and provide the estimated length of delay. The Parties shall work jointly toward resolving the delayed delivery. If the Parties reach agreement on an extended Delivery Date and Amdocs fails to meet the extended Delivery Date, then SBC may (i) if such delay amounts to a material breach, exercise SBC's termination rights under the Agreement with respect to this applicable Order, (ii) exercise its right to recover Liquidated Damages specified hereunder, and/or (iii) further extend the Delivery Date. No payments, progress or otherwise, made by SBC to Amdocs after any scheduled Delivery Date shall constitute a waiver of Liquidated Damages. Delivery Dates shall be extended as and to the extent Amdocs' is unable to meet the original Delivery Date due to causes outside of Amdocs' control. Such extension shall be proportionate to the delay caused by factors outside Amdocs' control.

Notwithstanding anything to the contrary in the Agreement, in the event of Supplier's failure to meet a Delivery Date above (as it may have been extended in accordance with the terms as set forth herein) SBC shall be entitled to Liquidated Damages according to the following schedule:

<u>Days Late</u>	<u>Liquidated Damages</u>
0-14	\$0
15-44	10% of fees under this Order
45-74	10% of fees under this Order
75+	10% of fees under this Order

The foregoing Liquidated Damages shall be calculated cumulatively and shall be capped at a total of thirty percent (30%) of the fees under this Order. SBC's taking of Liquidated Damages for failure to meet a Delivery Date shall not preclude SBC from claiming actual damages in excess of the Liquidated Damages; provided, however, that the amount of Liquidated Damages taken by SBC shall be deducted from any damages awarded to SBC. Liquidated Damages taken by SBC for failure to meet a Delivery Date shall be excluded from the limitations of liability set forth in Section 3.18(B) of the Agreement.

8. Deliverables/Release Items

9. Supplier Responsibilities

10. SBC Responsibilities

11. Management Oversight by:

12. Party responsible for System Testing:

13. Warranty: Applies/

All Custom Software and Program Material provided by Amdocs under this order shall be under a Warranty Period of [**] commencing on Acceptance by SBC.

14. Compensation

All payments due under this Order shall be subject to a [**] of the amount that would otherwise be due hereunder. SBC shall pay to Amdocs all amounts so held back by SBC upon Acceptance by SBC of the final milestone under this Order.

The rate for [**] work under this Order shall be a [**].

The rate for [**] work shall be a [**].

Travel and living expenses will not be paid for resources working at their primary work location or in the same metropolitan area as their primary work location. International travel expenses shall be limited to the round-trip between the SBC on-site location and the resource's point of entry into the United States.

Aggregate travel and living expenses under all COPS Order(s) shall be limited to no more than [**] of the aggregate amount paid by SBC under all COPS Orders.

All work will be based on actual time worked, subject to a not-to-exceed amount of: . **[Amount to be based on final RFP Response proposed cost of work.]**

15. Project Managers

SBC:

Amdocs:

16. Special Terms and Conditions

17. Warranty, Maintenance, Service Levels and Liquidated Damages

The provisions of Section 3.34 and Article 5.0 of the Software Master Agreement are incorporated into this Order as if set forth herein, shall replace Section 3.34 (excluding Section 3.34(D)(2) of the Master Services Agreement) and Section 5.8 of the Master Services Agreement and shall apply to the Software.

In applying Article 5.0 to this Order, the Maintenance Fee will be, at SBC’s option: (**) (2) pursuant to a mutually agreed dedicated team, which dedicated team will be billed for on a time and materials basis at the rates set forth in Section 14 of this Order. Maintenance charged under clause (1) will be invoiced on an annual basis in advance and if charged under clause (2) will be invoiced on a ** basis in arrears. Alternatively, SBC may obtain support and maintenance for COPS Custom Software pursuant to Orders for OnGoing Support, in which case, the provisions of Article 5.0 of the Software Master Agreement will not apply to such Orders for OnGoing Support. In addition, SBC may choose not to obtain maintenance and support services from Amdocs.

Liquidated Damages applicable to an annual maintenance period arising from applying Section 5.4 of the Software Master Agreement to the Custom Software under the COPS Orders shall not exceed 20% of the Maintenance Fees paid by SBC to Amdocs during such annual maintenance period under all COPS Orders. Notwithstanding the foregoing, the cap on Liquidated Damages during the Warranty Period of a COPS Order arising from the application of the last sentence of Section 3.34 and Section 5.4 of the Software Master Agreement to the Custom Software under that COPS Order shall be limited to \$120,000.

IN WITNESS WHEREOF, this Order has been executed by authorized representatives of the parties hereto, in duplicate, as of the date first set forth above.

Amdocs Inc.

SBC Services, Inc.

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Amendment

No. 02026713-02

Between

Amdocs, Inc.

And

SBC Services, Inc.

AMENDMENT NUMBER TWO

TO

AGREEMENT NO. 02026713

THIS AMENDMENT NUMBER TWO TO AGREEMENT NO. 02026713 (this "Amendment") is made and entered by and between Amdocs Inc. ("Amdocs") and SBC Services, Inc. ("SBC"), each of which may be referred to in the singular as "Party" or in the plural as "Parties", as of the date the last Party signs.

WITNESSETH

WHEREAS, SBC and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of 7 August 2003 (the "Agreement");

WHEREAS, Amdocs desires to provide software solutions for projects consisting of Amdocs core software that if purchased by SBC may be customized by Amdocs at SBC's request to meet SBC's requirements. Such requirements will be identified, refined, modified, and/or extended from time to time via Work Orders or Amendments to Work Orders;

WHEREAS, Amdocs Software Systems Limited and SBC have entered into that certain Agreement No. 03032360-1 pursuant to which SBC has the right to obtain a license to use Amdocs' Software;

WHEREAS, SBC may desire Amdocs to implement customizations to such Software pursuant to the terms and conditions of the Agreement as amended herein; and WHEREAS, Amdocs desires to implement customizations to the Software pursuant to the terms and conditions of the Agreement as amended herein.

NOW, THEREFORE, In consideration of the mutual promises contained below, the parties amend the Agreement as follows:

1. Definitions. All terms used in this Amendment with initial capital letters shall have the meanings, if any, ascribed to such terms in the Agreement.
2. Appendix 3.39. Annex 1 to this Amendment (Work Order template) is added to the Agreement as Appendix 3.39.
3. Orders. The following is added as a new Section 3.36(D):

D. Amdocs shall, upon SBC's request from time to time, enter into Order(s) for Custom Software Development for projects in the form attached to this Agreement as Appendix 3.39. The terms of Appendix 3.39 shall apply to all project Orders.
4. Credit for Software Orders. Amdocs agrees that SBC may apply any "Credit towards services for implementing each of the modules" as detailed in Amendment 1 to the Software Master Agreement # 03032360 to any services associated with the respective software products licensed thereunder.
5. Full Force and Effect. All provisions of the Agreement not specifically affected by this Amendment shall remain in full force and effect without alteration or modification.

1/10/2005

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 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.

Amdocs, Inc.

By: /s/ John L. Conlin

Printed Name: John L. Conlin

Title: Vice President

Date: 1/11/05

SBC Services, Inc.

By: /s/ Jayu Bishop

Printed Name: Maureen Merkle

Title: President – Procurement

Date: 30 December 2004

1/10/2005

Appendix 3.39

**Form of Qualified Custom Software Development Order for Custom Software Development
Associated with Software Master Agreement # 03032360**

This Qualified Custom Software Development Order for Custom Software Development (this "Order"), effective upon execution by the parties ("Effective Date"), is by and between Amdocs Inc., a Delaware corporation ("Supplier" or "Amdocs") and SBC Services, Inc., a Delaware corporation ("SBC"), and shall be governed pursuant to the provisions of Agreement Number 02026713 (the "Master Services Agreement"), which by this reference are incorporated as if fully set forth herein. Any special terms and conditions in this Order that add to, differ from, or modify the provisions of the Master Services Agreement shall apply to this Order only, and shall survive the Termination, or Expiration of the Master Services Agreement.

This Order is associated with Software Master Agreement #03032360 (the "Software Master Agreement") between Amdocs Software Systems Limited and SBC.

1. Order Number:

2. Term of Agreement:

3. Project Name and Description: [Insert]

4. The Custom Software and Program Material Ordered

This Order incorporates the Detailed Functional Specifications (Attachment 1).

5. Third Party Software

6. Additional Items Ordered

The following are a part of this order .

7. Milestones

Amdocs shall deliver the Custom Software and Program Material as listed and described herein, on or before the Delivery Date(s) specified in the following table:

Milestone Schedule:

<u>Milestone</u>	<u>Required Delivery Date</u>	<u>Payment Amount</u>	<u>Holdback Amount</u>
<Milestone 1>			
<Milestone 2>			
...			

1/10/2005

Liquidated Damages for Delay in Delivery:

Upon discovery of anything indicating a reasonable certainty that Software and/or Services will not be delivered by the scheduled Delivery Date, Amdocs shall notify SBC and provide the estimated length of delay. The Parties shall work jointly toward resolving the delayed delivery. If the Parties reach agreement on an extended Delivery Date and Amdocs fails to meet the extended Delivery Date, then SBC may (i) if such delay amounts to a material breach, exercise SBC's termination rights under the Agreement with respect to this applicable Order, (ii) exercise its right to recover Liquidated Damages specified hereunder, and/or (iii) further extend the Delivery Date. No payments, progress or otherwise, made by SBC to Amdocs after any scheduled Delivery Date shall constitute a waiver of Liquidated Damages. Delivery Dates shall be extended as and to the extent Amdocs' is unable to meet the original Delivery Date due to causes outside of Amdocs' control. Such extension shall be proportionate to the delay caused by factors outside Amdocs' control.

Notwithstanding anything to the contrary in the Agreement, in the event of Supplier's failure to meet the Delivery Date for delivery to Acceptance Testing above (as it may have been extended in accordance with the terms as set forth herein) SBC shall be entitled to Liquidated Damages according to the following schedule:

<u>Days Late</u>	<u>Liquidated Damages</u>
0-14	\$0
15-44	10% of fees under this Order
45-74	10% of fees under this Order
75+	10% of fees under this Order

The foregoing Liquidated Damages shall be calculated cumulatively and shall be capped at a total of thirty percent (30%) of the fees under this Order. SBC's taking of Liquidated Damages for failure to meet a Delivery Date shall not preclude SBC from claiming actual damages in excess of the Liquidated Damages; provided, however, that the amount of Liquidated Damages taken by SBC shall be deducted from any damages awarded to SBC. Liquidated Damages taken by SBC for failure to meet a Delivery Date shall be excluded from the limitations of liability set forth in Section 3.18(B) of the Agreement.

8. Deliverables/Release Items

9. Supplier Responsibilities

10. SBC Responsibilities

11. Management Oversight by:

1/10/2005

12. Party responsible for System Testing:

13. Warranty: Applies

All Custom Software and Program Material provided by Amdocs under this order shall be under a Warranty Period of [**] commencing on Acceptance by SBC.

14. Compensation

All payments due under this Order shall be subject to a holdback of [**] of the amount that would otherwise be due hereunder. SBC shall pay to Amdocs all amounts so held back by SBC upon Acceptance by SBC of the final milestone under this Order.

*[For Services ordered on a fixed price basis under Orders executed within [**] of the execution date of Amendment Two, the following applies -* The fixed price for each component of the project will be developed by applying a [**] rate of \$[**].] This rate shall include [**] resources.

The rate for [**] Services under this Order shall be a [**]. This rate shall continue in effect for [**] from execution of this Amendment. This rate shall be applied for time & materials, and time and materials not to exceed Work Orders.

The rate for [**] work shall be a [**]. This rate shall continue in effect for 18 months from execution of this Amendment.

Travel and living expenses will not be paid for resources working at their primary work location or in the same metropolitan area as their primary work location. International travel expenses shall be limited to the round-trip between the SBC on-site location and the resource's point of entry into the United States.

Aggregate travel and living expenses under all Order(s) executed pursuant to this Amendment shall be limited to no more than [**] of the aggregate amount paid by SBC under all such Orders.

At SBC's option SBC Orders may be based on a time and materials not to exceed Work Order which shall be based on the time and materials rates set forth above.

15. Project Managers

SBC:

Amdocs:

16. Special Terms and Conditions

17. Warranty, Maintenance, Service Levels and Liquidated Damages

The provisions of Section 3.34 and Article 5.0 of the Software Master Agreement are incorporated into this Order as if set forth herein, shall replace Section 3.34 (excluding Section 3.34(D)(2) of the Master Services Agreement) and Section 5.8 of the Master Services Agreement and shall apply to the Software.

1/10/2005

In applying Article 5.0 to this Order, in the event SBC elects to purchase maintenance for Custom Software, SBC may elect to purchase maintenance under either of the following maintenance fee options: [**]; or (2) pursuant to a mutually agreed dedicated team, which dedicated team will be billed for on a time and materials basis at the rates set forth in Section 14 of this Order. Maintenance charged under clause (1) will be invoiced on an annual basis in advance and if charged under clause (2) will be invoiced on a [**] basis in arrears. Alternatively, SBC may obtain support and maintenance for Custom Software pursuant to Orders for OnGoing Support, in which case, the provisions of Article 5.0 of the Software Master Agreement will not apply to such Orders for OnGoing Support. In addition, SBC may choose not to obtain maintenance and support services from Amdocs.

Liquidated Damages applicable to an annual maintenance period arising from applying Section 5.4 of the Software Master Agreement to the Custom Software under the Orders shall not exceed 20% of the Maintenance Fees paid by SBC to Amdocs during such annual maintenance period under all Orders executed pursuant to this Amendment. Notwithstanding the foregoing, the cap on Liquidated Damages during the Warranty Period of a Order arising from the application of the last sentence of Section 3.34 and Section 5.4 of the Software Master Agreement to the Custom Software under that Order shall be limited to \$120,000.

By: _____

By: _____

Print Name: Appendix 3.39

Print Name: Appendix 3.39

Title: _____

Title: _____

Date: _____

Date: _____

1/10/2005

Amendment

No. 02026713-03

Between

Amdocs, Inc.

And

SBC Services, Inc.

AMENDMENT NO. 3**AGREEMENT NO. 02026713**

This Amendment No. 3, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier") 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."

WITNESSETH

WHEREAS, SBC and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of 7 August 2003, as amended by Amendment No. 1 effective December 19, 2003, and as further amended by Amendment No. 2 effective January 10, 2005 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and SBC have entered into that certain Agreement No. 03032360-1 pursuant to which SBC has the right to obtain a license to use Amdocs' Software;

WHEREAS, SBC may desire Amdocs to implement customizations to such Software pursuant to the terms and conditions of the Agreement as amended herein; and **WHEREAS**, Amdocs desires to implement customizations to the Software pursuant to the terms and conditions of the Agreement as amended herein.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree as follows:

1. **ARTICLE VI - ONGOING SUPPORT SERVICES, Section 6.1 Allowable Expenses**, is hereby deleted and replaced in its entirety with the following:

SBC is not responsible for any travel, meal or other business related expense incurred by Supplier whether or not incurred in its performance of its obligations under this Agreement, unless such expense complies with the requirements of SBC's Vendor Expense Policy attached hereto and incorporated herein as Appendix 1.2(4), and is not otherwise restricted under the terms of this Agreement or any applicable Order. Upon request by SBC, Supplier shall use commercially reasonable efforts to provide in a timely manner supporting documentation for any unusual or out of the ordinary expenses or in instances when the applicable SBC approver cannot make a reasonable determination on the propriety of the transaction without such documentation. The Parties further agree that for the purpose of determining when an expense is "incurred" pursuant to Section 2.1 of the Vendor Expense Policy, Supplier shall be deemed to incur such expense when the invoice or expense voucher for such expense is submitted to Supplier's Accounts Payable department for payment.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside SBC, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

2. Appendix 1.2(4) Reimbursable Expenses

Amdocs and SBC agree to delete the Appendix 1.2(4) Reimbursable Expenses attached to the Agreement, in its entirety, and replace it with the revised Appendix 1.2(4) Vendor Expense Policy, attached herewith.

3. ARTICLE VI - ONGOING SUPPORT SERVICES, Section 6.11 Third Party Administrative Services is hereby added in its entirety as follows:

Supplier acknowledges that a third party vendor will be performing certain administrative functions associated with this Agreement pursuant to a contract between SBC and the third party vendor. These administrative functions include, but are not limited to the following:

- a. Tracking of certificates of insurance
- b. Providing financial analysis
- c. Verifying supplier diversity certification
- d. Supplier profile information

Supplier agrees to cooperate with such third party vendor to facilitate its performance of these administrative functions, including Supplier's provision of data reasonably requested from time to time by such third party vendor. Further, notwithstanding any other provision of this Agreement, Supplier agrees that SBC may provide to such third party vendor Confidential Information regarding Supplier, subject to such third party vendor's execution of a written non-disclosure agreement with Supplier which provides Supplier with no less protection for such Confidential Information than that required of SBC under this Agreement. Supplier will execute a non-disclosure agreement with the third party vendor no later than December 31, 2005. Supplier agrees to pay the third party vendor an annual fee for the performance of these administrative functions, which annual fee shall not exceed [**] and a [**]. SBC agrees that Supplier shall have no liability to such vendor in excess of such amounts.

The terms and conditions of Agreement No. 02026713 in all other respects remain unmodified and in full force and effect.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside SBC, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 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.

Amdocs, Inc.

By: /s/ John J. Horgan

Printed Name: John J. Horgan

Title: President – Administrative Operations, North America

Date: 12/15/05

SBC Services, Inc.

By: /s/ Beverly Madsen

Printed Name: Beverly Madsen

Title: Associate Director – Strategic Sourcing

Date: Dec. 8, 2005

Proprietary Information

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Appendix 1.2(4) Vendor Expense Policy**1.0 GENERAL**

SBC Vendor Expense Policy (VEP) provides guidelines to be followed by all vendors of SBC in requesting reimbursement for business travel, meals and other business related expense. Expenses outside this policy are not reimbursable.

The following principles apply to requests for expense reimbursement:

When spending money that is to be reimbursed, vendors must ensure that an SBC Company (“Company”) receives proper value in return. Prudent and proper judgment must be used in reporting and approving business expenses.

The concept that a vendor and its employees are ‘entitled’ to certain types or amounts of expenditures while conducting business with the Company is erroneous. Personal expenditures reported for reimbursement should be billed exactly as they were incurred. The use of averages for any type expenditure or combination of expenditures is not permitted except as specifically provided or documented in a contract.

Every vendor and SBC employee who certifies or approves the correctness of any voucher or bill should have reasonable knowledge that the expense and amounts are proper and reasonable. Nothing in these guidelines shall preclude adoption by a responsible SBC manager of a more restrictive policy or practice concerning the expenditure of Company funds by a vendor. In the absence of the adoption of such policy, or existing contractual agreements, these guidelines are considered the minimum requirements for requesting reimbursement of Company funds. These policies should be included in any new or renewed contract with a contractor or consultant.

Deviations from this VEP *must be approved in writing by the sponsoring Senior Manager or Officer of an SBC company.*

Employees should refer to the Section entitled “Payments” in the Schedule of Authorizations For Affiliates of SBC Communications, Inc. for appropriate vendor invoice authorization approval levels.

Receipts *should* be requested and reviewed for any unusual or out of the ordinary expenses or where the approver cannot make a reasonable determination on the propriety of the transaction without a receipt.

The origination of a given expenditure for business purposes is the responsibility of the vendor incurring the expense and the authorization of that expense is the responsibility of the appropriate level of SBC management in accordance with the Schedule of Authorizations For Affiliates of SBC Communications, Inc.

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1.1 Non-Reimbursable Expenses

The following expenses are considered non-reimbursable:

- Airline club membership fees, dues, or upgrade coupons
- Meals not consistent with SBC employee policy
- Annual credit card fees
- Entertainment expenses
- Upgrades on airline fees
- Excessive tips, *i.e.*, in excess of 15% of cost of meal or services, excluding tax
- PC, cell phone, and other vendor support expenses
- Meals not directly required to do business on the SBC account (e.g. vendors cannot voucher lunch with each other simply to talk about SBC)
- In-flight drinks
- Magazines & newspapers
- Expenses associated with spouses or other travel companions
- Office expenses of vendors
- Surcharges for providing fast service (not related to delivery charges such as Fedex, UPS, etc.). SBC expects all vendors to complete the terms of contracts in the shortest period practicable. Charges for shortening the timeframe in which contracts are fulfilled are not permissible.
- Vendors may not submit expenses to cover meals or expenses for an SBC employee, whether in a home location or on official travel
- Travel purchased with prepaid air passes.
- Birthday cakes, lunches, balloons, and other personal celebration/recognition costs
- Break-room supplies for the vendor, such as coffee, creamer, paper products, soft drinks, snack food
- Water (bottled or dispensed by a vendor)
- Clothing, personal care, and toiletries
- Laundry (except when overnight travel is required for 7 or more consecutive nights)
- Flight or rental car insurance
- Flowers, cards and gifts
- Hotel pay-per-view and/or mini bar items
- High speed internet access in hotels
- Lost luggage or parking tickets
- Medical supplies
- Membership fees to exercise facilities or social/country clubs
- Movies purchased while on an airplane
- Phone usage on airline unless business emergency

Failure to comply with the above mentioned restrictions will result in the Company refusing payment of charges or pursuing restitution from the vendor.

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2.0 RESPONSIBILITIES

2.1 Vendor's Responsibility

SBC's sponsoring client managers will ensure that vendors have been covered on this policy prior to incurring any expenditures. Vendors and their sponsoring client managers are responsible for clarifying any questions or uncertainties they may have relative to reimbursable business expenses.

It is mandatory that financial transactions are recorded in a timely manner. **Out-of-pocket business expense(s) for vendors that are not submitted for reimbursement within [**] from the date incurred are considered non-reimbursable.** Company managers who are responsible for approving reimbursable expenses of vendors should ensure they are submitted and approved in a timely manner.

2.2 SBC Sponsoring Management Responsibility

Prior to authorizing reimbursement to the vendor for expenditures, it is the responsibility of the SBC managers authorizing the payment to determine that:

- The expenditure is reasonable and for a legitimate business purpose.
- The expenditure complies with the policies contained in this document, the Code of Business Conduct, and other applicable Company practices.
- All expenses are reviewed through Payment.Net or on form SBC-4472APA and those expenses are prepared in accordance with proper accounting details.

In addition, the sponsoring SBC managers are responsible for ensuring the Vendor Expense Policy has been communicated to each vendor.

3.0 TRAVEL POLICY

Vendors must first consider the feasibility of using videoconferencing or teleconferencing as an alternative to travel. Travel that is to be reimbursed by SBC should be incurred only as necessary.

SBC reserves the right to dispute any expense submittal and if not verifiable as valid may reject reimbursement. Reimbursements will be made to vendor only after expenses are verified as valid.

3.1 Travel Authorization

Travel requiring overnight stays must be approved by the sponsoring SBC senior manager (5th level or above) and should be approved only if it is necessary for the vendor to travel to perform required work.

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3.2 Travel Reservations

Vendors are expected to procure the most cost efficient travel arrangements, preferably equivalent to the SBC discount rate. SBC does not reimburse for travel purchased with prepaid air passes.

3.3 Travel Expense Reimbursement

Vendor travel expenses incurred for company business are reimbursable only as specified in these guidelines. Travel expenses may include the following:

- transportation (airfare or other commercial transportation, car rental, personal auto mileage, taxi and shuttle service)
- meals and lodging
- parking and tolls
- tips/porter service (if necessary and reasonable)

Vendors who stay with friends or relatives or other vendor employees while on a Company business trip will **NOT** be reimbursed for lodging, nor will they be reimbursed for expenditures made to reciprocate their hospitality by buying groceries, being host at a restaurant, etc.

The expense must be ordinary and necessary, not lavish or extravagant, in the judgment of the SBC sponsoring management. Any reimbursement request must be for actual expenditures only.

3.4 Air Travel Arrangements

Vendors must select lowest logical airfare (fares available in the market at the time of booking, preferably well in advance of trip to attain lowest possible airfare). Vendors shall book coach class fares for all domestic travel at all times. First class bookings are not reimbursable. Vendors can request business class when a single segment of flight time (“in air time” excluding layovers or ground time) is greater than 5 hours, or when flights are intercontinental. See attached Addendum B for specific airfare rates.

3.5 Hotel Arrangements

SBC has established Market-Based Room Rate Guidelines for vendors to reference when making hotel reservations (see Addendum A). Vendors are expected to abide by these guidelines when making hotel arrangements. SBC will only reimburse vendors up to the established room rate guideline in each market, or for actual hotel lodging charges incurred, whichever is less.

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Note: Vendors must indicate the number of room nights on the transaction line when invoicing for reimbursement of hotel expenses. Copies of all hotel bills must be made available for any invoice containing lodging charges.

3.6 Ground Transportation

While away from their home location overnight, vendors are expected to utilize rapid transit or local shuttle service. If the hotel provides a complimentary shuttle, vendors are to use this service before paying for transportation. If complimentary service is not provided a taxi or other local transportation is reimbursable as a business expense.

A rental car is appropriate when the anticipated business cost is less than that of other available public transportation. Except to the extent necessary to accommodate several travelers and/or luggage requirements, vendors will not be reimbursed for automobile rentals other than economy or mid-sized/intermediate models.

“Loss Damage Waiver” and “Extended Liability Coverage” are not considered reimbursable. Prepaid fuel or refueling charges at the time of return are not reimbursable. Rental cars should be refueled before returning to the rental company, since gas purchased through the rental company carries an expensive refueling service charge.

3.7 Use of Personal Vehicle

When use of personal vehicle is required, the currently applicable IRS mileage rate for miles driven for the business portion of the trip should be the maximum used to determine the amount to be reimbursed.

3.8 Parking

If airport parking is necessary, vendors must use long term parking facilities. Additional costs for short term, valet or covered parking are not reimbursable.

3.9 Entertainment

Entertainment expense is not reimbursable to vendors. Entertainment includes meal expense involving SBC personnel, golf fees, tickets to events and related incidental expenses. Hotel charges for a pay-per-view movie, individual sightseeing tours, or other individual activities (i.e., golf, sporting event, movie, etc.) are not reimbursable.

3.10 Laundry and Cleaning

Reasonable laundry charges during business trips of seven or more **consecutive** nights are reimbursable based on actual expenses incurred.

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3.11 Communications

The actual costs of landline telephone calls for SBC business are reimbursable. The use of SBC products is required when available.

SBC will not reimburse vendors for cell phone bills. With prior consent of the sponsoring SBC Senior Manager, only individual calls that **exceed** a vendor's rate plan that are necessary to conduct business for SBC may be reimbursed.

Charges for high speed internet access are not reimbursable.

3.12 Business Meals (Travel and Non-Travel)

Vendors are expected to find reasonably priced dining alternatives. As a general rule, vendors are expected to spend^[**] inclusive of tax and gratuity. This includes all meals, beverages and refreshments purchased during the day. Requests for reimbursement should break out the amount for meals and list the related number of travel days. Vendors may not submit expenses to cover meals or expenses for an SBC employee, whether in a home location or on official travel.

SBC managers authorizing invoices will be held accountable for ensuring that vendors are following this policy and are spending Company funds economically.

3.13 Flowers, Greeting Cards, Gifts and Incentive Awards

The cost of gifts, flowers, birthday lunches, or greeting cards is considered a personal expense and is not reimbursable. For example, vendors making a donation or providing a gift for a fund-raiser for SBC may not submit such an expense to SBC for reimbursement.

3.14 Loss or Damage to Personal Property

The Company assumes no responsibility for loss or damage to a vendor's personal property during business functions or hours.

3.15 Publications

Subscriptions to or purchases of magazines, newspapers and other publications are not reimbursable.

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ADDENDUM A

City	2005 Room Rate Only Guidelines	City	2005 Room Rate Only Guidelines	City	2005 Room Rate Only Guidelines
Addison, TX (Dallas)	[**]	Las Vegas	[**]	Springfield, IL	[**]
Akron	[**]	Lisle, IL	[**]	Springfield, MO	[**]
Amarillo	[**]	Little Rock	[**]	St. Louis	[**]
Anaheim, CA	[**]	Livonia, MI	[**]	Sterling, VA	[**]
Arlington. Hgts, IL	[**]	Lombard, (L (Chicago)	[**]	Stockton	[**]
Arlington, VA	[**]	Long Beach	[**]	Sunnyvale	[**]
Atlanta	[**]	Los Angeles	[**]	Tampa	[**]
Arcadia	[**]	Lubbock	[**]	Temecula	[**]
Auburn Hills, MI (Detroit)	[**]	Madison	[**]	Tempe, AZ (Phoenix)	[**]
Austin	[**]	Maryland Heights. MO (St. Louis)	[**]	Toledo	[**]
Bakersfield	[**]	Mc Allen	[**]	Topeka	[**]
Baltimore	[**]	McLean, VA	[**]	Torrance, CA	[**]
Beaumont	[**]	Melbourne	[**]	Troy, MI (Detroit)	[**]
Boston	[**]	Memphis	[**]	Tukwila. WA	[**]
Bridgeton, MO (St. Louis)	[**]	Meriden, CT (New Haven)	[**]	Tulsa	[**]
Brookfield, WI (Milwaukee)	[**]	Miami	[**]	Visalia	[**]
Burbank	[**]	Midland	[**]	Wallingford. CT (New Haven)	[**]
Burlingame, CA	[**]	Milwaukee	[**]	Walnut Creek, CA (San Francisco)	[**]
Charlotte	[**]	Minneapolis	[**]	Wait ham	[**]
Chesterfield, MO (St. Louis)	[**]	Modesto	[**]	Warren, MI (Detroit)	[**]
Chicago	[**]	Monterey	[**]	Washington Dc	[**]
Chico	[**]	N Little Rock, AR (Little Rock)	[**]	Waterford. MI (Detroit)	[**]
Cleveland	[**]	Nashville	[**]	Wausau	[**]
Collinsville, IL (St. Louis)	[**]	New Haven	[**]	West Dundee. IL (Chicago)	[**]
Columbus	[**]	New Orleans	[**]	Westford. MA	[**]
Concord, CA	[**]	New York	[**]	Westminster, CO (Denver)	[**]
Corpus Christi	[**]	Newark	[**]	White Plains	[**]
Creve Coeur, MO (St. Louis)	[**]	Norfolk	[**]	Wichita	[**]
Dallas	[**]	Oakbrook, IL (Chicago)	[**]	Windsor Locks, CT (Hartford)	[**]

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City	2005 Room Rate Only Guidelines	City	2005 Room Rate Only Guidelines	City	2005 Room Rate Only Guidelines
Dayton	[**]	Oakland	[**]		
Dearborn, MI	[**]	Oklahoma City	[**]		
Denver	[**]	Ontario	[**]		
Detroit	[**]	Orange County	[**]		
Dublin, CA (San Francisco)	[**]	Orlando	[**]		
Dublin, OH (Columbus)	[**]	Overland Park, KS	[**]		
Dulles, VA	[**]	Pasadena	[**]		
Earth City, MO (St. Louis)	[**]	Peoria	[**]		
Eau Claire	[**]	Pewaukee, WI (Milwaukee)	[**]		
El Paso	[**]	Philadelphia	[**]		
Emeryville, CA (Oakland)	[**]	Phoenix	[**]		
Englewood, CO (Denver)	[**]	Piscataway, NJ (Newark)	[**]		
Eureka/Arcata	[**]	Piano, TX	[**]		
Fairfax, Virginia	[**]	Pleasanton	[**]		
Farmington Hills, MI (Detroit)	[**]	Portland	[**]		
Fayetteville	[**]	Raleigh	[**]		
Fort Wayne	[**]	Reno	[**]		
Fresno	[**]	Reston, VA	[**]		
Ft Lauderdale	[**]	Richardson, TX	[**]		
Ft. Worth, TX (Dallas)	[**]	Rockville, MD	[**]		
Gaithersburg, MD	[**]	Rolling Meadows, IL (Chicago)	[**]		
Grand Rapids	[**]	Rosemont, IL	[**]		
Green Bay	[**]	Sacramento	[**]		
Greenbelt, MD	[**]	Saginaw	[**]		
Harlingen	[**]	Salt Lake City	[**]		
Herndon, VA	[**]	San Antonio	[**]		
Hartford	[**]	San Diego	[**]		
Hoffman Estates	[**]	San Francisco	[**]		
Houston	[**]	San Jose	[**]		
Hudson, OH (Cleveland)	[**]	San Luis Obispo	[**]		

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City	2005 Room Rate Only Guidelines	City	2005 Room Rate Only Guidelines	City	2005 Room Rate Only Guidelines
Huntsville	[**]	San Ramon	[**]		
Independence, OH (Cleveland)	[**]	San Leandro, CA	[**]		
Indianapolis	[**]	Santa Clara	[**]		
Irving, TX	[**]	Santa Monica	[**]		
Jacksonville	[**]	Santa Rosa	[**]		
Kalamazoo	[**]	Sarasota	[**]		
Kansas City	[**]	Schaumburg, IL	[**]		
La Jolla	[**]	Scottsdale	[**]		
Lansing	[**]	Seattle	[**]		
Laredo	[**]	Southfield, MI	[**]		

Cities not listed on the Top City Hotel Room Rate Only Guideline Matrix, default to \$[**] nightly rate.

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ADDENDUM B

International travel expenses shall be limited to the round-trip between the SBC on-site location and the resource’s point of entry into the United States.

SBC will provide Supplier with at least [**] day prior notice of all required travel to permit Supplier to obtain the lowest possible airfare. Travel costs for flights for which Supplier received [**] days notice will be calculated per the following table with the exception that, for international travel, flight costs will be charged at the rate of [**]. All other travel costs will be calculated in accordance with Section 3.4 above.

Aggregate travel and living expenses under all Work Order(s) shall be limited to no more than [**] of the aggregate amount paid by SBC under all Orders.

Originating Location		Destination				
		Dallas	St Louis	Bay Area	Chicago	Israel/Cyprus
	Dallas		[**]	[**]	[**]	[**]
	St Louis	[**]		[**]	[**]	[**]
	Bay Area	[**]	[**]		[**]	[**]
	Chicago	[**]	[**]	[**]		[**]
	Israel /Cyprus	[**]	[**]	[**]	[**]	

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Amendment

No. 02026713.A.004

Between

Amdocs, Inc.

And

AT&T Services, Inc.

AMENDMENT NO. 4**AGREEMENT NO. 02026713**

This Amendment No. 4, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier") and AT&T Services, Inc., formerly known as SBC Services, Inc. ("SBC"), a Delaware corporation ("AT&T"), each of which may be referred to in the singular as "Party" or in the plural as "Parties."

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, and as further amended by Amendment No. 3 effective December 15 2005, (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360-1 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, AT&T may desire Amdocs to implement customizations to such Software pursuant to the terms and conditions of the Agreement as amended herein; and

WHEREAS, Amdocs desires to implement customizations to the Software pursuant to the terms and conditions of the Agreement as amended herein.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree as follows:

1. TABLE OF CONTENTS, APPENDICES AND EXHIBITS is hereby amended to add the following:

- Appendix 6.5 - Background Check
- Exhibit F – Confidentiality and Invention Agreement
- Exhibit G – Software/Technology Nondisclosure Agreement
- Exhibit H – Disaster Recovery and Business Continuity Plan

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2. **ARTICLE II - DEFINITIONS** is hereby amended to include the following:

- 2.42 **“AT&T Personal Data”** means that portion of AT&T Data that is subject to any Privacy Laws and includes CPI (for example, under 47 U.S.C. § 222(b)) and CPNI.
- 2.43 **“CPI”** means Customer Proprietary Information.
- 2.44 **“CPNI” “Customer Proprietary Network Information”** or **“CPNI”** means (i) “customer proprietary network information” as defined under the Communications Act of 1934, as amended, including by the Telecommunications Act of 1996, and applicable Federal Communications Commission orders and regulations; (ii) any of the following information of any customer of AT&T, or any customer of any such customer, whether individual or aggregate, whether or not including identifying information: names, addresses, phone numbers, calling patterns, quantity, nature, technical configurations, locations, types, destinations or amount of use of telecommunications services received or calls received or made; (iii) information contained on the telephone bills of AT&T’s customers (including the customers of such customers) pertaining to telephone exchange service or telephone toll service received by a customer of AT&T or of any customer; (iv) unlisted customer numbers; (v) aggregate customer data with individual identifying information deleted; or (vi) information available to AT&T by virtue of AT&T’s relationship with its customers as a provider of telecommunications service, or by virtue of their customers’ relationships with their own customers as a provider(s) of telecommunications services.
- 2.45 **“EAR Denied Persons List”** shall mean the Export Administration Regulations denied persons list of the Bureau of Industry and Security of the United States Department of Commerce, as updated, or such other list of the United States that may replace, or be of similar subject matter to, the Export Administration Regulations denied persons list.
- 2.46 **“Offshore Services”** has the meaning given to it in Section 6.13.
- 2.47 **“Privacy Laws”** means Laws relating to data privacy, trans-border data flow or data protection.
- 2.48 **“SDN Blocked Persons List”** means the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the United States Department of the Treasury, as it is updated, or such other list of the United States as may replace, or be of similar subject matter to, the Specially Designated Nationals and Blocked Persons list.
- 2.49 **“Laws”** means all national, federal, intergovernmental, regional, common, state and local laws, statutes, regulations, rules, executive orders, supervisory requirements,

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directives, circulars, opinions, orders, interpretive letters and other official releases of or by any government or quasi-governmental authority, or any authority, department or agency thereof, or any self-regulatory organization, anywhere in the world, including Privacy Laws.

3. ARTICLE 3 - GENERAL TERMS Section 3.4 Compliance with Laws is hereby deleted and replaced in its entirety with the following:

3.4 Compliance with Laws:

- a. Compliance with FCC Docket No. 96-115. Notwithstanding and without limiting any other provisions of this Agreement, Supplier represents and warrants that, with respect to the provision of the Services and the performance of its other legal and contractual obligations hereunder, it shall be in compliance with any Laws based on 47 U.S.C. § 222 (including the rules and orders issued from Federal Communications Commission's CC Docket No. 96-115) and any Laws addressing similar subject matters, and shall remain in compliance with such Laws for the entire term of this Agreement, including identifying and procuring applicable permits, certificates, approvals and inspections required under such Laws.
- b. Software, Equipment, Systems and Materials Compliance. Supplier warrants that, as of the Effective Date, the Software, Equipment, Systems and materials owned, provided or used by Supplier in providing the Services are in compliance with all applicable Laws, and Supplier covenants that they shall remain in compliance with all applicable Laws for the entire term of this Agreement and/or any applicable Order.
- c. Compliance with Data Privacy Laws. Without limiting any other provisions of this Agreement, with respect to any AT&T Personal Data, Supplier shall comply with all Laws under applicable Privacy Laws (as well as Laws with respect to any CPNI or CPI). Supplier shall also provide AT&T with such assistance as AT&T may reasonably require to fulfill its responsibilities under the respective applicable Privacy Laws.
- d. Compliance with Export Control Laws. The Parties expressly acknowledge their obligation to comply with all applicable Laws regarding export from the United States of computer hardware, Software, technical data or derivatives thereof, as such Laws may be modified from time to time. In their respective performance of the activities contemplated under this Agreement, neither party will directly or indirectly export (or re-export) any computer hardware, Software, technical data or derivatives of such hardware, Software or technical data, or permit the shipment of same: (a) into any country to which the United States has embargoed goods; (b) to anyone on the Denied Persons List, List of Specially Designated Terrorists or List of Specially Designated Narcotics Traffickers or (c) to any country or destination for which the United States government or a United States governmental agency requires an export license or other approval for export without first having obtained such license or other approval. Each Party will reasonably cooperate with the other and will provide to the other promptly upon request any end-user

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certificates, affidavits regarding re-export or other certificates or documents as are reasonably requested to obtain approvals, consents, licenses and/or permits required for any payment or any export or import of products or Services under this Agreement. To the extent within Supplier' control, Supplier shall be responsible for, and shall coordinate and oversee, compliance with such export Laws in respect of such items exported or imported hereunder. This Section 3.4(i) shall not relieve Supplier of its obligation to perform the Services as provided herein, but such performance shall be undertaken in a manner complying with such Laws. Further, a change of any such Law shall not constitute a force majeure event pursuant to Section 3.10. The provisions of this Section 3.4(i) will survive the expiration or termination of this Agreement for any reason.

- e. Executive Order Compliance. 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.

- 4. **ARTICLE 3 - GENERAL TERMS Section 3.9 Export Control** is hereby deleted and replaced in its entirety with the following:

3.9 Export Control:

Export Laws. Supplier understands and agrees that any and all AT&T applications may not be exported or reexported to an embargoed country, or discussed, or reviewed by any citizen of the embargoed countries or entities (i.e., Cuba, Iran, Iraq, Libya, North Korea, and Syria). For all purposes, an embargoed country is considered both the geographic area containing the land mass and the citizens of that country, whether they are within the borders of the country or not. Additionally, Supplier understands and agrees that it will not allow access to any and all AT&T applications to any person from an embargoed country, even if living/working in another country. No one is authorized to work on this Work Order, if they are from an embargoed country.

- 5. **ARTICLE III - GENERAL TERMS Section 3.13 Information** is hereby amended to add the following paragraph C Information – Customer.

C. Information - Customer:

- a. For the purposes of this clause, "Information – Customer," "Customer Information" includes, but is not limited to, customer name, address, phone number, information concerning a customer's calling patterns, unlisted customer numbers, aggregate customer data with individual identifying information deleted, and Customer Proprietary Network Information ("CPNI") which includes information available to AT&T by virtue of the AT&T's relationship with its customers as a provider of telecommunications service and may include: the quantity, technical configuration, location, type, destination, amount of

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use of telecommunications service subscribed to, and information contained on the telephone bills of AT&T's customers pertaining to telephone exchange service or telephone toll service received by a customer of AT&T. Except as provided herein, title to all Customer Information shall be in AT&T. Except as otherwise provided herein, no license or rights to any Customer Information are granted to Supplier hereunder.

- b. Supplier acknowledges that Customer Information received may be subject to certain privacy laws and regulations and requirements of AT&T. Supplier shall consider Customer Information to be private, sensitive and confidential. Accordingly, with respect to Customer Information, Supplier shall comply with all applicable CPNI restrictions of the Telecommunications Act (47 U.S.C. § 222) and, for AT&T's customers residing in California, the Constitution of California (Article I, § 1), the California Public Utilities Code (§§ 2891 – 2894), and General Order 107-B of the California Public Utilities Commission. Accordingly, Supplier shall:
1. not use any CPNI to market or otherwise sell products to AT&T's customers;
 2. make no disclosure of Customer Information to any party other than AT&T.
 3. not incorporate any Customer Information into any database other than in a database maintained exclusively for the storage of AT&T's Customer Information;
 4. not incorporate any data from any of Supplier's other customers, including Affiliates of AT&T, into AT&T's customer database;
 5. make no use whatsoever of any Customer Information for any purpose except to comply with the terms of this Agreement;
 6. make no sale, license or lease of Customer Information to any other party;
 7. restrict access to Customer Information to only those employees of Supplier that require access in order to perform Services under this Agreement;
 8. implement and comply with a data security plan, approved in advance in writing by AT&T, and other procedures as may be agreed by AT&T and Supplier relative to the security of Customer Information at all times in performing Services hereunder;
 9. prohibit access or use of Customer Information by any of Supplier's other customers, Supplier's Affiliates, or third parties except as may be agreed otherwise by AT&T; and
 10. promptly return all Customer Information to AT&T upon expiration, Termination or Cancellation of this Agreement or applicable schedule, unless expressly agreed or instructed otherwise by AT&T.
 11. comply with AT&T's privacy policy, which can be found at <http://att.sbc.com/gen/privacy-policy?pid=2506>.; and
 12. immediately notify AT&T of any violation of this Subsection 5.C.

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6. **ARTICLE III - GENERAL TERMS Section 3.15 Insurance** is hereby deleted and replaced in its entirety with the following:

- a. With respect to Supplier's performance under this Agreement, and in addition to Supplier's obligation to indemnify, Supplier shall:
- i. maintain the minimum insurance coverages and limits required by this Section and any additional insurance and/or bonds required by law.
 1. at all times during the term of this Agreement and until completion of all Work associated with this Agreement, whichever is later; and
 2. with respect to any coverage maintained in a "claims-made" policy, for two (2) years thereafter;
 - ii. require each subcontractor that may perform Work under this Agreement or enter upon the Work site to maintain the same coverages and limits listed in this Section from the time when the subcontractor begins Work, throughout the term of the subcontractor's Work and, with respect to any coverage maintained on a "claims-made" policy, for two (2) years thereafter;
 - iii. procure the required insurance from an insurance company eligible to do business in the State where Work will be performed and having and maintaining a Financial Strength Rating of "A" or better and a Financial Size Category of "VIII" or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies, except that, in the case of **Workers' Compensation** insurance, Supplier may procure insurance from the state fund of the state where Work is to be performed; and
 - iv. deliver to AT&T certificates of insurance stating the types of insurance and policy limits, with a cancellation clause amended to read as follows: "The issuing company will endeavor to provide at least 30 days advance written notice of cancellation or non-renewal to AT&T". Supplier shall deliver such certificates:
 1. prior to commencement of any Work;
 2. prior to expiration of any insurance policy required in this Section; and
 3. for any coverage maintained on a "claims-made" policy, for two years following the term of this Agreement or completion of all Work associated with this Agreement, whichever is later.
- b. The insurance coverage required by this Section includes:
- i. **Workers' Compensation** insurance with benefits afforded under the laws of the state in which the Work is to be performed and **Employers Liability** insurance with minimum limits of:
 - \$1,000,000 for Bodily Injury – each accident
 - \$1,000,000 for Bodily Injury be disease – policy limits
 - \$1,000,000 for Bodily Injury by disease – each employee

To the fullest extent allowable by law, the policy must include a waiver of subrogation endorsed in favor of AT&T, its Affiliates, and their directors, officers and employees.

Proprietary Information

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- ii. **Commercial General Liability** insurance written on Insurance Services Office (ISO) Form CG 00 01 10 01 or later, with minimum limits of:

\$2,000,000 General Aggregate limit

\$1,000,000 each occurrence limit for all bodily injury or property damage incurred in any one (1) occurrence

\$1,000,000 each occurrence limit for Personal Injury and Advertising Injury

\$2,000,000 Products/Completed Operations Aggregate limit

\$1,000,000 each occurrence limit for Products/Completed Operations

\$1,000,000 Fire Legal Liability

The total limit may be met with any combination of primary and Umbrella/Excess Liability limits. The **Commercial General Liability** insurance policy must:

1. be endorsed to include AT&T, its Affiliates, and their directors, officers, and employees as Additional Insureds. Supplier shall provide a copy of the Additional Insured endorsement to AT&T prior to Work being performed. A copy of the Additional Insured endorsement must be provided at each **Commercial General Liability** policy renewal;
2. include a waiver of subrogation endorsed in favor of AT&T, its Affiliates, and their directors, officers and employees; and
3. be primary and non-contributory with respect to any insurance or self-insurance that is maintained by AT&T.

- iii. **Automobile Liability** insurance with minimum limits of \$1,000,000 combined single limit per accident for bodily injury and property damage, extending to all owned, hired, and non-owned vehicles.
- iv. **Professional Liability (Errors & Omissions)** insurance with minimum limits of \$1,000,000 each wrongful act.
- v. **Internet Liability and Network Protection (Cyberrisk)** insurance with minimum limits of \$1,000,000 each wrongful act.
- vi. **Media Liability** insurance with minimum limits of \$1,000,000 each wrongful act.

7. **ARTICLE V – SPECIAL SOFTWARE TERMS, Section 5.4 Technology Standards** is hereby amended to include the following paragraph C:

- C. AT&T shall have final authority to promulgate its information technology architectures and standards (the “AT&T Standards”) and to modify or grant waivers from such AT&T Standards. Supplier shall comply with the AT&T Standards as set forth in this Agreement and subject to amendments to such Appendices through written amendment to this Agreement in its performance of the Services, subject to obtaining AT&T’s prior written approval for any deviations from such AT&T Standards.

Proprietary Information

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8. ARTICLE VI - ONGOING SUPPORT SERVICES, Section 6.4 Access to AT&T Facilities is hereby amended to include the following:

- E. Supplier's employees include "foreign persons" within the meaning of the U.S. export control laws, and foreign persons employed by Supplier may, subject to Section 6.5, have access to AT&T computer or electronic data storage systems or networks in order to provide Services under this Agreement unless otherwise specifically set forth in a Work Order.
1. **Online Access.** If Supplier is given access, whether at AT&T's premises or through remote facilities, to any AT&T computer or electronic data storage system in order for Supplier to perform the Services, Supplier shall limit such access and use solely to perform Services within the scope of the applicable Order(s) and will not attempt to access any AT&T computer system, electronic file, Software or other electronic services other than those specifically required to perform the Services specified in such Order (s). Supplier shall (i) limit such access to those Supplier personnel with an express requirement to have such access in connection with this Agreement and/or any Order and, in doing so, shall comply with Section 6.5, (ii) advise AT&T in writing of the name of each individual who will be granted such access, and (iii) strictly follow all AT&T security rules and procedures for use of AT&T's electronic resources provided to Supplier from time to time. Upon AT&T's request, Supplier shall provide the social security number or other personal identification of each of its representatives, including Supplier's employees and subcontractors' employees, who will need access to any AT&T system to perform Supplier's obligations under this Agreement. All user identification numbers and passwords disclosed to Supplier and any information obtained by Supplier as a result of Supplier's access to, and use of, AT&T's computer and electronic storage systems shall be deemed to be, and shall be treated as, Information of AT&T pursuant to this Agreement hereof. Supplier shall cooperate with AT&T in the investigation of any apparent unauthorized access by Supplier to AT&T's computer or electronic data storage systems or unauthorized release of Information of AT&T by Supplier or any Supplier personnel.
 2. **Network Access:** Without limiting the foregoing, to the extent any Hardware provided or used by Supplier or Supplier Personnel is connected directly to the network(s) of AT&T, such Hardware shall be (i) subject to review and approval in advance by AT&T, (ii) in strict compliance with AT&T's then-current security policies, architectures, standards, rules and procedures provided to Supplier in writing, and (iii) in strict compliance with AT&T's then-current hardware and Software Specifications provided to Supplier in writing. Supplier shall not install or permit the installation of any other Software on such Hardware without AT&T's prior approval.
 3. Additionally, the presence of any Supplier Personnel on-site raises certain day-to-day practical issues as recognized in this Section, involving compliance with AT&T policies specified in the AT&T Code of Conduct as provided to Supplier in writing. AT&T will confirm that these rules incorporate site specific rules respecting access, security and similar matters. Supplier shall adhere to similar if not the same rules at Supplier's location(s) from which Services and Materials are provided pursuant to this Agreement.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

4. Supplier Personnel working offshore can only access AT&T Systems/data while physically located in an AT&T approved Supplier facility as stated in the Work Order. Offshore Supplier Personnel may not at any time remotely access any AT&T System or data. Any exceptions must be submitted in writing to the OMO for approval.
5. As soon as reasonably possible after the execution of this Agreement and on [**] basis thereafter, Supplier will, [**], perform a security audit utilizing an independent auditor, as mutually agreed by the parties. Such security audit shall ensure that Supplier will strictly follow all AT&T security rules and procedures for use of AT&T's electronic resources provided to Supplier and that Supplier will be in strict compliance with AT&T's then-current security policies, architectures, standards, rules and procedures.

9. **ARTICLE VI - ONGOING SUPPORT SERVICES, Section 6.5 Background Check** is hereby deleted in its entirety and replaced with the following:

6.5 Background Check:

Supplier shall comply with the requirements of Appendix 6.5 entitled Background Checks.

10. **ARTICLE VI - ONGOING SUPPORT SERVICES, Section 6.6 Confidentiality and Invention Agreement** is hereby deleted and replaced in its entirety with the following:

6.6 Confidentiality and Invention Agreement and Non-Disclosure Agreement:

- a. Prior to any employee or agent of Supplier or Supplier's Sub-suppliers accessing any AT&T Software or Third Party Software provided by AT&T to Supplier, said employee or agent shall execute a copy of the Confidentiality and Invention Agreement, Exhibit F, as well as the Non-disclosure Agreement ("NDA") attached hereto and G.
- b. For existing employees or agents, Supplier will require any such employee or agent to execute the NDA and submit the originals to AT&T's Offshore Management Office ("OMO") as soon as possible.
- c. For any such employee or agent subsequently assigned to perform Services on AT&T's behalf, prior to said employee or agent having access to any such Software, including without limitation logging onto an AT&T's network, Supplier will be required to ensure AT&T receives an executed NDA from each such employee or agent. In the event Supplier can not send the NDA to AT&T's OMO for receipt prior to such access, Supplier will require such employee or agent to execute the NDA and Supplier will fax a copy of the NDA to AT&T's OMO prior to such access and Supplier will immediately send the original to AT&T's OMO.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

d. The address for AT&T's OMO is:

[**]

e. Exhibits F and G are attached and incorporated hereby and becomes an integral part of this Agreement.

11. ARTICLE VI - ONGOING SUPPORT SERVICES is hereby amended to add the following Sections:

6.11 Disaster Recovery and Business Continuity Plan:

Supplier will provide a Disaster Recovery and Business Continuity Plan at all times during the term of this Agreement for their offshore operations associated with each Project and or Application that is assigned to them by AT&T as set forth in Exhibit H, Disaster Recovery and Business Continuity Plan. Such Disaster Recovery and Business Continuity Plan shall be reviewed and mutually agreed upon with AT&T.

This should include, but not be limited to:

- i. Demonstrate the existence of a recovery strategy, which is complimentary to AT&T that is exercised with documented conclusions and recommended improvements.
- ii. Ensure that failover processes and procedures are in place to support AT&T applications and these failover processes and procedures are exercised [**] (at a minimum).
- iii. Ensure that adequate communication documents, processes, and procedures are readily available and kept up to date.

6.12 Electronic Privacy Policy:

Supplier and all Supplier Personnel shall abide by the following policy AT&T has established for all electronic information systems:

- a. AT&T electronic and computer resources are provided for the transaction of company business. The policy of AT&T with respect to information in electronic media (including but not limited to programs, databases, files, e-mail records) is no different from the policy concerning paper records. While AT&T at all times retains the right to inspect, record and/or remove all information made or kept by employees utilizing company resources, such inspection, recording, or removing takes place only on the basis of company need. Need includes but is not limited to management's determination that reasonable cause exists for belief that laws, AT&T policies or management directives have been, are being, or may be broken or violated.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

- b. Protection of AT&T systems/networks: Supplier and all Supplier Personnel shall follow all AT&T policies including AT&T Personal Data policies. Supplier shall provide AT&T with such assistance as AT&T may reasonably require in fulfilling its responsibilities under the respective applicable Privacy Laws.
- c. AT&T Personal Data shall mean that portion of AT&T Data that is subject to any Privacy Laws. "Privacy Laws" shall mean Laws relating to data privacy, trans-border data flow or data protection such as the implementing legislation and regulations of the European Union member states under the European Union Directive 95/46/EC.

6.13 Offshore Transfer or Processing of AT&T Data:

- a. Supplier represents and warrants that, to the extent that its performance of the Services includes the transfer, storage or processing outside of the United States of AT&T Data or other performance of the Services outside of the United States, such Services (the "**Offshore Services**") will be (i) performed in accordance with the Agreement and Laws (including Privacy Laws) of the United States, European Union (if applicable) and any jurisdiction in which the Offshore Services are performed and (ii) performed such that Laws permit the transfer of the AT&T Data back into the United States, and future performance of the Services within the United States, without any additional cost to AT&T or authorization or permission of any Entity or government.
- b. In the event that new Laws or changes in Laws (including as contemplated in **Section a, Compliance with FCC Docket No. 96-115**): (i) require that any such Services be performed within the United States or any other jurisdiction; (ii) prohibit the performance of any Services as Offshore Services; or (iii) require that the AT&T Data used in connection with such Offshore Services be transferred back to the United States or restrict such AT&T Data from being transferred to or from, or processed in, stored in or accessed from any jurisdiction (collectively, "Offshore Impact"), and additional costs are required to be incurred in order to cause the Services to be performed in accordance with Laws, the Parties shall use commercially reasonable efforts to agree upon responsibility for such costs and any required modifications of the effected Work Order(s). In such event, and subject to the foregoing Supplier shall perform all necessary tasks in order to continue to perform the Services, including any Offshore Services, in compliance with Laws, including, as required by Laws, the performance of any or all Services within the United States. Upon the event of an Offshore Impact, the Parties will discuss and consider whether to allow Supplier to increase the number of resources working onsite, provided that AT&T will not be required to consent to any such increase. If the Parties are unable to agree upon responsibility for such costs and any required modifications of the effected Work Order(s) within [**] days of either Party's request to do so, AT&T shall be entitled to Terminate the effected Work Order(s) for convenience in accordance with the Agreement.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

- c. Supplier represents and warrants that, to the extent that Offshore Services are performed and to the extent that AT&T Data is transferred to, processed or stored outside, or accessed from outside of the United States and in addition to its other obligations under this Agreement, Supplier shall store and process AT&T Data and store and operate all Application Software in a secure environment designed, monitored and administered to prevent the violation of Laws or this Agreement. In addition, Supplier shall establish, and require all Supplier Personnel to comply with, stringent policies and rules regarding the removal of AT&T Data or Application Software from Supplier Facilities and otherwise requiring Supplier Personnel to act in accordance with this Agreement and Laws, and Supplier shall establish physical and logical measures to ensure that such policies and rules are followed. Under no circumstances shall AT&T Data or Application Software used in Offshore Services be removed from Supplier Facilities.

6.14 Service Facilities/Location:

The Services shall be provided at or from (i) an AT&T facility, (ii) service locations owned or leased by Supplier or (iii) an AT&T IT Sourcing approved Supplier's offshore facility located in one of the approved locations listed below. Except to the extent set forth in this Agreement or otherwise solely agreed to by AT&T, Supplier shall provide the Services from within the continental United States or shall be limited to operations in Israel, Cyprus and India at all times during the term of this Agreement.

i. Approved Offshore Locations:

The Amdocs' India resources will be located at the following address:

Cyber City Tower 2
6th Floor
Magarpatta City
Hadapsar, Pune, India 411028

The Amdocs' Israel resources will be located at the following addresses:

8 Hapnina St.	4 Hahrash St.	Shaar Hanegev
Ra'anana	Neve Neeman	Industrial Zone
43000	Hod Hasharon	Shderot
Israel	Israel	Israel

The Amdocs' Cyprus resources will be located at the following address:

Cyprus Limassol
141, Omonia Avenue
The Maritime Center
P.O. Box 50483 3506 Limassol

Proprietary Information

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ii. Establishing New Locations:**a. New Country/City:**

In the event that an Offshore Supplier wants to start up business in a new country or city where AT&T work is to be performed:

- The Offshore Supplier must notify the AT&T Offshore Management Office to seek a formal approval from the Executive Director of the AT&T Offshore Management Office.

b. New Building in Approved City:

In the event that an Offshore Supplier wants to begin providing services from a new building to perform AT&T work and it is within a city where they are currently working:

- The Offshore Supplier must notify the AT&T Offshore Management Office to seek a formal approval from the Executive Director of the Offshore Management Office.
- The Offshore Supplier must have the new address of the building audited by a reputable third party auditor.
- The Offshore Supplier must give the most current version of AT&T's Offshore Management Office External Audit Controls to the third party auditor to conduct the audit.

- **The audit must be conducted within [**] of the Offshore Personnel starting work in the new building.**

6.15 Software and Hardware provided by AT&T to Supplier Personnel:

- a. Supplier will provide standard desktop Hardware and Software required for the Project for offshore Supplier Personnel that Supplier would normally provide for Supplier's own personnel working in a particular job title, while working from Supplier's offshore service locations.
- b. Supplier will bear the expense of any special accommodations or evaluations for Supplier's own employees at an AT&T facility or an AT&T IT Sourcing approved facility.
- c. Any Software licenses provided and / or purchased by AT&T for a Project for Use by Supplier Personnel, shall remain the property of AT&T and be returned to AT&T at end of the Term, Cancellation or Termination of the Work Order and / or this Agreement. Licenses will also be returned as any Supplier Personnel roll off any Project.
- d. Any Hardware or memory upgrades provided and / or purchased by AT&T for a Project for Use by Supplier Personnel, shall remain the property of AT&T and be returned to AT&T at end of the Term, Cancellation or Termination of the Work Order and or this Agreement. Hardware and / or memory will also be returned as any Supplier Personnel roll off any Project.
- e. Supplier will be responsible for tracking any Software licenses and or Hardware provided and or purchased by AT&T for a Project for use by the Supplier Personnel including the date received and the date returned to AT&T.

Proprietary Information

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The terms and conditions of Agreement No. 02026713 in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 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.

Amdocs, Inc.

By: /s/ John J. Horgan
Printed Name: John J. Horgan
Title: President - Administrative Operations, North America
Date: September 27, 2006

AT&T Services, Inc.

By: /s/ Beverly J. Madsen
Printed Name: Beverly J. Madsen
Title: Associate Director- Strategic Sourcing
Date: September 27, 2006

Proprietary Information

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Appendix 6.5 – Background Check

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 7 pages were omitted. [**]

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

Exhibit F - Confidentiality and Invention Agreement**CONFIDENTIALITY AND INVENTION AGREEMENT**

This Agreement ("Agreement") dated _____ is made by the individual named below ("I" or "me"), who is engaged to perform work at [Insert name of AT&T company that worker will be doing work for.] ("AT&T Company"), as a worker of _____ ("Supplier") under the terms and conditions of the agreement named below, between Supplier and <|AT&T!>.

I. Background

I have been engaged by Supplier to provide services to AT&T Company. I may be hired by Supplier as a full or part-time employee, a temporary worker, or as an independent contractor

II. Information. I agree and understand that the term "Information" means any technical, customer or business information in written, graphical, oral or other tangible or intangible forms, including but not limited to, specifications, records, data, computer programs, tax returns, tax workpapers, drawings, models and secrets which AT&T Company may have in its possession or be legally obligated to keep confidential. I understand that during the course of my work at AT&T Company, I may have access to Information that belongs to AT&T Company, its customers or other parties, or may be subject to privacy laws and laws regarding secrecy of communications, and that unauthorized disclosure of such Information may be harmful or prejudicial to the interests of AT&T Company. I agree not to disclose, copy, publish, or any way use, directly or indirectly, such Information for my purposes or the purposes of others, unless such disclosure or use is expressly authorized in writing by AT&T Company. I agree to keep such Information in a secure environment to prevent the inadvertent disclosure of such Information to others. I acknowledge and agree that all such Information remains the exclusive property of AT&T Company and I agree not to remove such Information from AT&T Company's possession or premises by physical removal or electronic transmission unless I have written authorization from AT&T Company to do so.

III. Innovations

1. I understand that during and incident to my work at AT&T Company, I may create inventions, discoveries, improvements, computer or other apparatus programs, and related documentation and other works of authorship ("Innovations"), whether or not patentable, copyrightable, or subject to other forms of legal protection. I assign to AT&T Company all of my rights, title and interest (including rights in copyright) in and to all Innovations I make, create or develop, either solely or jointly with others, during my work at AT&T Company for which Supplier was paid by AT&T Company for my work or for which I used AT&T Company's materials or facilities. I agree that the above assignment is binding upon my estate, administrators, or other legal representatives or assigns.
2. I agree to promptly notify AT&T Company of all such Innovations. Whenever requested by AT&T Company, I shall promptly execute, without additional compensation, any and all instruments which AT&T Company may deem necessary to assign and convey to AT&T Company all of my rights, title and interest in and to all such Innovations. In addition, I agree to assist AT&T Company in preparing copyright or patent applications and to execute such applications and all documents required to obtain copyrights or patents for such Innovation, all at AT&T Company's expense including compensation to me at the rates specified in the agreement named below. I agree that my obligation to execute such instruments shall continue after the expiration of my work with AT&T Company.
3. THIS AGREEMENT DOES NOT APPLY TO ANY INVENTION MADE IN THE STATE OF KANSAS FOR WHICH NO EQUIPMENT, SUPPLIES, FACILITIES OR TRADE SECRET INFORMATION OF AT&T COMPANY WAS USED AND WHICH WAS DEVELOPED ENTIRELEY ON MY OWN TIME, UNLESS (1) THE INVENTION RELATES TO THE BUSINESS OF THE AT&T COMPANY OR THE AT&T COMPANY'S ACTUAL OR DEMONSTRABLY ANTICIPATED RESEARCH OR DEVELOPMENT OR (2) THE INVENTION RESULTS FROM ANY WORK PERFORMED BY ME FOR AT&T COMPANY. THIS AGREEMENT DOES NOT APPLY TO AN INVENTION MADE IN CALIFORNIA WHICH QUALIFIES FULLY UNDER THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870. Section III, Paragraphs 1 and 2 do not apply to any Innovation which, under the provisions in the Agreement named below, is to be other than the sole and exclusive property of AT&T Company; the title provisions of said agreement apply to any such above Innovation.

IV. Administrative Terms

1. This Agreement shall be effective as of the date executed below, and shall remain in effect notwithstanding my termination of employment with Supplier or termination of my work at AT&T Company.
2. In the event that any provision of this Agreement is held to be invalid or unenforceable, then such invalid or enforceable provisions shall be severed, and the remaining provisions shall remain in full force and effect to the fullest extent permitted by law.

I have read, understand and agree to abide by this Agreement.

By: _____ Date: _____

Print Name: _____ Social Security Number: _____

Address: _____

Agreement No. between Supplier and <!ATT!>: _____ Effective Date: _____

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

Exhibit G - Non Disclosure Agreement Concerning

Encryption Software/Technology Exported from the United States

I, _____, enter into this nondisclosure agreement with Amdocs, Inc. (“Amdocs”), in connection with its work on behalf of AT&T Services, Inc., formerly known as SBC Services, Inc. (“SBC”), collectively (AT&T), and agree to be bound by the following:

1. I understand that I may be assigned to perform software development and maintenance work under a contract between Amdocs and AT&T.
2. I understand that under this contract I may have access to certain encryption software and technology. This software/technology may be exported from the United States in accordance with the U.S. Export Administration Regulations. Diversion contrary to U.S. law is prohibited.
3. I understand my employer Amdocs and AT&T have an agreement concerning the ownership of the intellectual property rights to any software and technology provided by either party under this contract referenced in paragraph 1, as well as any software and technology that may be developed pursuant to such contract, and that my access to and use of the software and technology is exclusively for the internal company use of AT&T, including development of new software, services or products for AT&T.
4. I will not re-export, re-transfer or otherwise disclose to any third party the software and technology provided to me by AT&T without the prior written consent of AT&T, including after the completion of my contractual duties.
5. I am not a citizen or lawful permanent resident of any country currently subject to Anti-Terrorism export controls under the U.S. Export Administration Regulations, which currently are designated in Country Group E:1 on the attached list.

Under the penalties of perjury provided by law, I declare that I have examined this document, and to the best of my knowledge and belief, it is true, correct, and complete. I understand that my commitments above are made for the benefit of AT&T, as well as Amdocs. I also understand that my failure to comply with my commitments above may result in my removal from all current and future work performed under contract with AT&T, as well as potential legal action by the US Government agencies charged with enforcing US export control laws.

Signature

Printed Name

Date

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

Attachment A

U.S. Export Administration Regulations – Commerce Control Chart. See the pages following

Proprietary Information

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Exhibit H - Disaster Recovery and Business Continuity Plan

Amdocs BCP/DRP Summary

Amdocs is a global company with development centers located around the world. At Amdocs, we are totally committed to providing the best possible products and services to our customers, and our commitment includes the ability to continue providing those products and services in the event of a major catastrophe at one of our development centers.

Our global presence inherently supports the BCP concept. All BCP/DRP operations world-wide are coordinated by a dedicated corporate BCP/DRP team. Since all of our development centers are interconnected, in the event of a major catastrophe, employees from damaged locations can relocate to alternate Amdocs facilities—in the same region or another region, depending on the situation—to continue supporting customer operations.

Our DRP strategy is based on ongoing replication of data to other Amdocs facilities, allowing full recovery of data from damaged sites and ensuring our capability to fully restore the damaged environment. Amdocs data centers are remotely monitored 24 x 7 x 365 and supported by technical professionals spread across the globe. In addition to DRP preparations, backups are performed on a daily basis, and tapes are tested and shipped to off-site storage facilities on a regular basis.

Our BCP/DRP plans are regularly tested and updated as needed to comply with changes in technologies and business needs.

The size of the company and the level of expertise across sites allow Amdocs, in case of a catastrophic event, to send development, operational, and technical reinforcement teams to customer sites to provide support and resolve issues following a disaster. In addition, other professional groups can be sent to assist and reinforce disaster recovery personnel. This allows Amdocs to provide ongoing support to our customers in a disaster situation until normal operations can resume.

Below are the alternate BCP/DRP destinations for the Amdocs sites currently supporting AT&T.

Raanana	[**]	
Hod Hasharon	[**]	
Negev	[**]	
Cyprus / Maritime	[**]	[**]
India / Magarpatta	[**]	[**]

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

Amendment

No. 02026713.A.005

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 5**AGREEMENT NO. 02026713**

This Amendment No. 5, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs") and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties."

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, and as further amended by Amendment No. 4 effective September 27, 2006 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360-2 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, AT&T may desire Amdocs to implement customizations to such Software and other Software previously licensed by Amdocs to AT&T, and to provide other Services relating to such Software pursuant to the terms and conditions of the Agreement as amended herein; and

WHEREAS, Amdocs desires to implement customizations to the Software and provide other Services relating to such Software pursuant to the terms and conditions of the Agreement as amended herein.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree as follows:

1. TABLE OF CONTENTS, APPENDICES AND EXHIBITS is hereby amended in accordance with the following:

Delete: Exhibit G – Software/Technology Nondisclosure Agreement

Delete: Appendix 6.5 Background Checks

Add: Appendix 6.5(a) Background Checks – U.S., and Appendix 6.5(b) Background Checks – Non-U.S.

Add: Appendix 7. 272 Compliance

Proprietary Information

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2. ARTICLE III — GENERAL TERMS 3.1 Affiliate is hereby amended to add the following paragraphs:

For the avoidance of doubt, Services provided under the Electronic Bill Payment Program (EBPP) Software Licenses and Services, Agreement No. 20021218.4.C, dated April 28, 2003 between AT&T Corp. and Amdocs Software Systems Limited are hereby incorporated under this Agreement. The EBPP application consists of Amdocs' Licensed Software known as Amdocs Corporate Self Care along with custom code that Amdocs has delivered to AT&T per Agreement Number 20021218.4.C.

Agreement Number 20021218.4.C was terminated as of December 31, 2006 per Notice of Termination effective March 7, 2007. Upon the effective date of this Amendment, this change shall apply retroactively to January 1, 2007. The Parties further agree to ratify all past actions taken between the above-referenced Termination of Agreement Number 20021218.4.C and the date when this Amendment is effective.

Additionally, for the avoidance of doubt, Services provided to AT&T Mobility, LLC, under the draft Work Orders entered into between the parties from July 27, 2007, to the date of this Amendment No. 5 are hereby incorporated under this Agreement. The Parties further agree to ratify all past actions taken under the draft Work Orders between July 27, 2007 and the date when this Amendment No. 5 is effective.

3. ARTICLE III — GENERAL TERMS 3.1 Affiliate is hereby amended to delete the fifth sentence thereof and to replace it with the following:

The parties expressly agree, however, that [**] under this Agreement [**] between the Parties, or any amendments or restatements of such agreement.

4. ARTICLE III — GENERAL TERMS 3.2 Amendments and Waivers, paragraph b is hereby amended to delete the following from this clause:

[**]

5. ARTICLE III — GENERAL TERMS 3.33 Title to Work, is hereby amended to add paragraph g as follows:

- g. For avoidance of doubt, the parties' respective intellectual property rights in all Work provided by Supplier to AT&T Mobility, LLC, formerly known as [**] ("AT&T Mobility") under all Work Orders and Statements of Work signed by Supplier and AT&T Mobility, all licenses to Software granted to AT&T Mobility, and all Maintenance Services ordered by AT&T Mobility prior to July 27, 2007, shall be governed by the terms and conditions of the Master Agreement between Supplier and

Proprietary Information

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AT&T [**] (including all applicable exhibits, annexes and amendments thereto). All such Software licenses shall apply only to [**]. In the event that [**] desires to order licenses to additional Software and/or additional Maintenance Services, the terms of such licenses and Maintenance Services shall be agreed to and specified in additional Orders under Agreement No. 03032360-2.

6. **ARTICLE III — GENERAL TERMS 3.8 Entire Agreement, first paragraph, last sentence** is hereby amended to delete the following:
and (ii) the MASTER AGREEMENT for SOFTWARE AND SERVICES between AMDOCS, INC. and [**] to be executed after completion of this Agreement.
7. **ARTICLE III — GENERAL TERMS Section 3.15 Insurance** is hereby deleted and replaced in its entirety with the following:
- 3.15 Insurance.**
- (a) With respect to Amdocs' performance under this Agreement, and in addition to Amdocs' obligation to indemnify, Amdocs shall comply with this Section.
 - (b) Amdocs shall maintain insurance coverages and limits required by this Section and any additional insurance and/or bonds required by law:
 - (i) at all times during the term of this Agreement and until completion of all Services associated with this Agreement, whichever is later; and
 - (ii) with respect to any coverage maintained in a "claims-made" policy, for two (2) years following the term of this Agreement or completion of all Services associated with this Agreement, whichever is later. If a "claims-made" policy is maintained, the retroactive date must precede the commencement of Services under this Agreement;
 - (c) Amdocs shall require each Subcontractor that may perform Services under this Agreement or enter upon the AT&T Facilities or Amdocs facilities to maintain coverages, requirements, and limits at least as broad as those listed in this Section from the time when the subcontractor begins performance of Services, throughout the term of the Subcontractor's performance of Services and, with respect to any coverage maintained on a "claims-made" policy, for two (2) years thereafter;
 - (d) Amdocs shall procure the required insurance from an insurance company eligible to do business in the state or states where Services will be performed and having and maintaining a Financial Strength Rating of "A-" or better and a Financial Size Category of "VII" or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies, except that, in the case of Workers' Compensation insurance, Amdocs may procure insurance from the state fund of the state where Services are to be performed; and

Proprietary Information

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- (e) Amdocs shall deliver to AT&T, certificates of insurance stating the types of insurance and policy limits, with a cancellation clause amended to read as follows: "The issuing company will endeavor to provide at least 30 days advance written notice of cancellation or non-renewal to AT&T". Amdocs shall deliver such certificates:
- (i) prior to execution of this Agreement and prior to commencement of any Services;
 - (ii) prior to expiration of any insurance policy required in this Section; and
 - (iii) for any coverage maintained on a "claims-made" policy, for two (2) years following the term of this Agreement or completion of all Services associated with this Agreement, whichever is later.
- (f) The Parties agree:
- (i) the failure of AT&T to demand such certificate of insurance or failure of AT&T to identify a deficiency will not be construed as a waiver of Amdocs' obligation to maintain the insurance required under this Agreement;
 - (ii) that the insurance required under this Agreement does not represent that coverage and limits will necessarily be adequate to protect Amdocs, nor be deemed as a limitation on Amdocs' liability to AT&T in this Agreement;
 - (iii) Amdocs may meet the required insurance coverages and limits with any combination of primary and Umbrella/Excess liability insurance; and
 - (iv) Amdocs is responsible for any deductible or self-insured retention.
- (g) The insurance coverage required of Amdocs by this Section shall include:
- (i) 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:
 - \$500,000 for Bodily Injury – each accident
 - \$500,000 for Bodily Injury by disease – policy limits
 - \$500,000 for Bodily Injury by disease – each employee

Proprietary Information

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To the fullest extent allowable by law, the policy must include a waiver of subrogation in favor of AT&T, its Affiliates, and their directors, officers and employees.

In states where Workers' Compensation insurance is a monopolistic state-run system, Amdocs shall add Stop Gap Employers Liability with limits not less than \$500,000 each accident or disease.

- (ii) Commercial General Liability insurance written on Insurance Services Office (ISO) Form CG 00 01 12 04 or a substitute form providing equivalent coverage, covering liability arising from premises, operations, personal injury, products/completed operations, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) with minimum limits of:
- \$2,000,000 General Aggregate limit
 - \$1,000,000 each occurrence limit for all bodily injury or property damage incurred in any one (1) occurrence
 - \$1,000,000 each occurrence limit for Personal Injury and Advertising Injury
 - \$2,000,000 Products/Completed Operations Aggregate limit
 - \$1,000,000 each occurrence limit for Products/Completed Operations
 - \$1,000,000 Damage to Premises Rented to You (Fire Legal Liability)
- (iii) The Commercial General Liability insurance policy must:
- (1) include AT&T, its Affiliates, and their directors, officers, and employees as Additional Insured. Amdocs shall provide a copy of the Additional Insured endorsement to AT&T. The Additional Insured endorsement may either be specific to AT&T or may be "blanket" or "automatic" addressing any person or entity as required by contract. A copy of the Additional Insured endorsement must be provided within 60 days of execution of this Agreement and within 60 days of each Commercial General Liability policy renewal;
 - (2) include a waiver of subrogation in favor of AT&T, its Affiliates, and their directors, officers and employees; and
 - (3) be primary and non-contributory with respect to any insurance or self-insurance that is maintained by AT&T.

Proprietary Information

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- (iv) Business Automobile Liability insurance with minimum limits of \$1,000,000 each accident for bodily injury and property damage, extending to all owned, hired, and non-owned vehicles.
- (v) Umbrella/Excess Liability insurance with limits of at least \$1,000,000 each occurrence and in the aggregate with terms and conditions at least as broad as the underlying Commercial General Liability, Business Auto Liability, and Employers Liability policies. Umbrella/Excess Liability limits will be primary and non-contributory with respect to any insurance or self-insurance that is maintained by AT&T.
- (vi) Fidelity or Crime insurance covering employee dishonesty. Amdocs shall include a client coverage endorsement written for limits of \$1,000,000 in the aggregate and shall include AT&T as Loss Payee.
- (vii) Professional Liability (Errors & Omissions) insurance with minimum limits of \$1,000,000 each claim or wrongful act and in the aggregate.
- (viii) Internet Liability and Network Protection (Cyber risk) insurance with minimum limits of \$1,000,000 each claim or wrongful act and in the aggregate.
- (ix) Media Liability insurance with minimum limits of \$1,000,000 each claim or wrongful act and in the aggregate.
- (x) Property insurance with limits equal to the replacement cost of Amdocs' Business Personal Property at the location where Services are to be performed under this Agreement. The Property insurance policy will include a waiver of subrogation in favor of AT&T, its Affiliates, and their directors, officers and employees.

8. ARTICLE VI — ONGOING SUPPORT SERVICES, Section 6.1 Allowable Expenses, is hereby amended by adding the following to the end of the Section:

Additionally, the Parties agree as follows:

- a) Travel and living expenses will not be paid for resources working at their primary work location or in the same metropolitan area as their primary work location.
- b) Travel and living expenses for Telegence and Amdocs Charging (previously known as Enabler) Custom Software Development release Orders for AT&T Mobility:

The [**] aggregate travel and living expenses shall be limited to no more than [**] of the aggregate amount paid by AT&T for Work under all the Custom Software Development release Orders during the applicable [**] period. Specific Custom Software Development release Orders will be capped at [**] for Work under such Orders as long as the annual average of all the Custom Software Development release Orders will not exceed [**] under all of the Custom Software Development release Orders.

Proprietary Information

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c) Travel and living expenses for Lightspeed Custom Software Development release Orders:

The [**] aggregate travel and living expenses shall be limited to no more than [**] for Work under all the Custom Software Development release Orders during the applicable [**] period. Specific Custom Software Development release Orders will be [**] as long as the [**] average of all the Custom Software Development release Orders will [**].

d) The [**] travel and living expenses for Production Support Orders shall be limited to no more than [**].

e) Travel and living expenses for all other Orders shall be limited to no more than [**], unless agreed otherwise by the Parties in a specific Order as long as the [**] average of all the Orders will not exceed [**].

f) The [**] of travel and living expenses will occur each [**]. In the event that the total travel and living expenses exceed [**] Amdocs will provide AT&T a credit for the dollar amount that exceeds [**].

9. **ARTICLE VI — ONGOING SUPPORT SERVICES, Section 6.5 Background Check** is hereby deleted in its entirety and replaced with the following:**6.5 Background Check/Drug Screening:**

With respect to any Amdocs Personnel providing Services from locations in the United States, Amdocs shall comply with the requirements of Appendix 6.5(a) (Background Checks (U.S.)). With respect to any Amdocs Personnel who provide Services from locations outside of the United States, Amdocs shall comply with the requirements of Appendix 6.5 (b) (Background Checks — non-U.S.).

10. **ARTICLE VI — ONGOING SUPPORT SERVICES, Section 6.6 Confidentiality and Invention Agreement**, reference to Exhibit G in paragraph a and paragraph e is hereby deleted. Paragraph f. Compliance with Export/Import Law and Foreign Trade Controls is hereby added in its entirety with the following:**f. Compliance with Export/Import Law and Foreign Trade Controls**

- 1.1 Each Party shall comply with all export control, import and foreign trade sanctions laws, rules and regulations, in its performance of this Agreement. Without prejudice to the generality of the foregoing, Supplier understands and acknowledges that certain AT&T applications and Materials and Services (including technical assistance and technical data) to be provided hereunder may be subject to export controls under the laws and regulations of the United States,

Proprietary Information

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the European Union and other foreign trade control laws, rules and regulations restricting their transfer to certain countries and parties including but not limited to the US Export Administration Regulations and trade sanctions programs administered by the US Department of the Treasury. Supplier shall comply with all applicable export control and other foreign trade laws, rules and regulations in performance of its obligations hereunder, and shall not use, resell, export, transfer, distribute, dispose or otherwise deal with the AT&T applications or any technical data related thereto, directly or indirectly, except in full compliance with such laws, rules and regulations.

- 1.2. Neither Party shall use, sell, export, re-export, distribute, transfer, dispose or otherwise deal with any such Material or any direct product thereof nor undertake any transaction or Service without first obtaining all necessary written consents, permits and authorizations and completing such formalities as may be required by any such laws or regulations.
- 1.3. Supplier shall be solely responsible for arranging export clearance, including applying for and obtaining any permits, licenses or other authorizations and complying with export clearance formalities, for all exports of Materials and Services made hereunder, including but not limited to exports by Supplier to its affiliates or subcontractors and exports from such affiliates or subcontractors to Supplier or to AT&T in the United States. AT&T agrees to use reasonable efforts to obtain and provide to Supplier in a timely manner any end-user, end-use and other documentation and certifications as may reasonably be requested by Supplier in support of any applications made to relevant government authorities in connection with such exports.
- 1.4. AT&T shall not be responsible or otherwise assume any responsibility for the importation of articles into any country (including the United States). Supplier expressly agrees to be responsible for any and all importations.
- 1.5. Supplier specifically represents and warrants that it shall not export/re-export or otherwise transfer the AT&T applications, Materials or Services to any country that is subject to US trade sanctions imposed from time to time (currently, Cuba, Iran, North Korea, Sudan and Syria), to any persons or entities located in or organized under the laws of such country, or who are owned or controlled by or acting on behalf of the governments of such countries, as well as to citizens of such countries, or to persons identified from time to time on applicable US government restricted party lists (the US Department of Commerce's Denied Party List, Entity List, Unverified List; the US Department of the Treasury's List of Specially Designated Nationals and Other Blocked Persons; the US Department of State's various non-proliferation lists.)

Proprietary Information

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- 1.6 Supplier represents and warrants that it has in place compliance mechanisms sufficient to assure compliance with applicable export control and foreign trade control laws, rules and regulations. Supplier shall not do anything which would cause AT&T to be in breach of applicable export control or foreign trade control laws, rules and regulations, and shall protect, indemnify and hold harmless AT&T from any claim, damages, liability costs, fees and expenses incurred by AT&T as a result of the failure of omission of Supplier to comply with such laws, rules and regulations.
- 1.7 Failure by Supplier to comply with applicable export control and foreign trade control laws, rules and regulations shall constitute a material breach of this Agreement.

11. ARTICLE VI — ONGOING SUPPORT SERVICES is hereby amended to add the following Section:

6.16. Amdocs shall comply with the requirements of Appendix 7 entitled 272 Compliance.

12. Appendix 1.2(4) Reimbursable Expenses

Amdocs and AT&T agree to delete the Appendix 1.2(4) Reimbursable Expenses attached to the Agreement, in its entirety, and replace it with the revised Appendix 1.2(4) Vendor Expense Policy, attached herewith.

13. Exhibit G — Software/Technology Nondisclosure Agreement

Amdocs and AT&T agree to delete the Exhibit G – Software/Technology Nondisclosure Agreement attached to the Agreement, in its entirety.

14. Appendix 7. 272 Compliance

Amdocs and AT&T agree to add Appendix 7., 272 Compliance, which is attached to the Agreement, in its entirety.

15. Appendix 3.39 Form of Qualified Custom Software Development Order for Custom Software Development Associated with Software Master Agreement # 03032360, Section 14. Compensation, with respect to [**] only is hereby amended as follows:

The first paragraph of Section 14 shall not apply to [**], and Mobility Custom Software Development Orders may include a final payment milestone and such provisions will be negotiated and mutually agreed to on an Order by Order basis.

Proprietary Information

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16. **ARTICLE III GENERAL TERMS Section 3.19 MBE/WBE/DVBE** shall apply to Orders placed by **[**]** commencing on October 1, 2007.

Proprietary Information

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The terms and conditions of Agreement No. 02026713 in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas C. Drury

Printed Name: Thomas C. Drury

Title: President

Date: 9-27-07

AT&T Services, Inc.

By: /s/ Maureen Merkle

Printed Name: Maureen Merkle

Title: President-Procurement

Date: 9-26-07

Proprietary Information

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Appendix 1.2(4)**Reimbursable Expenses****1.0 GENERAL**

AT&T Vendor Expense Policy (VEP) provides guidelines to be followed by all vendors of AT&T in requesting reimbursement for business travel, meals and other business related expense. Expenses outside this policy are not reimbursable.

The following principles apply to requests for expense reimbursement:

When spending money that is to be reimbursed, vendors must ensure that an AT&T Company (“Company”) receives proper value in return. Prudent and proper judgment must be used in reporting and approving business expenses.

The concept that a vendor and their employees are ‘entitled’ to certain types or amounts of expenditures while conducting business with the Company is erroneous. Personal expenditures reported for reimbursement should be billed exactly as they were incurred. The use of averages for any type expenditure or combination of expenditures is not permitted except as specifically provided or documented in a contract.

Every vendor and AT&T employee who certifies or approves the correctness of any voucher or bill should have reasonable knowledge the expense and amounts are proper and reasonable. In the absence of the adoption of such policy, or existing contractual agreements, these guidelines are considered the minimum requirements for requesting reimbursement of Company funds. These policies should be included in any new or renewed contract with a contractor or consultant.

Deviations from this VEP *must be approved in writing by the sponsoring Senior Manager or Officer of an AT&T company.*

Employees should refer to the Section entitled “Payments” in the Schedule of Authorizations For Affiliates of AT&T, Inc. for appropriate vendor invoice authorization approval levels.

Receipts *should* be requested and reviewed for any unusual or out of the ordinary expenses or where the approver cannot make a reasonable determination on the propriety of the transaction without a receipt.

The origination of a given expenditure for business purposes is the responsibility of the vendor incurring the expense and the authorization of that expense is the responsibility of the appropriate level of AT&T management in accordance with the Schedule of Authorizations For Affiliates of AT&T, Inc.

Proprietary Information

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1.1 Non-Reimbursable Expenses

The following expenses are considered non-reimbursable:

- Airline club membership fees, dues, or upgrade coupon
- Meals not consistent with AT&T employee policy
- Annual credit card fees
- Barber/Hairstylist/Beautician Expenses
- Car rental additional fees associated with high speed toll access programs
- Car Washes
- Entertainment expenses
- Health Club and Fitness facilities
- Hotel Safe rental
- Upgrades on airline fees
- Excessive tips, *i.e.*, in excess of 15% of cost of meal or services, excluding tax
- PC, cell phone, and other vendor support expenses
- Meals not directly required to do business on the AT&T account (e.g. vendors cannot voucher lunch with each other simply to talk about AT&T)
- In-flight drinks
- Magazines & newspapers
- Personal entertainment
- Expenses associated with spouses or other travel companions
- Office expenses of vendors
- Surcharges for providing fast service (not related to delivery charges such as Fedex, UPS, etc.). AT&T expects all vendors to complete the terms of contracts in the shortest period practicable. Charges for shortening the timeframe in which contracts are fulfilled are not permissible.
- Vendors may not submit expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel
- Travel purchased with prepaid air passes.
- Birthday cakes, lunches, balloons, and other personal celebration/recognition costs
- Break-room supplies for the vendor, such as coffee, creamer, paper products, soft drinks, snack food
- Water (bottled or dispensed by a vendor)
- Clothing, personal care, and toiletries
- Laundry (except when overnight travel is required for 7 or more consecutive nights)
- Flight or rental car insurance
- Flowers, cards and gifts
- Hotel pay-per-view movies, Video Games and/or mini bar items
- High speed internet access in hotels (added to 3.5)
- Lost luggage
- Traffic or Parking Fines
- Tobacco Products
- Medical supplies
- Membership fees to exercise facilities or social/country clubs
- Movies purchased while on an airplane
- Phone usage on airline unless business emergency

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Failure to comply with the above mentioned restrictions will result in the Company refusing payment of charges or pursuing restitution from the vendor.

2.0 RESPONSIBILITIES

2.1 Vendor's Responsibility

AT&T's sponsoring client managers will ensure that vendors have been covered on this policy prior to incurring any expenditures. Vendors and their sponsoring client managers are responsible for clarifying any questions or uncertainties they may have relative to reimbursable business expenses.

It is mandatory that financial transactions are recorded in a timely manner. **Out-of-pocket business expense(s) for vendors that are not submitted for reimbursement within [**] from the date incurred are considered non-reimbursable.** Company managers who are responsible for approving reimbursable expenses of vendors should ensure they are submitted and approved in a timely manner.

2.2 AT&T Sponsoring Management Responsibility

Prior to authorizing reimbursement to the vendor for expenditures, it is the responsibility of the AT&T managers authorizing the payment to determine that:

- The expenditure is reasonable and for a legitimate business purpose.
- The expenditure complies with the policies contained in this document, the Code of Business Conduct, and other applicable Company practices.
- All expenses are reviewed through Payment.Net or on form AT&T-4472APA and that expenses are prepared in accordance with proper accounting details.

In addition, the sponsoring AT&T managers are responsible for ensuring the Vendor Expense Policy has been communicated to each vendor, and that the information contained herein is proprietary/confidential information and ensures its security and confidentiality. The Vendor must agree to maintain this information in confidence.

3.0 TRAVEL POLICY

Vendors must first consider the feasibility of using videoconferencing or teleconferencing as an alternative to travel. Travel that is to be reimbursed by AT&T should be incurred only as necessary.

AT&T reserves the right to dispute any expense submittal and if not verifiable as valid may reject reimbursement. Reimbursements will be made to vendor only after expenses are verified as valid.

3.1 Travel Authorization

Travel requiring overnight stays must be approved by the sponsoring AT&T senior manager (5th level or above) and should be approved only if it is necessary for the vendor to travel to perform required work.

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3.2 Travel Reservations

Vendors are expected to procure the most cost efficient travel arrangements, preferably equivalent to the AT&T discount rate. AT&T does not reimburse for travel purchased with prepaid air passes.

3.3 Travel Expense Reimbursement

Vendor travel expenses incurred for company business are reimbursable only as specified in these guidelines. Travel expenses may include the following:

- transportation (airfare or other commercial transportation, car rental, personal auto mileage, taxi and shuttle service)
- meals and lodging
- parking and tolls
- tips/porter service (if necessary and reasonable)

Vendors who stay with friends or relatives or other vendor employees while on a Company business trip will **NOT** be reimbursed for lodging, nor will they be reimbursed for expenditures made to reciprocate their hospitality by buying groceries, being host at a restaurant, etc.

The expense must be ordinary and necessary, not lavish or extravagant, in the judgment of the AT&T sponsoring management. Any reimbursement request must be for actual expenditures only.

3.4 Air Travel Arrangements

Vendors must select lowest logical airfare (fares available in the market at the time of booking, preferably well in advance of trip to attain lowest possible airfare). Vendors shall book coach class fares for all domestic travel at all times. First class bookings are not reimbursable. Vendors can request business class when a single segment of flight time ("in air time" excluding layovers or ground time) is greater than 5 hours, or when flights are intercontinental.

3.5 Hotel Arrangements

AT&T has established Market-Based Room Rate Guidelines for vendors to reference when making hotel reservations (see Addendum A). Vendors are expected to abide by these guidelines when making hotel arrangements. AT&T will only reimburse vendors up to the established room rate guideline in each market, or for actual hotel lodging charges incurred, whichever is less. There must be a strong business justification for incurring any cost for internet access, and a request for reimbursement must be accompanied by a detailed explanation regarding reason for charge.

Note: Vendors must indicate the number of room nights on the transaction line when invoicing for reimbursement of hotel expenses. Copies of all hotel bills must be made available for any invoice containing lodging charges.

3.6 Ground Transportation

While away from their home location overnight, vendors are expected to utilize rapid transit or local shuttle service. If the hotel provides a complimentary shuttle, vendors are to use this service before paying for transportation. If complimentary service is not provided a taxi or other local transportation is reimbursable as a business expense. Tips provided to taxi drivers cannot exceed 15% of the value of the total fare

Proprietary Information

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A rental car is appropriate when the anticipated business cost is less than that of other available public transportation. Except to the extent necessary to accommodate several travelers and/or luggage requirements, vendors will not be reimbursed for automobile rentals other than economy or mid-sized/intermediate models.

“Loss Damage Waiver” and “Extended Liability Coverage” are not considered reimbursable. Prepaid fuel or refueling charges at the time of return are not reimbursable.

Rental cars should be refueled before returning to the rental company, since gas purchased through the rental company carries an expensive refueling service charge.

3.7 Use of Personal Vehicle

When use of personal vehicle is required, the currently applicable IRS mileage rate for miles driven for the business portion of the trip should be the maximum used to determine the amount to be reimbursed.

3.8 Parking

If airport parking is necessary, vendors must use long term parking facilities. Additional costs for short term, valet or covered parking are not reimbursable.

3.9 Entertainment

Entertainment expense is not reimbursable to vendors. Entertainment includes meal expense involving AT&T personnel, golf fees, tickets to events and related incidental expenses. Hotel charges for a pay-per-view movie, individual sightseeing tours, or other individual activities (i.e., golf, sporting event, movie, etc.) are not reimbursable.

3.10 Laundry and Cleaning

Reasonable laundry charges during business trips of seven or more **consecutive** nights are reimbursable based on actual expenses incurred.

3.11 Communications

The actual cost of landline telephone calls for AT&T business are reimbursable. The use of AT&T products is required when available.

AT&T will not reimburse vendors for cell phone bills. With prior consent of the sponsoring AT&T Senior Manager, only individual calls that **exceed** a vendor's rate plan that are necessary to conduct business for AT&T may be reimbursed.

Charges for high speed internet access are not reimbursable.

3.12 Business Meals (Travel and Non-Travel)

Vendors are expected to find reasonably priced dining alternatives. As a general rule, vendors are expected to spend [**] inclusive of tax and gratuity. This includes all meals, beverages and refreshments purchased during the day. Requests for reimbursement should break out the amount for meals and list the related number of travel days. If breakfast is offered as part of the hotel accommodation rate, no additional reimbursement will be permitted for breakfast. Vendors may not submit expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel.

Proprietary Information

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AT&T managers authorizing invoices will be held accountable for ensuring that vendors are following this policy and are spending Company funds economically.

3.13 Flowers, Greeting Cards, Gifts and Incentive Awards

The cost of gifts, flowers, birthday lunches, or greeting cards is considered a personal expense and is not reimbursable. For example, vendors making a donation or providing a gift for a fund-raiser for AT&T may not submit such an expense to AT&T for reimbursement.

3.14 Loss or Damage to Personal Property

The Company assumes no responsibility for loss or damage to a vendor's personal property during business functions or hours.

3.15 Publications

Subscriptions to or purchases of magazines, newspapers and other publications are not reimbursable.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

ADDENDUM A

AT&T 2007 Hotel Room Rate Only Guidelines

<u>City</u>	<u>St</u>	<u>2007 Guideline</u>	<u>City</u>	<u>St</u>	<u>2007 Guideline</u>	<u>City</u>	<u>St</u>	<u>2007 Guideline</u>
Anchorage	AK	[**]	Downers Grove	IL	[**]	Teaneck	NJ	[**]
Fairbanks	AK	[**]	Hoffman Estates	IL	[**]	Tinton Falls	NJ	[**]
Ketchikan	AK	[**]	Joliet	IL	[**]	Warren	NJ	[**]
Glennallen	AK	[**]	Matteson	IL	[**]	Whippany	NJ	[**]
Fayetteville	AR	[**]	Oak Lawn	IL	[**]	Pahrump	NV	[**]
Hot Springs	AR	[**]	Peoria	IL	[**]	Reno	NV	[**]
Little Rock	AR	[**]	Rosemont	IL	[**]	Buffalo	NY	[**]
Mesa	AZ	[**]	Schaumburg	IL	[**]	New York	NY	[**]
Phoenix	AZ	[**]	Springfield	IL	[**]	Syracuse	NY	[**]
Tempe	AZ	[**]	Willowbrook	IL	[**]	White Plains	NY	[**]
Tucson	AZ	[**]	Columbus	IN	[**]	Tarrytown	NY	[**]
Anaheim	CA	[**]	Indianapolis	IN	[**]	Vestal	NY	[**]
Arcadia	CA	[**]	South Bend	IN	[**]	Canton	OH	[**]
Bakersfield	CA	[**]	Overland Pk	KS	[**]	Cleveland	OH	[**]
Barstow	CA	[**]	Shawnee	KS	[**]	Columbus	OH	[**]
Buena Park	CA	[**]	Topeka	KS	[**]	Dayton	OH	[**]
Burbank	CA	[**]	Wichita	KS	[**]	Dublin	OH	[**]
Burlingame	CA	[**]	Boston	MA	[**]	Hudson	OH	[**]
Carson	CA	[**]	Cambridge	MA	[**]	Independence	OH	[**]
Dublin	CA	[**]	Tewksbury	MA	[**]	Pinkerington	OH	[**]
Eureka	CA	[**]	Columbia	MD	[**]	Reynoldsburg	OH	[**]
Fresno	CA	[**]	Greenbelt	MD	[**]	Richfield	OH	[**]
Garden Grove	CA	[**]	Hagerstown	MD	[**]	Toledo	OH	[**]
Hayward	CA	[**]	Ann Arbor	MI	[**]	Youngstown	OH	[**]
Irvine	CA	[**]	Deaborn	MI	[**]	Oklahoma City	OK	[**]
Long Beach	CA	[**]	Detroit	MI	[**]	Tulsa	OK	[**]
Los Angeles	CA	[**]	Grand Rapids	MI	[**]	Pittsburg	PA	[**]
Oakland	CA	[**]	Grandville	MI	[**]	Memphis	TN	[**]
Pasadena	CA	[**]	Lansing	MI	[**]	Abilene	TX	[**]
Pleasanton	CA	[**]	Livonia	MI	[**]	Amarillo	TX	[**]
Rancho Cordova	CA	[**]	Plymouth	MI	[**]	Austin	TX	[**]
Riverside	CA	[**]	Saginaw	MI	[**]	Beaumont	TX	[**]
Sacramento	CA	[**]	Southfield	MI	[**]	Corpus Christi	TX	[**]
San Diego	CA	[**]	Troy	MI	[**]	Dallas	TX	[**]
San Francisco	CA	[**]	Minneapolis	MN	[**]	El Paso	TX	[**]
San Gabriel	CA	[**]	Chesterfield	MO	[**]	Houston	TX	[**]
San Jose	CA	[**]	Earth City	MO	[**]	Irving	TX	[**]
San Leandro	CA	[**]	Festus	MO	[**]	Lubbock	TX	[**]
San Luis Obispo	CA	[**]	Jefferson City	MO	[**]	Plano	TX	[**]
San Ramon	CA	[**]	Joplin	MO	[**]	Richardson	TX	[**]

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Santa Ana	CA [**]	Kansas City	MO [**]	San Antonio	TX [**]
Temucla	CA [**]	Maryland Heights	MO [**]	The Woodlands	TX [**]
Torrance	CA [**]	Poplar Bluff	MO [**]	Waco	TX [**]
Walnut Creek	CA [**]	St Josept	MO [**]	Chantilly	VA [**]
Denver	CO [**]	Saint Louis	MO [**]	Arlington	VA [**]
Colorodo Springs	CO [**]	Charlotte	NC [**]	Fairfax	VA [**]
Greenwood Village	CO [**]	Durham	NC [**]	Falls Church	VA [**]
Meriden	CT [**]	Triangle Park	NC [**]	Herndon	VA [**]
New Haven	CT [**]	BaskingRidge	NJ [**]	Sandston	VA [**]
Washington	DC [**]	Bernardsville	NJ [**]	Sterling	VA [**]
Wilmington	DE [**]	Bridgewater	NJ [**]	Vienna	VA [**]
Ft. Lauderdale	FL [**]	Cranbury	NJ [**]	Bellevue	WA [**]
Jacksonville	FL [**]	Edison	NJ [**]	Seattle	WA [**]
Orlando	FL [**]	Iselin	NJ [**]	Bellevue	WA [**]
Tampa	FL [**]	Morristown	NJ [**]	Appleton	WI [**]
Alpharetta	GA [**]	Parsippany	NJ [**]	Brookfield	WI [**]
Atlanta	GA [**]	Piscataway	NJ [**]	Milwaukee	WI [**]
Augusta	GA [**]	Princeton	NJ [**]	Madison	WI [**]
Lawrenceville	GA [**]	Red Bank	NJ [**]	Oak Creek	WI [**]
Arlington Heights	IL [**]	Short Hills	NJ [**]		
Chicago	IL [**]	Somerset	NJ [**]		

Cities not listed on this Top City Hotel Room Rate Only Guideline Matrix, default to \$[**] nightly rate

Proprietary Information

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Appendix 6.5(a)
Background Checks - U.S.

Background Check

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 5 pages were omitted. [**]

Proprietary Information

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Appendix 6.5(b)

Background Checks – Non-U.S.

Confidential Materials omitted and filed separately with the Securities and Exchange Commission. A total of 10 pages were omitted. [**]

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Appendix 7

272 Compliance

Amdocs, Inc. (“Amdocs”) and AT&T Services, Inc. (“AT&T”) are parties Services under this Agreement for the benefit of AT&T’s Section 272-Restricted Separate Affiliates.

Pursuant to Section 15.10 (Compliance with Laws) of the Agreement, each Party must comply with Law, including the Federal Telecommunications Act of 1996 (the “Act”).

Section 272 of the Act conditions a Bell Operating Company’s (“BOC’s”) provision of certain in-region interLATA telecommunications services, among other things, on a Federal Communications Commission (“FCC”) finding that such BOC complies with the safeguards and requirements of Section 272 of the Act. The FCC adopted certain rules interpreting and implementing the requirements of Section 272. AT&T and its affiliates have compliance obligations under Section 272 and such FCC rules.

In connection with such compliance obligations and FCC rules, Amdocs shall:

(i) furnish Amdocs Personnel providing support for, or Services to, AT&T’s Section 272-Restricted Separate Affiliates with a copy of “The Separate Affiliate Safeguards, Section 272 Compliance Obligations Applicable to InterLATA Telecommunications Services and Manufacturing Under the Federal Telecommunications Act of 1996”¹ (the “Section 272 Compliance Guide”, attached hereto in Schedule E.3, AT&T Rules),

(ii) require that each Amdocs Personnel (a) read and review the Section 272 Compliance Guide, and (b) provide written acknowledgment thereof to Amdocs (no later than [**] of each year of the Term), and

(iii) furnish to AT&T no later than [**] of each year of the Term a written acknowledgment in the form attached hereto as in Schedule E.3, AT&T Rules (the “Supplier’s Acknowledgment Form”).

¹ More commonly referred to as the “Section 272 Compliance Guide for Temporary Workers and Independent Contractors.” With respect to Section 272, the guide provides (i) a glossary of key terms, (ii) describes the activities generally subject to the Section 272 affiliate safeguards, (iii) details the principal structural and transactional requirements, (iv) explains the nondiscrimination and accounting requirements, and (v) reviews certain joint marketing requirements.

Proprietary Information

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Section 272 Compliance Guide for Temporary Workers and Independent Contractors

AT&T Inc.

THE SEPARATE AFFILIATE SAFEGUARDS

**SECTION 272 COMPLIANCE OBLIGATIONS
APPLICABLE TO INTERLATA TELECOMMUNICATIONS
SERVICES AND MANUFACTURING UNDER THE
FEDERAL TELECOMMUNICATIONS ACT OF 1996**

October 2006

Section 272 Compliance Guide
for
Temporary Workers and Independent Contractors

The fact that you are reviewing Section 272 Compliance Information should not be construed as employee training. The contract between AT&T Inc. and your employer requires you to comply with all laws and regulations. Even though you are not an employee of AT&T Inc. your review today is required because your job function involves providing support for, or services to, AT&T Inc.'s Section 272-Restricted affiliates.

In the course of performing your job functions related to AT&T Inc.'s Section 272-Restricted affiliates your actions could have serious consequences for SBC. Section 272 compliance information will educate you about your responsibility to comply with Section 272 of the Federal Telecommunications Act of 1996 requirements and FCC rules and regulations. Section 272 governs the relationship between the AT&T BOCs/ILECs, the Advanced Services affiliates (ASI/AADS), and AT&T's long distance affiliates.

Proprietary Information

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I. Introduction

In February 1996, the Federal Telecommunications Act of 1996 (the Act) became law. While the Act permitted each Bell Operating Company (BOC) (see Glossary of Key Terms for specific company names), or any affiliate of a BOC, to immediately provide interLATA telecommunications services that originate outside its in-region states, the Act conditioned a BOC's provision of in-region interLATA telecommunications services (other than those services previously authorized or considered incidental interLATA services under the Act) upon approval from the Federal Communications Commission (FCC) to provide such services and meet certain conditions under Section 271 of the Act. Under Section 271, the FCC is required to find, among other things, that the BOC will comply with the safeguards and requirements stated in Section 272 of the Act.

Since the Act was passed, the FCC adopted certain rules interpreting and implementing the requirements of Section 272. The purpose of this employee guide is to provide an overview of compliance obligations under Section 272 and the FCC rules for AT&T Inc. and its affiliates. The guide addresses the BOC's obligations relative to AT&T's long distance affiliates (SBC Long Distance, LLC, AT&T Corp. and certain of its affiliates², and SNET America, Inc.) and AT&T's advanced services affiliates (ASI and AADS.³) For purposes of this guide, SBC Long Distance, AT&T Corp. and certain of its affiliates, SNET America, Inc., and ASI/AADS are collectively referred to as the Section 272-Restricted Separate Affiliates. Questions about other portions of the Act should be directed to your supervisor or Legal Department.

This employee guide provides a Glossary of Key Terms (Section II), describes the activities generally subject to the affiliate safeguards (Section III), details the principal Section 272 structural and transactional requirements (Section IV), explains the nondiscrimination requirements (Section V) and accounting requirements (Section VI), and reviews certain Joint Marketing requirements (Section VII). The guide closes with a brief discussion to assist employees in obtaining answers to questions (Section VIII).

AT&T Inc. and its subsidiaries are committed to compliance with both the letter and the spirit of the Act, including Section 272. Each employee is responsible for knowing and understanding these requirements and acting in accordance with them when performing their job.

II. Glossary of Key Terms

Specific activities of the BOCs/ILECs and their affiliates are subject to separate affiliate safeguards and requirements of Section 272 of the Act and the FCC's rules. The following definitions will assist you in understanding when these safeguards and requirements apply.

2. For a complete list of the AT&T Corp. 272 affiliates, see end of 272 Compliance following Section VIII.
3. The FCC, in its December 2002 ASI Forbearance Order, continued the 272-like obligations originally imposed under the SBC/Ameritech merger conditions on SBC's Advanced Services affiliates (SBC Advanced Solutions, Inc. (ASI), and Ameritech Advanced Data Services (AADS)).

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Advanced Services - wireline telecommunications services such as Frame and Cell Relay, ATM, and DSL that rely on packetized technology and support bi-directional speeds in excess of 56 kilobits per second.

Advanced Solutions, Inc. (ASI) / Ameritech Advanced Data Services (AADS) – affiliates, structurally separate from the former SBC BOCs and ILECs, that may provide interstate or intrastate advanced services. (Also known as Section 272-like Affiliates.)

AT&T Corp. (and all pre-merger affiliates) – the legal entity consisting of AT&T Corp. and its pre-merger subsidiaries that are structurally separate from the former SBC BOCs and ILECs and provide interLATA telecommunications services on both an in-region and out-of-region basis. For 272 compliance purposes, AT&T Corp. and all pre-merger affiliates will be considered Section 272 Separate Affiliates.

BOC – Bell Operating Company, which includes Illinois Bell Telephone Company, Indiana Bell Telephone Company, Inc., Michigan Bell Telephone Company, Nevada Bell Telephone Company, Pacific Bell Telephone Company, Southwestern Bell Telephone Company, The Ohio Bell Telephone Company, Wisconsin Bell, Inc. and any successor or assign of these companies that provide wireline telephone exchange service.

ILEC – Incumbent Local Exchange Carrier, which includes Southern New England Telephone Company and The Woodbury Telephone Company, and the BOCs listed above.

InterLATA telecommunications service - the offering of telecommunications for a fee directly to the public, between a point located in a local access and transport area (LATA) and a point located outside that LATA.

In-region interLATA telecommunications service of a BOC - interLATA telecommunication service of a BOC that originates in a state where a BOC is the incumbent provider of local exchange and exchange access services (i.e., in-region). SBC's in-region states are Arkansas, California, Kansas, Missouri, Nevada, Oklahoma, Texas, Illinois, Ohio, Indiana, Michigan and Wisconsin. (Connecticut is deemed to be an out-of-region state for purposes of interLATA telecommunications services but in-region for purposes of advanced services.)

Information service - generally speaking, the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing or making available information via telecommunications. The term encompasses each service that the FCC previously considers to be an "enhanced service."

InterLATA information service - any information service which incorporates as a necessary, bundled element an interLATA telecommunications transmission component, provided to the customer for a single charge.

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InterLATA information service of a BOC - an interLATA information service in which a BOC provides the interLATA telecommunications transmission component either over its own facilities or by reselling the interLATA telecommunications services of an interexchange carrier.

Manufacturing - the design, development, and fabrication of telecommunications equipment and customer premises equipment (CPE), including the development of firmware or software integral to the functioning of telecommunications equipment or CPE. This does not include design and development of applications software, or provision of generic requirements and functional specifications to manufacturers. It also does not include research related to manufacturing, close collaboration with manufacturers during the design and development phase, and entering into royalty agreements with manufacturers.

Section 272 Oversight Team – the internal interdepartmental team established to provide advice, counsel and direction for the BOCs and Section 272 affiliates in interpreting and implementing Section 272 of the Federal Telecommunications Act. This team provides employee training and reviews proposed product/service offerings, reorganizations, management changes and other activities impacting the BOCs/ILECs and the Section 272-Restricted Separate Affiliates.

Section 272-Restricted Separate Affiliates – refers collectively to SBCLD, AT&T Corp. and its affiliates, and ASI/AADS. These entities, along with the BOCs (and to a certain extent, the ILECs), are subject to Section 272 requirements as described herein.

SBC Long Distance, LLC. (SBCLD) - an affiliate, structurally separate from AT&T's BOCs and ILECs, that provides interLATA telecommunications services on an in-region and out-of-region basis and local exchange services on an out-of-region basis. (Also known as a Section 272 Separate Affiliate).

III. Activities Subject to the Separate Affiliate Safeguards

With certain exceptions, a BOC may engage in the following activities only through one or more affiliates that are “separate” (as defined by Section 272) from the BOC:

- provision of in-region interLATA telecommunications services,
- provision of a service that permits a customer to store information in or retrieve information from BOC-owned (or BOC affiliate-owned) information storage facilities located in a LATA different than where the customer is located,
- manufacturing of telecommunications equipment and CPE, and
- provision of in-region intraLATA advanced services.

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The exceptions in which a BOC may provide an interLATA service, or engage in manufacturing-related activities, without a separate affiliate requirement are:

- provision of interLATA information services (both in-region and out-of-region);
- provision of interLATA telecommunications services (but not interLATA information services) previously authorized by the Modified Final Judgment (MFJ);
- research related to manufacturing, close collaboration with manufacturers during the design and development phase, and entering into royalty agreements with manufacturers;
- “incidental” interLATA services, including:
 - audio/video programming,
 - two-way interactive video or Internet services over dedicated facilities to elementary and secondary schools,
 - commercial mobile services,
 - alarm monitoring services,
 - information storage and retrieval services across LATA boundaries from company-owned database and information storage facilities,
 - provision of signaling information related to telephone exchange/exchange access services provided by a local exchange carrier, and
 - provision and receipt of interexchange carrier network control signaling information.

IV. Structural and Transactional Requirements

The Section 272-Restricted Separate Affiliates must be structurally and transactionally separate from any BOC with which they are affiliated. There are several aspects to this separation requirement:

First, the Section 272-Restricted Separate Affiliates must “operate independently” from a BOC/ILEC affiliate. The intent of this requirement is to prevent a BOC/ILEC from integrating its local exchange and exchange access operations with its Section 272-Restricted Separate Affiliates’ activities to such an extent that the affiliate could not reasonably be found to be operating independently and to be self-governing. Pursuant to this requirement, a BOC/ILEC and its Section 272-Restricted Separate Affiliate may not jointly own any transmission and switching facilities, nor the land or buildings where such facilities are located. Activities permitted under the “operate independently” requirement include:

- A BOC/ILEC may perform operations, installation and maintenance (OI&M) functions, including network planning and engineering, associated with the facilities that the Section 272-Restricted Separate Affiliates owns or leases if done so on a non-discriminatory basis (that is, under the same price, terms and conditions) and subject to the FCC’s affiliate accounting rules.⁴ Before an OI&M service is provided to an affiliate, (1) the service request must be channeled through the Industry Markets Account Team, and (2) necessary revisions to the BOCs Cost Allocation Manual (CAM) must be made.
- Likewise, the Section 272-Restricted Separate Affiliates may perform OI&M functions for a BOC subject to the BOC meeting a non-discriminatory procurement obligation. (See Section V for more information.)

⁴ Prior to March 31, 2004, SBC’s BOCs/ILECs were prohibited from providing operation, installation and maintenance (OI&M) functions for SBC LD. This prohibition was lifted pursuant to the FCC OI&M Relief Order that eliminated rules prohibiting the sharing of OI&M functions (including network planning and engineering) between the BOCs/ILECs and SBC LD.

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- The Section 272-Restricted Separate Affiliates may negotiate with the BOC/ILEC on an arm's length basis (subject to a nondiscrimination obligation imposed on the BOC) to obtain telecommunications services or transmission and switching facilities (*e.g.*, unbundled elements) from the BOC.
- A BOC may provide to, or obtain from, the Section 272-Restricted Separate Affiliates goods, services, facilities and information if done so on a non-discriminatory basis. (See Section V for more information.)

Second, the Section 272-Restricted Separate Affiliates must maintain books, records, and accounts that are separate from the books, records, and accounts of the BOC/ILEC.

Third, the Section 272-Restricted Separate Affiliates must have officers, directors, and employees that are separate from the officers, directors, and employees of the BOC/ILEC. This means that the same person may not simultaneously serve as an officer, director or employee, in any combination, of both a BOC/ILEC and its Section 272-Restricted Separate Affiliates.

Fourth, the Section 272-Restricted Separate Affiliates may not obtain credit under any arrangement that would permit a creditor, upon default by the Section 272-Restricted Separate Affiliate, to have recourse to the assets of the BOC/ILEC. No BOC/ILEC, parent of a BOC/ILEC, or any other affiliate of a BOC/ILEC may co-sign a contract or any other instrument with the Section 272-Restricted Separate Affiliates that would grant a creditor recourse to the BOC/ILEC's assets in the event of default by the Section 272-Restricted Separate Affiliates.

Fifth, transactions between the Section 272-Restricted Separate Affiliates and a BOC/ILEC must be conducted on an arm's length basis, priced according to affiliate transaction pricing rules,

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reduced to writing, and made available for public inspection. Among other things, this means that a BOC/ILEC must not conduct business with its Section 272-Restricted Separate Affiliates without a written contract or tariff, and no service may be provided until the written contract is executed and signed by both parties. In addition, requests for any type of service to be provided by a BOC/ILEC to a 272 affiliate must be coordinated through the appropriate BOC Industry Markets account team as well as reviewed by the Section 272 Oversight Team. Finally, within [**] of a transaction, the Section 272-Restricted Separate Affiliates must provide, on AT&T's external Internet home page, a detailed description of the transaction, including terms, conditions and pricing. The information must also be made available for public inspection at the BOC's or ILEC's principal place of business. (See Operating Practice 125 for affiliate transaction procedures and VI Accounting Requirements below.)

V. Nondiscrimination Requirements

Several nondiscrimination requirements are meant to ensure that a BOC treats all other entities in the same manner as it treats its Section 272-Restricted Separate Affiliates. These requirements are applicable to the ILECS (Southern New England Telephone Company and The Woodbury Telephone Company) only to the extent that they are dealing with the advanced services affiliates, ASI/AADS.

More specifically, outside a limited exception relating to the Joint Marketing of interLATA services⁵, a BOC may not discriminate in favor of its Section 272-Restricted Separate Affiliates regarding either the provision or procurement of "goods, services, facilities and information." Accordingly, a BOC must provide to any other entity the same "goods, services, facilities and information" that it provides to its separate affiliate, at the same rates, terms and conditions. This quoted phrase is broadly interpreted. It encompasses, but is not limited to:

- unbundled network elements,
- collocation of equipment, facilities, or employees,
- network information,
- nonpublic information belonging to or about a BOC (does not include customer proprietary network information (CPNI)),
- administrative and support services (*e.g.*, human resources/accounting/tax/data processing/regulatory),
- access to operational support systems,
- transfers of ownership of facilities, and
- development of new products or services.

For example, employees who have access to and use BOC non-public information, may not share that information with a Section 272-Restricted Separate Affiliate or use that information to

⁵ There is a limited exception for shared administrative floor space by ASI/AADS, the Section 272-like Affiliates.

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benefit a Section 272-Restricted Affiliate, unless the BOC makes the information available to third parties. These rules relating to information use and sharing apply whether the employee works for a BOC or another affiliate. In addition, if such an employee transfers to a Section 272-Restricted Separate Affiliate, no BOC information may be transferred or used in the new job.

Non-BOC affiliates, such as a shared services affiliate, may provide services to Section 272-Restricted Separate Affiliate absent a nondiscrimination obligation. However, if the shared services affiliate uses any BOC goods, services, facilities or information to provide services to the Section 272-Restricted Separate Affiliate, the BOC must make these “inputs” available on a nondiscriminatory basis. This situation is known as a chaining transaction, and must be properly recorded under the affiliate transaction procedures.

In order to ensure BOC non-public information is appropriately safeguarded by certain employees in shared services affiliates, company policy requires “siloeing” or separation of employees who perform services for a Section 272-Restricted Separate Affiliate away from employees with access to BOC non-public information. Implementing this control, where there would otherwise be a risk of sharing BOC non-public information with employees performing services for a Section 272-Restricted Separate Affiliate, helps ensure compliance with the nondiscrimination obligation.

Protecting access to non-public BOC information is a matter of high importance. The Code of Business Conduct makes employees responsible for understanding and applying applicable laws and regulations, and for protecting proprietary information. It is important that proper safeguards are implemented to protect data and information in corporate databases and websites from inadvertent access by unauthorized employees. As a general rule, employees of the Section 272-Restricted Separate Affiliates as well as employees of shared services affiliates who are siloeed to perform services for the Section 272-Restricted Separate Affiliates should not receive or have access to non-public BOC information. Exceptions to such rule must be approved in advance by the Section 272 Oversight Team and/or the Legal Department. Any inadvertent disclosure of non-public BOC information to the Section 272-Restricted Separate Affiliates is considered provision of such information and must be properly recorded as an affiliate transaction and made available to other entities on a non-discriminatory basis.

Although the nondiscrimination rules of Section 272 do not apply to customer proprietary network information (CPNI), there are specific rules that do apply to the use and sharing of CPNI. Employees must be familiar with those rules or check with a supervisor or the Legal Department before using CPNI on behalf of, or sharing CPNI with, any affiliate, including any Section 272-Restricted Separate Affiliate.

Under the nondiscriminatory procurement requirement, a BOC is subject to an unqualified prohibition against discriminating between its Section 272-Restricted Separate Affiliates and an

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unaffiliated entity in the procurement of goods, services, facilities, or information. For example, a BOC may not purchase interLATA telecommunications services solely from its Section 272-Restricted Separate Affiliate, purchase equipment from its Section 272-Restricted Separate Affiliate at inflated prices, or give any preference to the Section 272-Restricted Separate Affiliate's interLATA services in the procurement process.

In addition, a BOC also may not discriminate between its Section 272-Restricted Separate Affiliates and other entities in the establishment of standards. A BOC may not establish or adopt any standard – “industry-wide” or otherwise — that has the effect of favoring the separate affiliate and disadvantaging an unaffiliated entity. The FCC has indicated that, with respect to “industry-wide” standards, an open and nondiscriminatory public process in which all interested parties have an opportunity to participate (as required by Section 273), will be sufficient to satisfy this nondiscrimination requirement. However, standards established by a BOC in some other manner that have the effect of favoring the separate affiliate and disadvantaging an unaffiliated entity may be a violation of this nondiscrimination requirement.

Finally, there are several nondiscrimination requirements applicable to the “fulfillment of certain requests.” Under these requirements a BOC (or any affiliated ILEC):

- must fulfill any unaffiliated entity's request for telephone exchange service and exchange access within a response time no greater than the response time it provides to itself or its affiliates, and make available to unaffiliated entities information regarding the service intervals provided to themselves or their affiliates;
- must not provide any facilities, services or information concerning its provision of exchange access to its Section 272-Restricted Separate Affiliates unless the facilities, services or information are made available to other providers of interLATA services in that market on the same terms and conditions;
- must charge the Section 272-Restricted Separate Affiliates, or impute to itself, an amount for access to its telephone exchange service and exchange access that is no less than the amount charged to any unaffiliated interexchange carrier. A BOC's volume and term discounts are subject to this requirement. A Section 272-Restricted Separate Affiliates' purchase of telephone exchange service and exchange access at tariffed rates, or a BOC's imputation of tariffed rates, would meet this requirement; and
- may provide to its Section 272-Restricted Separate Affiliates any interLATA or intraLATA facilities or services which it is otherwise authorized to provide (*e.g.*, the incidental interLATA services described above) if the facilities or services are made available to all carriers at the same rates and on the same terms and conditions, and so long as the costs are appropriately allocated.

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VI. Accounting Requirements

A BOC (or any affiliated ILEC) must account for all transactions with the Section 272-Restricted Separate Affiliates in accordance with the FCC's accounting rules. Generally, these rules provide that:

- Assets or services sold or transferred between a BOC (or any affiliated ILEC) and its Section 272-Restricted Separate Affiliates pursuant to a tariff must be recorded at the tariffed rate. Rates in publicly filed interconnection agreements or statements of generally available terms and conditions may be used if a tariff rate is not available.
- Non-tariffed assets or services sold or transferred between a BOC (or any affiliated ILEC) and its Section 272-Restricted Separate Affiliates that qualify for a prevailing price must be recorded at the prevailing price. (Prevailing price has a specific meaning. Please consult your supervisor or the legal or regulatory departments if you need further information about the application of the prevailing price rule in transactions between a BOC and its Section 272-Restricted Separate Affiliates.)
- All other assets sold or transferred by a BOC (or any affiliated ILEC) to its Section 272-Restricted Separate Affiliates must be recorded at the higher of fair market value (FMV) and net book cost. All other assets purchased by or transferred to a BOC (or any affiliated ILEC) from its Section 272-Restricted Separate Affiliates must be recorded at the lower of FMV and net book cost.
- All other services provided by a BOC (or any affiliated ILEC) to its separate affiliate must be recorded at the higher of FMV and fully distributed cost (FDC). All other services provided by a Section 272-Restricted Separate Affiliates to a BOC (or any affiliated ILEC) must be recorded at the lower of FMV and FDC.

Employees may refer any questions regarding affiliate transaction rules and processes to the Affiliate Oversight Group, as outlined in Operating Practice 125.

Under an additional accounting safeguard, the Act requires that a BOC pay for audits that test compliance with the requirements of Section 272. An audit will be conducted every [**] by an independent auditor under the direction of federal and state regulators. Employees are expected to comply with requests for data and/or information from the independent auditor as deemed necessary to conduct and complete the audit engagement.

VII. Joint Marketing

A BOC may market and sell the interLATA services provided by its Section 272 Affiliates on an exclusive basis; however, the BOC must continue to advise new customers of their right to select their choice of interexchange carrier in compliance with the FCC's equal access rules. Generally, the exclusive joint marketing functions are defined as customer ordering, inquiries, and sales activity. To the extent that the BOC allows its Section 272 Separate Affiliate to market and sell the BOC's local telephone exchange services, the BOC must allow other unaffiliated entities to do the same.

RESTRICTED – PROPRIETARY INFORMATION

The information contained herein is for use by authorized employees of AT&T, Amdocs and their Affiliated Companies only, and is not for general distribution within those companies or for distribution outside those companies except by written agreement.

VIII. For More Information

Every effort has been made to ensure that this employee guide will answer any general questions you may have; however, there may be occasions where either no answer is provided to your specific question or the answer may be unclear even after you refer to this guide. Those questions should be directed through your organization's Section 272 Compliance Coordinator and/or Legal department to the Section 272 Oversight Team as necessary.

RESTRICTED – PROPRIETARY INFORMATION

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2006 ATT Inc. Affiliate List

<u>BOCS</u>	<u>ILECS</u>	<u>Internet Service Providers (ISP)</u>	<u>272 Affiliates</u>	<u>272-Like Affiliates</u>
[**]	[**]	[**]	[**]	[**]
[**]	[**]	[**]	[**]	[**]
[**]			[**]	
[**]				
[**]				
[**]				
[**]				
[**]				

RESTRICTED – PROPRIETARY INFORMATION

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Amdocs' Acknowledgement Form

Section 272 Compliance Guide for Temporary Workers and Independent Contractors

Amdocs, Inc. ("Amdocs") and AT&T Services, Inc. ("AT&T") are parties to the Information Technology Services Agreement number 02026409 dated January 9, 2003 (the "Agreement"). Capitalized terms used but not otherwise defined herein have the meanings set forth in the Agreement.

In connection with certain Services provided by Amdocs under the Agreement, AT&T previously furnished Amdocs with the document entitled "The Separate Affiliate Safeguards, Section 272 Compliance Obligations Applicable to InterLATA Telecommunications Services and Manufacturing Under the Federal Telecommunications Act of 1996"⁶ (the "Section 272 Compliance Guide").

Amdocs acknowledges that:

(i) Amdocs Personnel, while providing Services under the Agreement, must comply with certain regulatory requirements applicable to AT&T when such Amdocs Personnel job functions involve providing support for, or Services to, AT&T's Section 272-Restricted Separate Affiliates (as defined in the Section 272 Compliance Guide),

(ii) Amdocs has furnished the Section 272 Compliance Guide to such Amdocs Personnel,

(iii) Amdocs requires such Amdocs Personnel to read and review the Section 272 Compliance Guide, and

(iv) Amdocs has used commercially reasonable efforts to obtain from each such Amdocs Personnel written acknowledgement that he or she has read the Section 272 Compliance Guide.

AMDOCS, INC

By _____
Name [typed or printed] _____
Title [typed or printed] _____
Date [typed or printed] _____

⁶ More commonly referred to as the "Section 272 Compliance Guide for Temporary Workers and Independent Contractors."

RESTRICTED – PROPRIETARY INFORMATION

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Amendment

No. 02026713.A.007

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 7**AGREEMENT NO. 02026713**

This Amendment No. 7, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007 and as further amended by Amendment No. 6 effective September 2, 2008 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360-2 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, AT&T may desire Amdocs to implement customizations to such Software and other Software previously licensed by Amdocs to AT&T, and to provide other Services relating to such Software pursuant to the terms and conditions of the Agreement as amended herein; and

WHEREAS, Amdocs desires to implement customizations to the Software and provide other Services relating to such Software pursuant to the terms and conditions of the Agreement as amended herein,

WHEREAS, the Agreement expired by its terms on November 5, 2008 (the "Prior Expiration Date"); and

WHEREAS, after such Prior Expiration Date, the Parties continued to perform under the Agreement as if it had not expired, and with the intention of extending its term; and

WHEREAS, AT&T and Supplier now desire to revive the Agreement; to extend its term; to formalize the validity and continuation of the Agreement since its Effective Date of August 7, 2003.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree as follows:

1. The Agreement is revived; the term is extended as set forth below; and the Agreement shall be deemed to have been in effect continuously since the Agreement Effective Date. The Parties further ratify all actions taken between the Prior Expiration Date and the date when this Amendment is effective.
2. For purposes of extending the term of this Agreement, Section 3.32. "Term of Agreement", is deleted in its entirety and replaced with the following:

Section 3.32. Term of Agreement:

This Agreement is effective on the date the last Party signs and, unless Terminated or Canceled as provided in this Agreement, shall remain in effect for a term ending on January 15, 2009. The Parties may extend the term of this Agreement by agreement in writing.

3. The **TABLE OF CONTENTS, APPENDICES AND EXHIBITS** is hereby amended in accordance with the following:

Delete: Appendix 7. 272 Compliance

Add: Appendix 8 AT&T Supplier Information Security Requirements (SISR)

Add: Appendix 9 Satisfaction Survey

Add: Appendix 10 Governance

Add: Appendix 11 Service Level Agreement Process and Measurement

4. **Section 3.10 Force Majeure** of **ARTICLE III - GENERAL TERMS** is hereby deleted in its entirety and replaced as follows:

3.10 Force Majeure

- a. A Party is excused from performing its obligations under this Agreement or any Order if, to the extent that, and for so long as:
 - i. such Party's performance is prevented or delayed by an act or event (other than economic hardship, changes in market conditions or insufficiency of funds) that is beyond its reasonable control and could not have been prevented or avoided by its exercise of due diligence; and
 - ii. such Party gives written notice to the other Party, as soon as practicable under the circumstances, of the act or event that so prevents such Party from performing its obligations.

By way of illustration, and not by way of limitation, acts or events that may prevent or delay performance (as contemplated by this Section) include: acts of God or the public enemy, acts of civil or military authority, terrorists acts, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, and labor disputes (even if AT&T is involved in a labor dispute). If Supplier is the Party whose performance is prevented or delayed, and if such event of Force Majeure continues for a period of [**] or more, at any point thereafter during the pendency of such Force Majeure event, AT&T may elect to:

- i. Terminate, in whole or in part, the affected Orders, without any liability to Supplier, or

Proprietary Information

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- i. suspend the affected Orders or any part thereof for the duration of the delay; and (at AT&T's option) obtain Material and Services elsewhere and deduct from any commitment under such Order the quantity of the Material and Services obtained elsewhere or for which commitments have been made elsewhere; and resume performance under this Agreement or such Order when Supplier resumes its performance; and extend any affected Delivery Date or performance date up to the length of time Supplier's performance was delayed or prevented.

5. **Paragraph A of Section 3.19 MBE/WBE/DVBE of ARTICLE III GENERAL TERMS** is amended by adding the following:

The Parties agree to collaborate and amend this Section 3.19 by January 15, 2009.

6. A new **Section 3.37 Labor Disputes** is hereby added to **ARTICLE III – GENERAL TERMS** of the Agreement as follows:

3.37 Labor Disputes

a. In the event of a labor dispute between AT&T and the union(s) representing AT&T's employees, AT&T may exercise its right to modify the Scope of Work under the Order on immediate written notice, including postponing, reducing, or terminating the services to be provided under the Order and due to be performed after the commencement of a labor dispute, provided, however, that in the event of the termination of services pursuant to this paragraph, AT&T shall provide Amdocs with no less than [**] written notice of such termination and such termination shall be deemed a termination for convenience and subject to the payment of any applicable early termination fees under such terminated Order. AT&T acknowledges and agrees that the exercise of such right may result in a delay in the resumption of Services when requested by AT&T.

b. The rights and obligations of the Parties under this Section are in addition to, and not a limitation of, their respective rights under the Sections entitled "Amendments and Waivers" and "Force Majeure."

Where AT&T modifies the Scope of Work to include a reduction, postponement or termination of the services to be provided, until reinstatement of such services, the terms of any Service Level Agreements applicable to such services shall be reasonably modified by the Parties to reflect such modification. In addition, no such modification shall relieve AT&T of its obligation to pay Amdocs for any services actually performed by Amdocs (whether before or after such modification) notwithstanding Amdocs' failure or inability to achieve any payment milestone set forth in the applicable Order as a result of such modification.

Proprietary Information

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7. A new **Section 3.38 Satisfaction Surveys** is hereby added to **ARTICLE III – GENERAL TERMS** of the Agreement as follows:

3.38 Satisfaction Surveys

- a. Independent Surveys.** Within [**] days after the Effective Date of this Amendment, Supplier shall identify and submit to AT&T for its approval the identity of an independent third party that will conduct a baseline customer satisfaction index survey of the Services to be provided under this Agreement in accordance with the survey protocols and procedures specified in Appendix 9. Within [**] days after AT&T's approval of Supplier's selection, such independent third party shall conduct the baseline customer satisfaction index survey and shall submit the results within [**] days to AT&T for its approval. Such baseline customer satisfaction index survey shall thereafter become the baseline for measuring performance improvements and conducting other satisfaction surveys hereunder. Thereafter, Supplier shall engage independent third parties (such third parties to be approved in advance by AT&T) to conduct satisfaction surveys at the intervals and in accordance with the survey protocols and procedures specified in Appendix 9 (and if not such intervals are provided therein, then at least on an annual basis beginning on the date of delivery of the initial baseline satisfaction survey). Supplier shall be responsible for the expenses of all such surveys conducted pursuant to this Section 3.38.
- b. AT&T-Conducted Surveys.** In addition to the satisfaction surveys to be conducted by an independent third party pursuant to Section 3.38, AT&T may survey End-User satisfaction with Supplier's performance in connection with and as part of broader End-User satisfaction surveys periodically conducted by AT&T or such other party as AT&T may select. At AT&T's request, Supplier shall cooperate and assist AT&T with the formulation of the survey questions, protocols and procedures and the execution and review of such surveys, including participating in any existing or future programs or processes addressing customer satisfaction and with which AT&T may be involved, participate in or perform, including the AT&T Quality Process or similar processes or programs.
- c. Survey Follow-up.** If the results of any satisfaction survey conducted pursuant to Section 3.38 indicate that the level of satisfaction with Supplier's performance is less than the target level specified in Appendix 9, Supplier shall promptly: (i) analyze and report on the root cause of the management or End-User dissatisfaction; (ii) develop an action plan to address and improve the level of satisfaction; (iii) present such plan to AT&T for its review, comment and approval; and (iv) take action in accordance with the approved plan and as necessary to improve the level of satisfaction. AT&T and Supplier shall establish a schedule for completion of a Root Cause Analysis and the preparation and approval of the action plan which shall be reasonable and consistent with the severity and materiality of the problem; provided, that the time for completion of such tasks shall not exceed [**] from the date such user survey results are finalized and reported. Supplier's action plan developed

Proprietary Information

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hereunder shall specify the specific measures to be taken by Supplier and the dates by which each such action shall be completed. Following implementation of such action plan, Supplier will conduct follow-up surveys with the affected AT&T users and management to confirm that the cause of any dissatisfaction has been addressed and that the level of satisfaction has improved.

8. A new **Section 3.39 AT&T Supplier Information Security Requirements** is hereby added to **ARTICLE III – GENERAL TERMS** of the Agreement as follows:

3.39. AT&T Supplier Information Security Requirements

Amdocs shall comply with AT&T Supplier Information Security Requirements as they pertain to Systems used to access AT&T's network, Information or facilities under the Agreement. AT&T Supplier Information Security Requirements are specified in Appendix 8.

9. A new **Section 3.40 Governance** is hereby added to **ARTICLE III – GENERAL TERMS** of the Agreement as follows:

3.40. Governance

Governance for this Agreement is described in Appendix 10, Governance, and is focused on Committee Structure, Performance Indicators Scorecard and an Action Register.

10. A new section 3.41 Original Signatures is hereby added to **ARTICLE III – GENERAL TERMS** of the Agreement as follows:

3.41. Original Signatures

Original signatures transmitted and received via facsimile or other electronic transmission of a scanned document, (e.g., pdf or similar format) are true and valid signatures for all purposes hereunder and shall bind the parties to the same extent as that of an original signature. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original but all of which together shall constitute only one document.

11. A new Section 5.11 Service Level Agreement Process and Measurement is hereby added to **ARTICLE V – SPECIAL SOFTWARE TERMS** as follows:

5.11 Service Level Agreement Process and Measurements

Service Level Agreement Process and Measurements shall apply to Work Orders with Service Level Agreements (SLA) and Key Performance Indicators (KPI). This section will be defined by both Parties prior to the next amendment of this Agreement in January 2009.

12. **ARTICLE VI - ONGOING SUPPORT SERVICES** is hereby amended to delete the following Section:

6.16. Amdocs shall comply with the requirements of Appendix 7 entitled 272 Compliance.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

13. **Section 6.11 Disaster Recovery and Business Continuity Plan** of **ARTICLE VI – ONGOING SUPPORT SERVICES** is hereby renumbered as **6.16**.

14. **Appendix 1.2(2) IT Professional Service Price(s)**

The Parties agree to collaborate and amend Appendix 1.2(2) IT Professional Service Price(s) by January 15, 2009.

15. **Appendix 7. 272 Compliance**

Appendix 7., 272 Compliance, is hereby deleted in its entirety.

16. **Appendix 8. AT&T Supplier Information Security Requirements**

Appendix 8, Supplier Information Security Requirements, is hereby attached to the Agreement and made a part thereof by this reference.

17. **Appendix 9. Satisfaction Surveys**

Appendix 9, Satisfaction Surveys, is hereby attached to the Agreement and made a part thereof by this reference.

18. **Appendix 10. Governance**

Appendix 10., Governance, is hereby attached to the Agreement and made a part thereof by this reference.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

The terms and conditions of Agreement No. 02026713 in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s Thomas C. Drury

Printed Name: Thomas C. Drury

Title: President

Date: 12/8/08

AT&T Services, Inc.

By: /s/ A. David Garger

Printed Name: A. David Garger

Title: Director – Global Strategic Sourcing Mass Market Software and Services

Date: 12/8/2008

Proprietary Information

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Appendix 8

AT&T Supplier Information Security Requirements

The following AT&T Supplier Information Security Requirements apply to the employees and/or temporary workers of Supplier and its suppliers, contractors, vendors and/or agents that perform services for, on behalf of, and/or through AT&T, which require access to AT&T's infrastructure, systems or applications or handle, process, or store AT&T, AT&T Branded and/or AT&T Co-branded Information (for the purpose of this Section, each or all "Supplier"). Supplier represents and warrants that during the term of this Agreement and thereafter (as applicable with respect to Supplier's obligations under the Survival of Obligations and Compliance with Laws clauses) Supplier is, and shall continue to be, in compliance with its obligations as set forth herein. AT&T's failure to audit and/or exercise any of its rights under this Section shall not be construed or deemed to be a waiver of any rights under this Agreement, in equity or at law. In addition to all other remedies specified in the Agreement, Supplier agrees that AT&T shall be entitled to obtain an injunction and be [**] by Supplier to cease any breach of any obligation that survives Cancellation, Termination or expiration of this Agreement. The following provisions shall not be deemed to, and shall not, limit any more stringent security or other obligations contained within this Agreement.

Definitions:

Unless otherwise set forth or expanded herein, defined terms shall have the same meaning as set forth in the main body of the Agreement.

"AT&T Branded Information" means Information owned, labeled, marked, or collected, which contains any of AT&T's or its affiliates' identifying markings or trademarks.

"AT&T Co-branded Information" means AT&T Branded Information that is jointly marketed or shared under a co-branding arrangement with a supplier, irrespective of dominance or emphasis of the co-branding relationship.

"Information Resources" means any systems, applications, and network elements, and the information stored, transmitted, or processed with these resources in conjunction with supporting AT&T and/or utilized by Supplier in fulfillment of its obligations under this Agreement.

"Personally Identifiable Information" or "PII" means any information that could be used to uniquely identify, locate, or contact a single person (or potentially be exploited to steal the identity of an individual, commit fraud or perpetuate other crimes). Examples of PII include personal telephone numbers, social security numbers, national-, state- or province-issued identification numbers, drivers license numbers, dates of birth, bank account numbers, credit card numbers and expiration dates, and other credit related information, PINs, passwords, passcodes, password hint answers, Protected Health Information as defined by the Health Insurance Portability and Accountability Act (HIPAA), biometric data, digitized signatures, and background check details.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

In accordance with the foregoing, Supplier shall:

System Security

1. Actively monitor industry resources (e.g., www.cert.org, pertinent software vendor mailing lists & websites) for timely notification of all applicable security alerts pertaining to Supplier networks and computers.
2. Scan its externally-facing systems with applicable industry standard security vulnerability scanning software (including, but not limited to, network, server, & application scanning tools) [**]
3. Scan its internal systems with applicable industry standard security vulnerability scanning software (including, but not limited to, network, server, application & database scanning tools) [**]
4. Upon AT&T's request, furnish to AT&T its most current scanning results for those resources used to support AT&T.
5. Deploy an Intrusion Detection System(s) (IDS) in an active mode of operation.
6. Remediate security vulnerabilities, including, but not limited to, those discovered through industry publications, vulnerability scanning, virus scanning, and the review of security logs, and apply applicable security patches in a timely manner, according to the following minimal guidelines: If:
 - A vulnerability exists and attack is underway: Supplier shall work on remediating/patching [**]
 - A vulnerability exists and attack is determined to be imminent: Supplier shall remediate/patch within [**]
 - A vulnerability exists and attack is determined to not be imminent: Supplier shall remediate/patch within [**]

All other security patches shall be applied within [**]

7. Assign security administration responsibilities for configuring host operating systems to specific individuals.
8. Ensure that its security staff has reasonable and necessary experience in information/network security.
9. Ensure that all of Supplier's systems are and remain 'hardened' including, but not limited to, removing or disabling unused network services (e.g., finger, rlogin, ftp, simple TCP/IP services) and installing a system firewall, TCP Wrappers or similar technology.
10. Change all default account names and/or default passwords in accordance with password requirements as set forth within requirement number 35, below.
11. Limit system administrator/root access to host operating systems only to individuals requiring high-level access in the performance of their jobs.
12. Require system administrators to restrict access by users to only the commands, data and systems necessary to perform authorized functions.

Physical Security

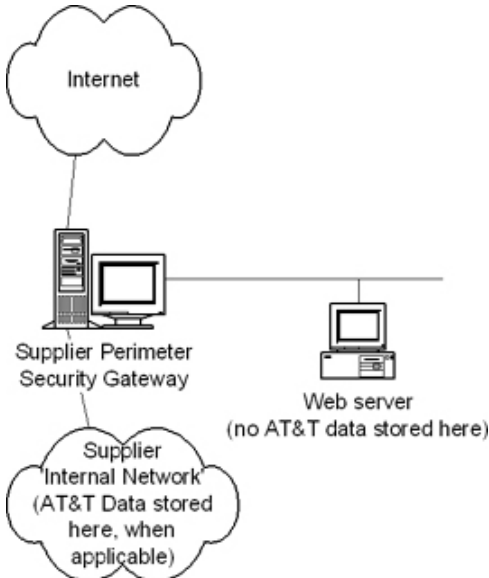
13. Ensure that all of Supplier's networks and computers are located in secure physical facilities with access limited and restricted to authorized individuals only.
14. Monitor and record, for audit purposes, access to the physical facilities containing networks and computers used in connection with Supplier's performance of its obligations under this Agreement.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Network Security

15. Separate AT&T’s data from the Internet and the destination web servers with a perimeter security gateway (e.g., firewall). For additional clarification of this requirement, see diagram, however, the written requirements shall control with respect to the interpretation of this provision.



16. Upon AT&T’s request, provide to AT&T a logical network diagram detailing the Information Resources (including, but not limited to, firewalls, servers, etc.) that will support AT&T.
17. Have a process and controls in place to detect and handle unauthorized attempts to access AT&T data.
18. Utilize strong encryption technologies (minimum 256-bit encryption) for the transfer of AT&T Information outside AT&T-controlled facilities and network. This also applies to electronically transmitted email communications containing proprietary AT&T data or Information.
19. Utilize strong authentication (e.g., two factor token or digital certificates) for remote access.

Information Security

20. Not co-locate AT&T’s application/data on the same physical servers with other customers’ or Supplier’s own application/data unless approved in advance in writing by AT&T. If physical separation does not exist, documented controls must be in place and approved by AT&T to ensure separation of data and security of Information between customer, Supplier, and AT&T applications.
21. Have a procedure approved in advance in writing by AT&T for the backup, secure transport and storage of AT&T Information.
22. Maintain and furnish to AT&T a business continuity plan that ensures that Supplier can meet its contractual obligations under the Agreement, including the requirements of any applicable Statement of Work or Service Level Agreement.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

23. Store sensitive AT&T data elements utilizing strong encryption technologies (minimum 256-bit encryption). Sensitive data elements include, but are not limited to, the following: social security number, national-, state- or province-issued identification number, drivers license number, date of birth, bank account number, credit card number and expiration date, and other credit related information, PINs, passwords, passcodes, password hint answers, Protected Health Information as defined by HIPAA, biometric data, digitized signature, and background check details.
24. Limit access to AT&T Information, including paper hard copies, only to persons or systems authorized by AT&T under written agreement.
25. Be compliant with any applicable government- and industry-mandated information security requirements including, but not limited to, the Payment Card Industry- Data Security Standards (PCI) and HIPAA.
26. Retain records according to and in compliance with any applicable federal, state, local and foreign laws, ordinances, regulations and/or codes, and as otherwise directed by AT&T, for a period of no less than [**], or longer as may be set forth herein or as may be required pursuant to a court order or civil or regulatory proceeding.
27. Return all AT&T Information, including electronic and hard copies within [**] days after the sooner of: (a) expiration, Cancellation or Termination of the Agreement; (b) AT&T's request for the return of Information; or (c) when Supplier (or its suppliers or representatives) no longer needs the Information. In the event that AT&T approves destruction as an alternative to returning the Information, then Supplier shall certify the destruction (e.g., degaussing, overwriting, performing a secure erase, performing a chip erase, shredding, cutting, punching holes, breaking, etc.) in a manner approved in advance in writing by AT&T.
28. Unless otherwise instructed by AT&T, when collecting, generating or creating Information for, through or on behalf of AT&T or the AT&T brand, Supplier shall utilize the following AT&T proprietary marking:

“AT&T Proprietary Information (Internal Use Only)
Not for use or disclosure outside the AT&T companies
except under written agreement”

Identification and Authentication

29. Assign unique UserIDs to individual users.
30. Have and utilize a documented UserID Lifecycle Management process including procedures for approved account creation, timely account removal, and account modification (e.g., changes to privileges, span of access, functions/roles) for all applications and across all environments (production, test, development, etc.).
31. Enforce the rule of least privilege (i.e., limiting access to only the commands and Information necessary to perform authorized functions according to one's job function).
32. Limit failed login attempts to no more than [**] successive attempts and lock the user account upon reaching that limit. Access to the user account can subsequently be reactivated through a manual process requiring verification of the user's identity or, where such capability exists, can be automatically reactivated after [**] from the last failed login attempt.
33. Terminate interactive sessions that have been inactive for a designated period of time, not to [**]
34. Require password expiration at regular intervals not to exceed [**] days unless approved in advance and in writing by AT&T.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

35. Use an AT&T-approved authentication method based on sensitivity of Information. When passwords are used, they must meet these requirements:
- Passwords must be a minimum of [**] characters in length.
 - Passwords must contain characters from at least [**] of these groupings: alpha, numeric, and special characters.
 - Password construction must be complex and not contain names, dictionary words, combinations of words, or words with substitutions of numbers for letters, e.g., s3cur1ty.
 - Passwords must not contain repeating or sequential characters or numbers.
 - Passwords must not contain sequences of three (3) or more characters from the USERID or system name.
 - The new password must not contain sequences of three (3) or more characters from any of the previous four (4) passwords.
 - Passwords must not contain a sequence of two (2) or more characters more than once, e.g., a12x12.

Note: (Applications housing Restricted Proprietary Information may require an authentication mechanism stronger than passwords and the authentication mechanism must be approved by AT&T in advance in writing. Examples of stronger authentication methods include tokens, digital certificates, passphrase, and biometrics.)

36. Use a secure method for the conveyance of authentication credentials (e.g., passwords) and authentication mechanisms (e.g., tokens or smart cards).

Warning Banner

37. Display a warning or “no-trespassing” banner on applicable login screens or pages when in Supplier’s environment and not an AT&T Branded product or service.

(example long version):

This is an <company name> system, restricted to authorized individuals. This system is subject to monitoring. Unauthorized users, access, and/or modification will be prosecuted.

(example short version):

<company name> authorized use ONLY, subject to monitoring. All other use prohibited.

For AT&T Branded products or services or for software developed for AT&T, the Supplier shall display a warning banner on login screens or pages as provided by AT&T.

Software and Data Integrity

38. Scan for and promptly remove viruses.
39. Separate non-production systems and data from production systems and data.
40. Have a documented software change control process including back out procedures.
41. Have database transaction logging features enabled and retain database transaction logs for a minimum of [**].
42. Regarding software developed, used or furnished and/or supported under this Agreement, review code for which Supplier has or is permitted access to find and remediate security vulnerabilities.
43. Perform quality assurance testing for the application functionality and security components (e.g., testing of authentication, authorization, and accounting functions, as well as any other activity designed to validate the security architecture).

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Privacy Issues

44. NOT publicly disclose, sell, rent, lend, trade or lease any AT&T Information (including Information obtained on AT&T's behalf).
45. Restrict access to any Personally Identifiable Information to authorized individuals.

Monitoring and Auditing Controls

46. Restrict access to security logs to authorized individuals.
47. Regularly review security logs for anomalies and document and resolve all logged security problems in a timely manner.
48. Keep security logs for a minimum of [**].
49. Provide, and hereby provides, to AT&T audit rights to verify Supplier's compliance with its contractual obligations in connection with these AT&T Supplier Information Security Requirements. Upon AT&T's request for audit, Supplier shall schedule an audit to commence within [**] days from such request. In the event that AT&T, in its sole discretion, deems that a security breach has occurred, Supplier shall schedule the audit to commence within [**] requiring an audit. This provision shall not be deemed to, and shall not, limit any more stringent audit obligations permitting the examination of Supplier's records contained in this Agreement.
50. Provide AT&T, [**] days from the publication of the audit report identifying any noncompliance with the contractual security requirements, a written report of completed or proposed corrective actions and implementation timeframes, unless otherwise stipulated herein, as soon as possible, but [**] days, addressing each noncompliance found within the audit. Supplier shall provide periodic, [**], updates to AT&T on the implementation of the corrective action plan in order to track the work to completion.

Reporting Violations

51. Have and utilize a documented procedure to follow when an unauthorized intrusion or other security violation, including, but not limited to, a physical security or computer security incident (e.g., hacker or attempted hacker activity or the introduction or attempted introduction of a virus or malicious code), is suspected which includes immediate notification to the AT&T Computer Security Incident Response Team (ACSIRT).

ACSIRT 24 hour contact information:

[**]

52. In addition to providing AT&T with immediate notice of any security incident, provide AT&T with regular status updates including but not limited to actions taken to resolve such incident at [**] for the duration of the incident, and, [**] of the closure of the incident, a written report describing the incident, actions taken by the Supplier during its response and the Supplier's plans for future actions to prevent a similar incident from occurring in the future.

Software Development and Implementation

53. Ensure, prior to furnishing or development of software, that such software incorporates applicable AT&T security requirements.

Proprietary Information

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Interconnectivity

54. Use only the AT&T Chief Security Office (CSO) approved facilities and connection methodologies to interconnect AT&T's data facilities with Supplier's data facilities and to provide access to the data for each connection.
55. NOT establish interconnection to endpoint resources other than in the United States. Interconnections to endpoint resources other than in the United States require the express prior written consent of AT&T.
56. Permit limited access to Information Resources and the transmission of Information only to those individuals necessary to carry out the intent and purpose of the Agreement.
57. Maintain logs of user sessions (including application to application sessions) involving access to AT&T. These logs must include: login identification, user request records, system configuration, and timestamps and/or duration of access. These logs must be retained for [**].
58. Provide AT&T access to any Supplier facilities during normal business hours for the maintenance and support of any AT&T equipment (e.g., router) used for the transmission of Information under this Agreement.
59. Use any AT&T equipment provided under this Agreement only for the furnishing of those services explicitly defined in this Agreement.
60. Consent and hereby consents to AT&T's gathering of information relating to Supplier's access to AT&T networks, processing systems and applications. This information may be collected, retained and analyzed by AT&T to identify potential security risks without further notice. This information may include trace files, statistics, network addresses, and the actual data or screens accessed or transferred.
61. Ensure that all Supplier interconnections to AT&T pass through the designated AT&T perimeter security gateway (e.g., firewall).
62. Ensure that Supplier interconnections to AT&T must terminate at a perimeter security gateway (e.g., firewall) at the Supplier end of the connection.
63. Consent and hereby provides advance consent to AT&T's immediately suspending or terminating any interconnection if AT&T, in its sole discretion, believes there has been a breach of security or unauthorized access to or misuse of AT&T data facilities or Information. Notwithstanding the foregoing, AT&T does not require Supplier's consent to terminate in whole or in part any connection if AT&T believes, in its sole discretion, that disconnection is warranted.

Security Policies and Procedures

64. Ensure that all personnel, subcontractors or representatives performing work on any AT&T resources or the resources used to interconnect to AT&T resources or the resources used to house AT&T or AT&T Branded Information under this Agreement are in compliance with these Information Security Requirements.
65. Notify AT&T of any policy changes that could impact the security controls put in place to secure AT&T's data.
66. Periodically review these Information Security Requirements to ensure that Supplier is in compliance with the requirements.
67. Return all AT&T owned or provided access devices (including SecurID tokens, information storage devices, software, and/or computer equipment) as soon as practicable, but in no event more than [**] after the sooner of: (a) expiration, Cancellation or Termination of the Agreement; (b) AT&T's request for the return of such property; or (c) when Supplier (or its suppliers or representatives) no longer needs such property.

Proprietary Information

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Appendix 9
Satisfaction Surveys

This is **Appendix 9** of the Agreement. Capitalized terms not defined in this Appendix have the meaning given in the Agreement. Any capitalized term not defined has its generally understood meaning in the context in which it is used in the IT industry for the provision of Services.

At AT&T's request, Amdocs will identify and submit to AT&T for its approval the identity of an independent third party to conduct baseline End User satisfaction surveys of the Services. Amdocs will be responsible for all costs associated with the surveys. Thereafter, Amdocs shall engage independent third parties approved in advance by AT&T to conduct satisfaction surveys annually or, if requested by AT&T, more frequently if previous survey results are deemed less than acceptable by the Governance team set forth in **Appendix 10**.

AT&T may also conduct internal surveys of End User satisfaction with Amdocs' performance in connection with and as part of broader End User satisfaction surveys periodically conducted by AT&T or such other party as AT&T may select. At AT&T's request, Amdocs shall cooperate and assist AT&T with the formulation of the survey questions, protocols and procedures and the execution and review of such surveys.

Survey Construction

Surveys will be developed to measure AT&T Personnel satisfaction with 1) Services, 2) End User Support and 3) Governance.

The surveys will be designed in compliance with provisions outlined in this document and distributed to selected AT&T personnel (as identified by AT&T) for the purpose of evaluating Amdocs performance to key satisfaction indicators.

Survey Objectives

The baseline surveys will be designed by AT&T, Amdocs and any retained third party using other AT&T and Amdocs surveys as a starting point.

As part of the baseline survey development process, the Governance team will

- provide information on the specific services to be evaluated (related to key drivers of management and user satisfaction);
- identify target groups with the most meaningful insight into the level of satisfaction; and
- use initial results to set baselines and parameters to indicate the desired amount of ongoing improvement.

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The surveys will be designed with interchangeable evaluation criteria components that can be used (as appropriate) across all survey types. The following table indicates survey components and applicability.

<u>Survey Criteria Components</u>	<u>Services</u>	<u>End User Support</u>	<u>Governance</u>
Culture / Work Environment			—
Impact of New Implementations	—	—	—
Impact on Respondents Work	—	—	—
Problem Solving Process	—	—	—
Professionalism	—	—	—
Relationship Management			—
Support Availability	—	—	—
Support Expertise	—	—	—
Support Responsiveness	—	—	—
System Functionality	—	—	—
System Performance	—	—	—
System Quality	—	—	—

Surveys will be repeated on a regularly scheduled basis to provide year-over-year or period-over-period result comparisons. The Governance team will be responsible for on-going review and approval of Amdocs’ improvement action plans (associated with survey results) as well as associated progress against those plans. Results, improvement action plans, issue progress and resolution will be shared with respondents.

Structure and Logistics

This section provides guidelines on how the survey should be structured, administered and analyzed.

- Each survey should contain at least one question to evaluate whether the prospective respondent is familiar with Amdocs and the Amdocs’ Services to weed out irrelevant responses.
- Survey questions will evaluate efficiency and effectiveness of Amdocs’ Services.
- A survey should take no more than [**] minutes to complete.
- Each survey question will cover four evaluation points for the Service:
 - **Screened**
 - Question to identify relevant respondent.
 - Example: Is online availability important to you? Yes or No
 - **Weighted**
 - Questions to identify how important or relevant service is to respondent.
 - Example: How important is this functionality? 1-7 response
 - **Rated**
 - Questions to determine core effectiveness of the Amdocs’ Service.
 - Example: How satisfied are you with online availability? 1-7 response
 - **Justified**
 - Open-ended questions to provide opportunity for feedback/comments.
 - Example: What improvement would increase your satisfaction with online availability? Free-form comment section

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- With respect to each Survey Criteria Component, respondents will be asked to rate
 - the relative importance
 - respondent's satisfaction
 - recommendations for improvement
- Demographics are required to review responses for trends based on location, organization, etc.
- Prior to administering the pending survey, the purpose of and process for the survey will need to be well communicated to the client community.
- Random sample size will be targeted to provide a [**]% confidence level.
- Resulting data must be validated and normalized.
- Result analysis will reflect overall satisfaction issues ranked by priority and evaluated for diverging needs.
- The composite score of each response will combine the importance to and satisfaction of the respondent across each criteria point.

Target Groups

The purpose of the Services and End User Support surveys is to provide focused, anonymous feedback to Amdocs and the Governance team related to Amdocs' Services. These surveys will be administered to a random sample of End Users.

The purpose of the Governance survey is to gather feedback on the Amdocs/AT&T relationship, in addition to the same performance information solicited from End Users. The Governance survey will be completed by all AT&T members of the Governance team, and by targeted AT&T IT employees.

AT&T will be responsible for identifying survey recipient candidates for all surveys.

Action Plans

Amdocs will

- analyze and report on the root cause of AT&T management or End User dissatisfaction
- develop an action plan to address and improve the level of satisfaction
- present such plan to AT&T Governance for its review, comment and approval
- take action in accordance with the approved plan and as necessary to improve the level of satisfaction.

AT&T and Amdocs will establish a schedule for completion of a Root Cause Analysis and the preparation and approval of the action plan which shall be reasonable and consistent with the severity and materiality of the problem, [**] from the date such survey results are finalized and reported.

Amdocs' action plan developed hereunder shall specify the specific measures to be taken by Amdocs and the dates by which each such action shall be completed. Following implementation of such action plan, follow-up surveys will be conducted with the affected AT&T users and management to confirm that the cause of any dissatisfaction has been addressed and that the level of satisfaction has improved. They will also need to be presented to the Governance team to obtain their sign-off prior to enactment.

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Core Customer Satisfaction Survey Questions

The following questions should be incorporated into satisfaction surveys, as appropriate:

Quality

1. How would you rate the overall quality of the Supplier's work products?

Timeliness

2. How would you rate the Supplier's overall timeliness of product delivery? (adherence to agreed upon due dates)?

Responsiveness

3. How would you rate the Supplier's overall responsiveness to questions, issues, and problem resolution?

Supplier Skills

4. How would you rate the overall technical competence of Supplier's personnel?

Change Management

5. How would you rate the Supplier on communicating effectively and following applicable guidelines when managing system changes?

Overall Satisfaction

6. Considering every thing about the Supplier's products and their customer service, how would you rate their performance overall?

Future Orientation and Innovation (optional question)

7. How would you rate the Supplier on developing service offerings that help AT&T be an industry leader?

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Appendix 10
Governance Model

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1.0 General Information

1.1 Introduction

The mission of this Governance Model is to ensure the seamless delivery of quality information technology services, to protect the contracting parties' interests and to mitigate risk to AT&T's business as it pertains to Amdocs' delivery of the Services.

The Governance Process is a disciplined approach for AT&T and its suppliers to resolve issues and efficiently manage the AT&T/Amdocs relationship within functional teams, who report out to a Steering Committee and an Executive Committee.

The Governance Model will consist of two (2) components: Contract Management Office and Service Management Office. The AT&T Contract and Service Management Offices provide an integration point for delivery of Services provided to AT&T. The Contract Management Office (CMO) and Service Management Office (SMO) ensure that Services provided align with AT&T expectations and comply with all executed agreement terms and conditions.

AT&T and Amdocs will jointly participate in all committees to provide governance, utilizing the model described herein, for Amdocs service delivery to AT&T business and to mitigate associated risks.

The CMO manages the contract by providing the governing structures and processes that define the relationship between AT&T and other entities participating in the Service delivery model. The CMO ensures contractual compliance, approves contract changes, manages transition and contract deliverables, and validates Supplier contract performance.

The SMO manages the day-to-day operational delivery of Services of the Supplier. The SMO resolves operational issues, manages the prioritization and authorization of projects, validates Suppliers service performance, supports Supplier employees and manages the invoice process.

No committee or office shall have the ability to alter the terms of the agreement or any Order, which changes shall only be made in a writing executed by authorized representatives of each party.

1.2 Governance Model Functions & Responsibilities

The CMO will contain the following roles and responsibilities:

CMO Executive – Responsible and Accountable for the Supplier's compliance with the Agreement and the Supplier relationship associated with the Agreement consisting of contract compliance, contract administration, Supplier management, policy administration, benchmarking, Supplier governance processes, and Supplier related financial management.

Responsibilities:

1. Managing the relationship with Supplier

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2. Managing Service Levels, Balanced Scorecard and customer satisfaction compliance with Supplier Working with SMO Executive, Amdocs Project Executive and Amdocs Delivery Project Executive to monitor progress in meeting the goals and objectives of the Agreement
3. Serving as primary interface between AT&T and the Supplier for dispute resolution
4. Ensuring Supplier compliance with contract requirements
5. Overseeing competitive benchmarking of the Agreement and support for business case attainment and benefits realization
6. Managing Supplier contract audits as required
7. Participating in resolution of escalated issues in accordance with the governance escalation procedures

Contractor Sponsorship - Responsible for handling operational administration of Supplier contractor on-boarding and access to appropriate service activations, buildings and other resources requiring AT&T employee initiation and approval.

Responsibilities:

1. Providing all contractor sponsorship activities for Supplier
2. Coordinating establishment of necessary accounts, permissions and services during operational phases of contract.
3. Coordinating completion of Supplier activities set forth in the Agreement, e.g., background checks, drug screenings

2.0 Committee Structure

2.1 Introduction

The following governance forums will provide the overall operating structure and guiding principles by which AT&T and Amdocs will function:

- Executive Committee
- Steering Committee
- Functional Committee

A standardized functional committee, steering committee, and executive committee structure will eliminate redundant efforts and ensure the appropriate team member participation at all levels of the relationship.

2.2 Executive Committee

The Executive Committee meets [**] based on the needs of the relationship and the performance of Amdocs. Senior Leadership Review will be presented by the Steering Committee.

Responsibilities:

- Reviews SLAs, KPIs, and prioritized action register as presented by the Steering Committee

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- Reviews the overall performance of Amdocs relationship.
- Reviews the SLAs, KPIs, and their targets
- Reviews significant improvement opportunities requiring their advisement and/or assistance.
- Assists the Steering Committee when needed

Members of the Executive Committee include the following from AT&T and Amdocs:

- AT&T CMO Executive(s)
- AT&T SMO Executive(s)
- Amdocs Customer Business Executive(s)

2.3 Steering Committee

The Steering Committee meets [**] based on the needs of the relationship and performance of Amdocs. The Steering Committee reviews overall SLAs and KPIs, reviews subcommittee action registers, and prioritizes efforts with conflicting resources.

Responsibilities:

- Reviews the overall performance of the Amdocs relationship
- Reviews key service indicators and prioritized action register as presented by the Functional Committee
- Manages critical or escalated action register items
- Reports on SLAs, KPIs, prioritized action register items and presents data to the Executive Committee
- Assists the Functional Committee as needed

Members of the Steering Committee include the following from AT&T and Amdocs:

- AT&T CMO Service Level Manager
- AT&T SMO Service Level Manager
- AT&T CMO Finance Manager
- AT&T SMO Finance Manager
- AT&T SMO Data Manager
- Amdocs Service Level Manager(s)
- Amdocs Finance Director(s)
- Amdocs Project Manager(s)

2.4 Functional Committee

The Functional Committee will meet on a schedule based on the needs of the relationship and performance of Amdocs. The Functional Committee owns and manages the SLAs and KPIs, targets and reports along with identifying, prioritizing and escalating action items.

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The Functional Committee could include but is not limited to:

- Development Leads
- Test Leads
- Production Support Leads
- PMO Management
- URD
- Architectural Support
- IT Sourcing
- Global Strategic Sourcing

Responsibilities:

- Chaired by a PMO Team Lead
- Own the SLAs, KPIs, and their targets
- Maintain one prioritized action register
- Report on SLAs and KPIs, prioritized action register items, and present data to the Steering Committee

Members of the Functional Committee include the following from AT&T and Amdocs:

- AT&T CMO Service Level Lead
- AT&T SMO Service Level Lead
- AT&T CMO Finance Lead
- AT&T SMO Finance Lead
- AT&T SMO Data Lead
- Amdocs Service Level Lead(s)
- Amdocs Finance Managers(s)
- Amdocs Group Lead(s)

3.0 Service Performance Review

Supplier will conduct [**] service performance review sessions. Attendees will include key contacts from AT&T and Supplier. During this review Supplier will present the following information:

- [**] Service Level Agreement (SLA) performance statistics
- Year-to-date SLA performance
- Historical trending of the SLA metrics and benchmarks
- Performance and process improvement plans
- Status of project improvement plans from previous [**]
- Status on strategic projects and programs (planned, just completed, or in progress)
- Current challenges to service delivery
- Recommendations for the next [**]

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- Status of business and technical strategic initiatives
- Balanced Scorecard results as applicable
- [**] financial results
- Issue escalations
- Proposed changes to the agreement, as required

Reporting

Supplier will provide service reports via an online delivery mechanism that is approved by AT&T. This mechanism will serve as the cornerstone of reporting, feedback, and action. The reports will blend input from the Supplier, direct feedback from AT&T through client surveys and automated measurements to create a management-level view of the Supplier's performance.

General Service Conditions

Report shall be inclusive of all SLAs and KPIs for which the Supplier is responsible, as defined in addendum A.

4.0 TRANSITION

4.1 Transition Process

The Functional Committee will be responsible for:

- Identifying committee members for the Functional team
- Key Measures
- Identifying the most important Key Measures and their Targets.
- Operational Definitions
- Writing definitions for each Key Measure with an explanation of each measure
- Identifying the data source. If there is not a current data source, identify how the data will be obtained.
- Action Register, Meetings and Reports
- Setting Functional Team meeting dates
- Identifying all Action Registers, Meetings and Reports currently used
- Reducing, combining or eliminating current meetings, action registers and reports as needed. Tracking these efforts in a Summary of actions taken that can be provided to the Steering Committee.
- Implementing the Standardized Action Register
- Reporting Action Register progression to Steering Committee
- Implementing any Action Items for the specific Organizations that represent the Functional Committee

Proprietary Information

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4.2 Functional Committee Metrics and Reporting Template

Each Functional Committee is responsible for certain Key Measurements. The agreed upon Key Measurements are shown in the table below. It will be the responsibility of the Functional Committees as a whole to establish a standardized, integrated means of reporting that will be provided to the Steering Committee.

4.3 Sample Functional Committee Action Register

Each Functional Committee is responsible for maintaining one action register that will include all action items and product platforms associated with a particular supplier. The Functional Committee action registers will be combined into ONE action register which will contain High and Medium issues which will be escalated to the Steering Committee. Functional committees should use the action item format as shown below.

<u>Issue</u>	<u>Issue ID</u>	<u>Priority</u>	<u>Status</u>	<u>Functional Committee</u>	<u>AT&T Owner</u>	<u>Amdocs Owner</u>	<u>Open Date</u>	<u>Target Date</u>	<u>Closed Date</u>	<u>RYG Date</u>
This is to be clear and concise, define who has the problem, indicate where the problem is occurring, explain how the issue affects performance, and explain to what extent time and /or threat a factor?	Each functional committee will have their own ID.	High, Medium, or Low								

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ADDENDUM 1 - SAMPLE TEMPLATE

Executive Committee

<u>AT&T</u>			<u>Amdocs</u>		
<u>Name*</u>	<u>Title</u>	<u>Telephone</u>	<u>Name</u>	<u>Title</u>	<u>Telephone</u>
Each area will provide a participant in committee			Each area will provide a participant in committee		

Steering Committee

<u>AT&T</u>			<u>Amdocs</u>		
<u>Name*</u>	<u>Title</u>	<u>Telephone</u>	<u>Name</u>	<u>Title</u>	<u>Telephone</u>
Each area will provide a participant in committee			Each area will provide a participant in committee		

Functional Committee

<u>AT&T</u>			<u>Amdocs</u>		
<u>Name*</u>	<u>Title</u>	<u>Telephone</u>	<u>Name</u>	<u>Title</u>	<u>Telephone</u>
Each area will provide a participant in committee			Each area will provide a participant in committee		

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Amendment

No. 02026713.A.009

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

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AMENDMENT NO. 9**AGREEMENT NO. 02026713**

This Amendment No. 9, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008 and as further amended by Amendment No. 8 effective February 4, 2009 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, the Agreement expired by its terms on March 15, 2009 (the "Prior Expiration Date"); and

WHEREAS, after such Prior Expiration Date, the Parties continued to perform under the Agreement as if it had not expired, and with the intention of extending its term; and

WHEREAS, AT&T and Supplier now desire to revive the Agreement; to extend its term; to formalize the validity and continuation of the Agreement since its Effective Date of August 7, 2003; to amend Appendix 1.2(2) IT Professional Service Price(s), to replace 3.19 MBE/WBE/DVBE (and Exhibits), to replace Appendix 1.2(4), Reimbursable Expenses and to add Appendix 11, Service Level Agreement Process and Measurement;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. The Agreement is revived; the term is extended as set forth below; and the Agreement shall be deemed to have been in effect continuously since the Agreement Effective Date. The Parties further ratify all actions taken under the Agreement between the Prior Expiration Date and the date when this Amendment is effective.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

2. For purposes of extending the term of this Agreement, Section 3.32. "Term of Agreement", is deleted in its entirety and replaced with the following:

Section 3.32. Term of Agreement:

This Agreement, with an Effective Date of August 7, 2003, shall remain in effect for a term ending on June 30, 2009, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

3. **Section 3.19 MBE/WBE/DVBE of ARTICLE III GENERAL TERMS** is deleted and replaced as follows:

3.19 MBE/WBE/DVBE (and Exhibits)

- A. AT&T 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 making good faith efforts to achieve goals for the participation of MBE/WBE and DVBE firms (as defined in section 3.20 below entitled "MBE/WBE/DVBE Termination"). Amdocs will make good faith efforts to meet or exceed the target of twelve percent (12%) for 2009. Targets for 2010 and thereafter will be agreed to prior to the commencement of the applicable calendar year.

For the avoidance of doubt, these goals apply to all annual expenditures by any AT&T entity with Amdocs. This includes all expenditures under all existing agreements between AT&T and Amdocs. Amdocs agrees to meet in good faith to evaluate with AT&T 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.

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4. Section 5.11 Service Level Agreement Process and Measurement of ARTICLE V – SPECIAL SOFTWARE TERMS is hereby deleted and replaced as follows:

5.11 Service Level Agreement Process and Measurements

Service Level Agreement Process and Measurements shall apply to Work Orders with Service Level Agreements (SLA) and Key Performance Indicators (KPI) as set forth in the attached Appendix 11.

5. Appendix 1.2(2) IT Professional Service Price(s) is amended to include the following:

The fixed price for software development work [**]

6. Appendix 1.2(4) Reimbursable Expenses:

Appendix 1.2(4), Reimbursable Expenses, attached to the Agreement, is deleted in its entirety, and replaced with the revised Appendix 1.2(4) Vendor Expense Policy, attached herewith.

The terms and conditions of Agreement No. 02026713 in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas C. Drury
Printed Name: Thomas C. Drury
Title: President
Date: 3-28-09

AT&T Services, Inc.

By: /s/ A. David Garger
Printed Name: A. David Garger
Title: Director - GSS- Mass Markets Software and Services
Date: 3/27/2009

Proprietary Information

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Appendix 1.2(4)
AT&T Vendor Expense Policy
AT&T Inc. and Participating Companies
(Updated 2/1/09)

1.0 General

The AT&T Vendor Expense Policy (VEP) provides guidelines to be followed by all vendors of AT&T in requesting reimbursement for business travel, meals and other business related expense. Expenses outside this policy are not reimbursable.

The following principles apply to requests for expense reimbursement:

When spending money that is to be reimbursed, vendors must ensure that an AT&T Company ("Company") receives proper value in return.

The concept that a vendor and their employees are 'entitled' to certain types or amounts of expenditures while conducting business with the Company is erroneous. Personal expenditures reported for reimbursement should be billed exactly as they were incurred. The use of averages for any type expenditure or combination of expenditures is not permitted except as specifically provided or documented in a contract.

Every vendor and AT&T employee who certifies or approves the correctness of any voucher or bill should have reasonable knowledge the expense and amounts are proper and reasonable. In the absence of the adoption of such policy, or existing contractual agreements, these guidelines are considered the minimum requirements for requesting reimbursement of Company funds.

Deviations from this VEP *must be approved in writing* by the sponsoring Senior Manager or Officer of an AT&T Company.

Employees should refer to the Section entitled "Payments" in the Schedule of Authorizations for Affiliates of AT&T Communications, Inc. for appropriate supplier invoice authorization approval levels.

Receipts will be requested and reviewed for any unusual or out of the ordinary expenses or where the approver cannot make a reasonable determination of the propriety of the invoice without a receipt.

The origination of a given expenditure for business purposes is the responsibility of the vendor incurring the expense and the authorization of that expense is the responsibility of the appropriate level of AT&T management in accordance with the Schedule of Authorizations for Affiliates of AT&T Inc.

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1.1 Non-Reimbursable Expenses

The following is a list, although not all inclusive, of expenses considered not reimbursable:

- Airline club membership fees, dues, or upgrade coupon
- Barber/Hairstylist/Beautician Expenses
- Birthday cakes, lunches, balloons, and other personal celebration/recognition costs
- Break-room supplies for the supplier, such as coffee, creamer, paper products, soft drinks, snack food
- Car rental additional fees associated with high speed toll access programs and GPS devices
- Car Washes
- Clothing, personal care items, and toiletries
- Credit card fees
- Entertainment expenses
- Expenses associated with spouses or other travel companions
- Expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel
- Flowers, cards and gifts
- Health Club and Fitness facilities
- Hotel pay-per-view movies, Video Games and/or mini bar items
- Insurance for rental car and or flight
- Internet access in hotels (added to 3.5)
- Laundry (except when overnight travel is required for 7 or more consecutive nights)
- Lost luggage
- Magazines & newspapers
- Meals not consistent with AT&T's Global Employee Expense Policy and or meals not directly required for doing business on the AT&T account (e.g. suppliers cannot voucher lunch with each other simply to talk about AT&T)
- Medical supplies
- Membership fees to exercise facilities or social/country clubs
- Movies purchased while on an airplane
- Office expenses of suppliers
- PC, cell phone, and other supplier support expenses (unless specifically authorized in the agreement)
- Personal entertainment
- Phone usage on airline unless AT&T business emergency
- Safe rentals during a hotel stay
- Surcharges for providing fast service (not related to delivery charges such as Fedex, UPS, etc.). AT&T expects all suppliers to complete the terms of contracts in the shortest period practicable. Charges for shortening the timeframe in which contracts are fulfilled are not permissible.
- Tips for housekeeping and excessive tips, *i.e.*, in excess of 15% to 18% of cost of meal or services, excluding tax
- Tobacco Products

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- Traffic or Parking Fines
- Travel purchased with prepaid air passes.
- Upgrades on airline, hotel, or car rental fees
- Water (bottled or dispensed by a supplier), (unless authorized for specific countries where it is recommended that bottled water is used)

The failure to comply with the above mentioned restrictions will result in the Company refusing payment of charges or pursuing restitution from the vendor.

2.0 Responsibilities

2.1 Vendor's Responsibility

AT&T's sponsoring managers will ensure that vendors have been covered on this policy prior to incurring any expenditure. Vendors and their sponsoring AT&T managers are responsible for clarifying any questions or uncertainties they may have relative to reimbursable business expenses.

It is mandatory that financial transactions are recorded in a timely manner. **Out-of-pocket business expense(s) for vendors that are not submitted for reimbursement within [**] from the date incurred are considered non-reimbursable.** Company managers who are responsible for approving reimbursable expenses of vendors should ensure they are submitted and approved in a timely manner.

3.0 Travel Policy

Vendors must first consider the feasibility of using videoconferencing or teleconferencing as an alternative to travel. Travel that is to be reimbursed by AT&T should be incurred only as necessary and pre-approved by AT&T (unless otherwise authorized in the agreement).

AT&T reserves the right to dispute any expense submittal and if not verifiable as valid may reject reimbursement. Reimbursements will be made to vendor only after expenses are verified as valid.

3.1 Travel Authorization

Travel requiring overnight stays must be pre-approved by the sponsoring AT&T Senior Manager (5th Level or above) and should be approved only if it is necessary for the vendor to travel to perform required work.

3.2 Travel Reservations

Vendors are expected to procure the most cost efficient travel arrangements, preferably equivalent to the AT&T discount rate. AT&T does not reimburse for travel purchased with prepaid air passes.

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3.3 Travel Expense Reimbursement

Vendor travel expenses incurred for company business are reimbursable only as specified in these guidelines. Travel expenses may include the following:

- Transportation (airfare or other commercial transportation, car rental, personal auto mileage, taxi and shuttle service)
- Meals and lodging
- Parking and tolls
- Tips/porter service (if necessary and reasonable)
- Vendors who stay with friends or relatives or other vendor employees while on a Company business trip will **NOT** be reimbursed for lodging, nor will they be reimbursed for expenditures made to reciprocate their hospitality by buying groceries, being host at a restaurant, etc.

The expense must be ordinary and necessary, not lavish or extravagant, in the judgment of the AT&T sponsoring management. Any reimbursement request must be for actual expenditures only.

3.4 Air Travel Arrangements

Vendors must select lowest logical airfare (fares available in the market at the time of booking, preferably well in advance of trip to attain lowest possible airfare). Vendors shall book coach class fares for all travel at all times. First class bookings are not reimbursable. Vendors can request business class when a single segment of flight time ("in air time" excluding stops, layovers and ground time) is greater than 8 hours providing the relevant manager pre-approves.

3.5 Hotel Arrangements

AT&T has established Market-Based Room Rate Guidelines for vendors to reference when making hotel reservations in the United States (see Addendum A). U.S. vendors traveling outside the U.S. should reference the GSA, Government Per Diem as a guide: http://aoprals.state.gov/web920/per_diem.asp. Non-US vendors may use these dollar per diems as a guide, but any locally specified per diems will take precedence. Vendors are expected to abide by these guidelines when making hotel arrangements or use specified AT&T preferred hotels/maximum location rates or reasonably priced hotels outside of the U.S.. The AT&T supplier manager can advise which hotel/max rate to use if there is a hotel in the location concerned. AT&T will only reimburse vendors up to the established room rate guideline/AT&T preferred hotel rate in each market, or for actual hotel lodging charges incurred, whichever is less.

There must be a strong business justification for incurring any cost for internet access, and a request for reimbursement must be accompanied by a detailed explanation regarding reason for charge.

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Note: Vendors must indicate the number of room nights on the transaction line when invoicing for reimbursement of hotel expenses. Copies of all hotel bills must be made available for any invoice containing lodging charges.

3.6 Ground Transportation

While away from their home location overnight, vendors are expected to utilize rapid transit or local shuttle service. If the hotel provides a complimentary shuttle, vendors are to use this service before paying for transportation. If complimentary service is not provided a taxi or other local transportation is reimbursable as a business expense. Tips provided to taxi drivers cannot exceed 15% of the value of the total fare.

A rental car is appropriate when the anticipated business cost is less than that of other available public transportation. Except to the extent necessary to accommodate several travelers and/or luggage requirements, vendors will not be reimbursed for automobile rentals other than economy or mid-sized/intermediate models.

“Loss Damage Waiver” and “Extended Liability Coverage” are not considered reimbursable in the US. Prepaid fuel or refueling charges at the time of return are not reimbursable.

Rental cars should be refueled before returning to the rental company, since gas purchased through the rental company carries an expensive refueling service charge.

3.7 Use of Personal Vehicle

When use of personal vehicle is required, the current locally approved mileage rate for miles driven for the business portion of the trip should be the maximum used to determine the amount to be reimbursed.

3.8 Parking

If airport parking is necessary, vendors must use long term parking facilities. Additional costs for short term, valet or covered parking are not reimbursable.

3.9 Entertainment

Entertainment expense is not reimbursable to vendors. Entertainment includes meal expense involving AT&T personnel, golf fees, tickets to events and related incidental expenses. Hotel charges for a pay-per-view movie, individual sightseeing tours, or other individual activities (i.e., golf, sporting event, movie, etc.) are not reimbursable.

3.10 Laundry and Cleaning

Reasonable laundry charges during business trips of seven or more **consecutive** nights are reimbursable based on actual expenses incurred.

3.11 Communications

- The actual cost of landline telephone calls for AT&T business is reimbursable. The use of AT&T products is required when available.

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- AT&T will not reimburse vendors for cell phone bills unless approved under the contract. With prior consent of the sponsoring AT&T Senior Manager, only individual calls that **exceed** a vendor's rate plan that are necessary to conduct business for AT&T may be reimbursed.
- Charges for high speed internet access are not reimbursable unless specifically approved in the contract.

3.12 Business Meals (Travel and Non-Travel)

Vendors are expected to find reasonably priced dining alternatives. As a general rule, vendors are expected to spend [**] (or local currency equivalent) inclusive of tax and gratuity or to abide by the legally specified per diem applicable in the Vendor's country. This includes all meals, beverages and refreshments purchased during the day. Requests for reimbursement should break out the amount for meals and list the related number of travel days. If breakfast is offered as part of the hotel accommodation rate, no additional reimbursement will be permitted for breakfast. Vendors may not submit expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel.

AT&T managers authorizing invoices will be held accountable for ensuring that vendors are following this policy and are spending Company funds economically.

3.13 Flowers, Greeting Cards, Gifts and Incentive Awards

The cost of gifts, flowers, birthday lunches, or greeting cards is considered a personal expense and is not reimbursable. For example, vendors making a donation or providing a gift for a fund-raiser for AT&T may not submit such an expense to AT&T for reimbursement.

3.14 Loss or Damage to Personal Property

The Company assumes no responsibility for loss or damage to a vendor's personal property during business functions or hours.

3.15 Publications

Subscriptions to or purchases of magazines, newspapers and other publications are not reimbursable.

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AT&T U.S. 2009 Hotel Room Rate Only Guidelines Addendum A

AT&T U.S. 2009 Hotel Room

Rate Only Guidelines

This Chart applies to the U.S. locations. For Travel outside of the U.S., travelers should exercise prudent judgment and select reasonably priced hotels, based on local market conditions. Employees traveling outside the U.S. should reference the GSA, Government Per Diems as a guide http://aoprals.state.gov/web920/per_diem.asp. U.S. Cities not listed on this Hotel Room Rate Only Guideline Matrix, default to \$[**] nightly rate. On occasion an AT&T Preferred Property may exceed the rate guideline for a season (s) or particular city, but has been added due to demand within the market. However, if an alternate Preferred Property within the guideline is offered it should be accepted when available. You may select the Preferred Property that is over the Guideline if it is the option that is available, selecting the appropriate reason code.

City	St	2009 Guideline	City	St	2009 Guideline	City	St	2009 Guideline	City	St	2009 Guideline
Anchorage	AK	[**]	Boulder	CO	[**]	South Bend	IN	[**]	Rockville Center	NY	[**]
Fairbanks	AK	[**]	Colorado Springs	CO	[**]	Merriam	KS	[**]	Syracuse	NY	[**]
Glennallen	AK	[**]	Denver	CO	[**]	Overland Park	KS	[**]	Vestal	NY	[**]
Ketchikan	AK	[**]	Englewood	CO	[**]	Shawnee	KS	[**]	White Plains	NY	[**]
Kodiak	AK	[**]	Greenwood Village	CO	[**]	Topeka	KS	[**]	Woodbury	NY	[**]
Birmingham	AL	[**]	Glastonbury	CT	[**]	Covington	KY	[**]	Tarrytown	NY	[**]
Decatur	AL	[**]	Hartford	CT	[**]	Louisville	KY	[**]	Beachwood	OH	[**]
Hoover	AL	[**]	Meriden	CT	[**]	Covington	LA	[**]	Boardman	OH	[**]
Huntsville	AL	[**]	New Haven	CT	[**]	Metairie	LA	[**]	Centerville	OH	[**]
Montgomery	AL	[**]	New London	CT	[**]	Monroe	LA	[**]	Cleveland	OH	[**]
Mobile	AL	[**]	Rocky Hill	CT	[**]	New Orleans	LA	[**]	Columbus	OH	[**]
Tuscaloosa	AL	[**]	Stamford	CT	[**]	Vidalia	LA	[**]	Dublin	OH	[**]
Bryant	AR	[**]	Washington	DC	[**]	Boston	MA	[**]	Fairborn	OH	[**]
El Dorado	AR	[**]	Wilmington	DE	[**]	Burlington	MA	[**]	Mayfield Village	OH	[**]
Fayetteville	AR	[**]	Altamonte Springs	FL	[**]	Cambridge	MA	[**]	Niles	OH	[**]
Fort Smith	AR	[**]	Boynton Beach	FL	[**]	Dedham	MA	[**]	North Olmsted	OH	[**]
Hardy	AR	[**]	Dania Beach	FL	[**]	Framingham	MA	[**]	Orange Village	OH	[**]
Little Rock	AR	[**]	Fort Lauderdale	FL	[**]	Lowell	MA	[**]	Perrysburg	OH	[**]
Mountain Home	AR	[**]	Jacksonville	FL	[**]	Marlborough	MA	[**]	Reynoldsburg	OH	[**]
North Littlerock	AR	[**]	Kendall	FL	[**]	Natick	MA	[**]	Richfield	OH	[**]
Pine Bluff	AR	[**]	Key Largo/Tavernier	FL	[**]	Stoughton	MA	[**]	Moore	OK	[**]
Rogers	AR	[**]	Key West	FL	[**]	Baltimore	MD	[**]	Oklahoma City	OK	[**]
Russellville	AR	[**]	Lake City	FL	[**]	Columbia	MD	[**]	Owasso	OK	[**]
Springdale	AR	[**]	Lake Mary	FL	[**]	Greenbelt	MD	[**]	Ponca City	OK	[**]
VanBuren	AR	[**]	Lakeland	FL	[**]	Linthicum Heights	MD	[**]	Coos Bay	OR	[**]
Chandler	AZ	[**]	Marathon	FL	[**]	Portland	ME	[**]	Portland	OR	[**]

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Mesa	AZ	[**]	Maitland	FL	[**]	Battlecreek	MI	[**]	Tigard	OR	[**]
Phoenix	AZ	[**]	Miami	FL	[**]	Canton	MI	[**]	Allentown	PA	[**]
Rio Rico	AZ	[**]	Miami Beach	FL	[**]	Dearborn	MI	[**]	Audubon	PA	[**]
Scottsdale	AZ	[**]	Orlando	FL	[**]	Detroit	MI	[**]	Bensalem	PA	[**]
Tempe	AZ	[**]	Palm Beach	FL	[**]	Farmington Hills	MI	[**]	Coraopolis	PA	[**]
Tucson	AZ	[**]	Plantation	FL	[**]	Holland	MI	[**]	Essington	PA	[**]
Yuma	AZ	[**]	Saint Augustine	FL	[**]	Livonia	MI	[**]	Glen Mills	PA	[**]
Anaheim	CA	[**]	Sunrise	FL	[**]	Marquette	MI	[**]	Harrisburg	PA	[**]
Buena Park	CA	[**]	Tallahassee	FL	[**]	Novi	MI	[**]	King of Prussia	PA	[**]
		[**]			[**]			[**]			[**]
Burbank	CA	[**]	Tamarac	FL	[**]	Port Huron	MI	[**]	Philadelphia	PA	[**]
Burlingame	CA	[**]	Tampa	FL	[**]	Saginaw	MI	[**]	Pittsburgh	PA	[**]
Cerritos	CA	[**]	West Palm Beach	FL	[**]	Southfield	MI	[**]	Wayne	PA	[**]
Chico	CA	[**]	Albany	GA	[**]	Walker	MI	[**]	Anderson	SC	[**]
City of Industry	CA	[**]	Alpharetta	GA	[**]	Warren	MI	[**]	Charleston	SC	[**]
Clovis	CA	[**]	Athens	GA	[**]	Baxter	MN	[**]	Duncan	SC	[**]
Concord	CA	[**]	Atlanta	GA	[**]	Bloomington	MN	[**]	Florence	SC	[**]
Coronado	CA	[**]	Augusta	GA	[**]	Deluth	MN	[**]	Myrtle Beach	SC	[**]
Costa Mesa	CA	[**]	Brunswick	GA	[**]	Minneapolis	MN	[**]	Brentwood	TN	[**]
Cupertino	CA	[**]	Carrollton	GA	[**]	St. Paul	MN	[**]	Crossville	TN	[**]
Del Mar	CA	[**]	Columbus	GA	[**]	Bridgeton	MO	[**]	Knoxville	TN	[**]
Dublin	CA	[**]	Dublin	GA	[**]	Columbia	MO	[**]	Franklin	TN	[**]
El Segundo	CA	[**]	Duluth	GA	[**]	Earth City	MO	[**]	Memphis	TN	[**]
Emeryville	CA	[**]	Dunwoody	GA	[**]	Fenton	MO	[**]	Johnson City	TN	[**]
Escondido	CA	[**]	Griffin	GA	[**]	Festus	MO	[**]	Knoxville	TN	[**]
Eureka	CA	[**]	Lawrenceville	GA	[**]	Jefferson City	MO	[**]	Memphis	TN	[**]
Garden Grove	CA	[**]	Lithia Springs	GA	[**]	Joplin	MO	[**]	Nashville	TN	[**]
North Glendale	CA	[**]	Macon	GA	[**]	Kansas City	MO	[**]	Abilene	TX	[**]
Hayward	CA	[**]	Newnan	GA	[**]	Kirkwood	MO	[**]	Addison	TX	[**]
Hollywood	CA	[**]	Norcross	GA	[**]	Lees Summit	MO	[**]	Arlington	TX	[**]
Irvine	CA	[**]	Peachtree City	GA	[**]	Maryland Heights	MO	[**]	Austin	TX	[**]
La Jolla	CA	[**]	Savannah	GA	[**]	Saint Charles	MO	[**]	Beaumont	TX	[**]
Livermore	CA	[**]	Roswell	GA	[**]	Saint Louis	MO	[**]	Corpus Christi	TX	[**]
Long Beach	CA	[**]	Tifton	GA	[**]	Springfield	MO	[**]	Dallas	TX	[**]
Los Angeles	CA	[**]	Warner Robins	GA	[**]	Jackson	MS	[**]	Frisco	TX	[**]
Merced	CA	[**]	Honolulu	HI	[**]	McComb	MS	[**]	Houston	TX	[**]
Milpitas	CA	[**]	Kailua Kona	HI	[**]	Natchez	MS	[**]	Irving	TX	[**]
Modesto	CA	[**]	Kihei	HI	[**]	Ocean Springs	MS	[**]	Lubbock	TX	[**]

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Montebello	CA	[**]	Waikoloa	HI	[**]	Tupelo	MS	[**]	McCallen	TX	[**]
Napa	CA	[**]	Des Moines	IA	[**]	Asheville	NC	[**]	Midland	TX	[**]
Ontario	CA	[**]	Johnston	IA	[**]	Carolina Beach	NC	[**]	Plano	TX	[**]
Orange	CA	[**]	Urbandale	IA	[**]	Charlotte	NC	[**]	Richardson	TX	[**]
Pasadena	CA	[**]	Ammon	ID	[**]	Durham	NC	[**]	San Antonio	TX	[**]
Petaluma	CA	[**]	Alsip	IL	[**]	Gastonia	NC	[**]	Texarkana	TX	[**]
Pleasanton	CA	[**]	Arlington Heights	IL	[**]	Goldensboro	NC	[**]	Tyler	TX	[**]
Rancho Cordova	CA	[**]	Barrington	IL	[**]	Morrisville	NC	[**]	Waxahachie	TX	[**]
Riverside	CA	[**]	Bedford Park	IL	[**]	Omaha	NE	[**]	The Woodlands	TX	[**]
Rocklin	CA	[**]	Bourbonnais	IL	[**]	Basking Ridge	NJ	[**]	Salt Lake City	UT	[**]
Rosemead	CA	[**]	Champaign	IL	[**]	Bernardsville	NJ	[**]	Arlington	VA	[**]
Sacramento	CA	[**]	Chicago	IL	[**]	Bridgewater	NJ	[**]	Chantilly	VA	[**]
Salinas	CA	[**]	Danville	IL	[**]	Cranbury	NJ	[**]	Chester	VA	[**]
San Carlos	CA	[**]	Danville	IL	[**]	Eatontown	NJ	[**]	Dulles	VA	[**]
San Diego	CA	[**]	Downers Grove	IL	[**]	Edison	NJ	[**]	Fairfax	VA	[**]
San Francisco	CA	[**]	Elmhurst	IL	[**]	Elizabeth	NJ	[**]	Falls Church	VA	[**]
San Gabriel	CA	[**]	Fairview Heights	IL	[**]	Fair Lawn	NJ	[**]	Glen Allen	VA	[**]
San Jose	CA	[**]	Glenview	IL	[**]	Florham Park	NJ	[**]	Hampton	VA	[**]
San Luis Obispo	CA	[**]	Gurnee	IL	[**]	Iselin	NJ	[**]	Herndon	VA	[**]
San Mateo	CA	[**]	Hoffman Estates	IL	[**]	Mahwah	NJ	[**]	Norfolk	VA	[**]
San Rafael	CA	[**]	Lincolnshire	IL	[**]	Morristown	NJ	[**]	Richmond	VA	[**]
San Ramon	CA	[**]	Lisle	IL	[**]	Newark	NJ	[**]	Sandston	VA	[**]
Santa Ana	CA	[**]	Naperville	IL	[**]	Paramus	NJ	[**]	Sterling	VA	[**]
Santa Clara	CA	[**]	Northbrook	IL	[**]	Parsippany	NJ	[**]	Tysons Corner	VA	[**]
Santa Monica	CA	[**]	Ofallon	IL	[**]	Piscataway	NJ	[**]	Vienna	VA	[**]
South San Francisco	CA	[**]	Palatine	IL	[**]	Princeton	NJ	[**]	Bellevue	WA	[**]
Stevenson Ranch	CA	[**]	Peoria	IL	[**]	Ramsey	NJ	[**]	Bothell	WA	[**]
Stockton	CA	[**]	Rockford	IL	[**]	Red Bank	NJ	[**]	Kirkland	WA	[**]
Susanville	CA	[**]	Rolling Meadows	IL	[**]	Saddle Brook	NJ	[**]	Lynnwood	WA	[**]
Temecula	CA	[**]	Rosemont	IL	[**]	Saddle River	NJ	[**]	Redmond	WA	[**]
Torrance	CA	[**]	Schaumburg	IL	[**]	Short Hills	NJ	[**]	Seattle	WA	[**]
Ukiah	CA	[**]	Springfield	IL	[**]	Somerset	NJ	[**]	Spokane	WA	[**]
Universal City	CA	[**]	Vernon Hills	IL	[**]	Teaneck	NJ	[**]	Tacoma	WA	[**]
Valencia	CA	[**]	Westmont	IL	[**]	Tinton Falls	NJ	[**]	Tukwila	WA	[**]
Van Nuys	CA	[**]	Willowbrook	IL	[**]	Warren	NJ	[**]	Woodinville	WA	[**]

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Walnut Creek	CA	[**]	Bloomington	IN	[**]	Whippany	NJ	[**]	Green Bay	WA	[**]
Watsonville	CA	[**]	Carmel	IN	[**]	Woodcliff Lake	NJ	[**]	Kenosha	WA	[**]
West Sacramento	CA	[**]	Columbus	IN	[**]	Henderson	NV	[**]	Kimberly	WI	[**]
Willits	CA	[**]	Fishers	IN	[**]	Las Vegas	NV	[**]	Madison	WI	[**]
Woodland	CA	[**]	Indianapolis	IN	[**]	Pahrump	NV	[**]	Mukwonago	WI	[**]
Yorba Linda	CA	[**]	Muncie	IN	[**]	Reno	NV	[**]	Oshkosh	WI	[**]
						Albany	NY	[**]	Pewaukee	WI	[**]
						Cheektowaga	NY	[**]	Waukesha	WI	[**]
						Fishkill	NY	[**]	Wauwatosa	WI	[**]
						Jamaica	NY	[**]	Beckley	WV	[**]
						New York	NY	[**]	Charleston	WV	[**]
						Plainview	NY	[**]	Hurricane	WV	[**]
						Rochester	NY	[**]			

Proprietary Information

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Appendix 11
Service Level Agreement Process and Measurements

This Appendix 11, Service Level Agreement Process and Measurements, shall apply to any Work Orders that specifically include Service Level Agreements (“SLAs”) and Key Performance Indicators (“KPIs”).

The objective of this Service Level model is to provide efficient measurement of the quality of the information technology services provided by Amdocs to AT&T.

The Service Levels consist of two components: Service Level Agreements (SLAs) and Key Performance Indicators (KPIs).

The Service Levels, together with the applicable service level credits (“Service Level Credits”) and target definitions (“Service Level Targets”), will be specified in individual Work Orders. This Appendix defines the process to make additions, changes or deletions to service levels definitions, in the Work Orders that specify applicable SLAs and/or KPIs, as well as other provisions generally applicable to Work Orders that include Service Levels.

Service Levels will be measured using a “Green-Yellow-Red” traffic light mechanism (the “GYR State”), with “Green” representing the “Expected Level” of performance and “Red” representing performance below the “Minimum Level”.

1. Additions, Deletions and Modifications of Service Levels

New SLAs and KPIs may be added, deleted or modified per written agreement between AT&T and Amdocs. The changes may include the movement of SLAs to KPIs or KPIs to SLAs, or modifications to individual SLA targets or credit allocations.

Additions or substitutions may occur in conjunction with changes to the environment and the introduction of new equipment or software or means of service delivery.

Additions, deletions and modifications to Service Levels may only be proposed thru the “Functional Committee” (as defined in the Governance Model) for evaluation and consideration of AT&T and Amdocs. Either party may propose changes to the service levels.

Both Parties will jointly analyze the impact of the proposed Service Level change, if any, to AT&T’s business, the financial / cost impacts to Amdocs and AT&T of such change, the impact to environment infrastructure and other relevant impacts. On the basis of the results of such analysis, the Parties may agree to make appropriate changes by written amendment to the terms and conditions of the applicable Work Order.

The effective date for any Service Level change will be as determined per written agreement.

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2. Process for Additions, Modifications and Deletions of SLAs

This process for setting Service Level Targets is applicable for new SLA and KPIs added to Work Orders per agreement, as well for the SLAs and KPIs defined in the Work Orders that may not have defined Service Level Targets as of the applicable effective date.

2.1. Additions

For those Service Levels that do not have established Service Level Targets:

- 2.1.1. The Parties shall attempt in good faith to agree during a [**] day period on an Expected Service Level and a Minimum Service Level using, as appropriate, industry standard measures or third-party advisory services (e.g., Gartner Group, Yankee Group) or other AT&T groups performing similar application development and maintenance.
- 2.1.2. In the event that the Parties have been unable to agree pursuant to paragraph 2.1.1 above, then, where at least [**] of service measurements exist for a particular Service, in a comparable environment and operating model, the [**] monthly service measurements for the [**] measurement period shall be excluded; the Expected Service Level shall then be defined as the average of the remaining [**] monthly service measurements; and the Minimum Service Level shall be defined as the average of the lowest [**] of the remaining [**] monthly service measurements; or for Release based service measurements will be based on historical data for [**].
- 2.1.3. Where no measurements exist for a particular Service (pursuant to paragraph 2.1.2), and the Parties fail to agree on an Expected Service Level and a Minimum Service Level using industry standard measures as described above, the Parties shall do the following:
 - 2.1.3.1. Amdocs shall begin providing [**] measurements within [**] days for [**] measurements and at the completion of the next release for release based measurements after Amdocs' receipt of AT&T's written request and subject to agreement on such measurements in accordance with the Change Management Procedures.
 - 2.1.3.2. After [**] actual Service Level attainments for monthly measurements and [**] for release based measurements have been measured, or should have been measured AT&T may at any time in writing request that Expected Service Levels and Minimum Service Levels be put into effect based on paragraph 2.1.2 above.
 - (i) If Amdocs is responsible for measuring actual Service Level attainments and fails to provide [**] measurements during the measurement period measurements shall be constructed according to

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the following: if [**] measurement is missing, the missing measurement shall be constructed by using the highest of the [**] actual measurements; or

- (ii) if [**] or more measurements are missing, the first missing measurement shall be constructed by using the highest of the actual measurements and adding to that measurement [**] of the difference between that measurement and [**] and each of the remaining missing measurements shall be constructed by using the highest of the actual measurements and adding to that measurement [**] of the difference between that measurement and [**].

(By way of example, if there were [**] measurements for a particular Service available, and the highest of [**] was [**], then the measurements for the missing [**] would be deemed to [**].)

Notwithstanding the foregoing, in the case of a Service Level attainment measure for which there is no activity for one or more months, [**] measurement period may be extended for up to [**] for the collection of performance measurements (whether or not in consecutive [**]), and

- (i) if there shall be [**] of measurements available, the calculation shall be as described in paragraph 2.1.2; and
- (ii) if there shall be [**] of measurements available (but not [**], the calculation shall be consistent with the procedures in paragraph 2.1.2, but without the removal of highest and lowest measures.

NOTE: Certain SLAs and KPIs may not be measured against an objective of [**], respectively, are the appropriate objectives. The calculations described in this Appendix will be modified as appropriate to reflect these objectives. For example, if the SLA or KPI involved failures in lines of code where [**]”

2.2. Promotions and Demotions

AT&T and Amdocs may agree in writing to designate existing SLAs as KPIs and promote existing KPIs to SLAs. The parties may agree in writing to make changes to the Service Level Credit allocations for any SLA including changes in connection with the addition or deletion of SLAs or KPIs. A KPI that is subject to the foregoing plan requirement and is promoted to be a SLA will not be subject to Service Level Credits until agreed to by both Parties.

2.3. Deletions

AT&T and Amdocs may delete SLAs per written agreement. Both Parties will jointly revise the service credit allocations across the remaining SLAs.

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2.4. Impact of Additions, Modifications and Deletions of SLAs on Service Level Credit Allocations

When adding, modifying or deleting a SLA, the Service Level Credit allocation for the SLAs may be modified. If a SLA is added but is not assigned a Service Level Credit, then the Service Level credit percentage for such added SLA shall be [**] until such time as Service Level Credit is assigned.

3. Additions and Deletions of KPIs

AT&T and Amdocs may jointly agree to add or delete KPIs as follows:

3.1. Additions

Expected Service Levels and Minimum Service Levels associated with added KPIs will be computed as follows:

- 3.1.1. The Parties shall attempt in good faith to agree during a [**] on an Expected Service Level using, as appropriate, industry standard measures or third-party advisory services [**] or other AT&T groups performing similar application development and maintenance.
- 3.1.2. In the event the Parties have been unable to agree pursuant to paragraph 3.1.1 above, then, [**] of service exist for a particular Service, in a comparable environment and operating model, the [**] monthly service measurements for the [**] measurement period shall be excluded, the Expected Service Level shall then be defined as the average of the [**] service measurements and the shall be defined as the average of the [**] service measurements; or for release based service measurements will be based on historical data for [**].
- 3.1.3. Where the Parties fail to agree (pursuant to paragraph 3.1.1) and no measurements exist for a particular Service (pursuant to paragraph 3.1.2), the Parties shall do the following:
- 3.1.4. Amdocs shall begin providing [**] measurements within [**] for monthly measurements and at the completion of the next release for release based measurements after Amdocs' receipt of AT&T's written request and subject to agreement on such measurements in accordance with the Change Management Procedures.
- 3.1.5. [**] actual Service Level attainments for [**] measurements and [**] based measurements have been measured, or should have been measured, AT&T may at any time in writing request that Expected Service Levels be put into effect based on paragraph 3.1.2 above.

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3.1.6. If Amdocs is responsible for measuring actual Service Level attainments and fails to provide [**] during the measurement period, measurements shall be constructed according to the following:

- (i) if [**] is missing, the missing measurement shall be constructed by using the highest of the [**]; or
- (ii) if [**] are missing, the first missing measurement shall be constructed by using the [**] and adding to that measurement [**].
(By way of example, if there were [**] for a particular Service, and the [**].)

Notwithstanding the foregoing, in the case of a Service Level attainment measure for which there is no activity for [**], at AT&T's election such [**] may be extended for [**] for the collection of performance measurements (whether or not in consecutive months), and

- (i) if there shall be [**] of measurements available, the calculation shall be as described in paragraph 3.1.2; and
- (ii) if there shall [**] of measurements available (but not [**] the calculation shall be consistent with the procedures in paragraph 3.1.2, but without the removal of highest and lowest measures.

3.2. Deletions

AT&T and Amdocs may delete KPIs per written agreement.

4. Problem Analysis

If Amdocs fails to provide Services in accordance with the Service Levels and this Agreement, Amdocs shall (after restoring service or otherwise resolving any immediate problem):

- (i) promptly investigate and report on the causes of the problem;
- (ii) provide an analysis of the root cause of such failure ("Root Cause Analysis") as soon as practicable, after such failure or AT&T's request;
- (iii) use all commercially reasonable efforts to implement remedial action and begin meeting the Service Levels as soon as practicable;
- (iv) advise AT&T of the status of remedial efforts being undertaken with respect to such problem; and
- (v) demonstrate to AT&T's reasonable satisfaction that the causes of such problem have been or will be corrected on a permanent basis

To the extent that such failure to meet Service Levels results in a violation of laws or regulatory action, Amdocs shall, in addition to its other obligations under the applicable Work Order, participate in any required related hearing, audit or other corrective action or review required by a

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governmental body or regulatory agency and the parties shall in good faith discuss the allocation of any associated costs. Amdocs shall use all commercially reasonable efforts to complete the Root Cause Analysis within [**]; provided that, if it is not capable of being completed within [**] using reasonable diligence, Amdocs shall complete such Root Cause Analysis as quickly as possible and shall notify AT&T prior to the end of the initial [**] as to the status of the Root Cause Analysis and the estimated completion date.

5. Exceptions

Amdocs shall only be responsible for a Service Level Credit for (i) failure to meet a Service Level to the extent that such failure is attributable to a root cause under Amdocs' responsibility, or (ii) to the extent that such failure is not directly attributable to any of the following:

1. Problems resulting from components (e.g., hardware, software, network, maintenance), including facility, application software other than the Application Software and User-controlled problems, for which AT&T is operationally responsible to the extent of such responsibility.
2. AT&T's reprioritization of tasks to be performed by Amdocs where Amdocs has notified AT&T in advance that such reprioritization will cause Amdocs to miss such Service Level notwithstanding Amdocs' reasonable efforts to continue performance.
3. Circumstances that excuse performance in connection with a force majeure event as specified in this Agreement.
4. Execution of a business continuity plan or disaster recovery and business continuity plan, in support of an AT&T declared disaster. The acts or omissions of any third party supplier, vendor, or other contractor of AT&T unless they are operating as a subcontractor of Amdocs or under Amdocs' instruction.
5. AT&T's refusal to implement additional hardware and/or software for which AT&T is financially and operationally responsible in accordance with the applicable Work Order, of which Amdocs has provided AT&T notice during the planning process (including Amdocs' inability to meet Service Levels), and has provided AT&T enough time to comply.

Any situation which may constitute an exception or escalation will be handled using the escalation procedures defined in the Governance process.

6. Impact to Multiple SLAs

Except in the case of SLAs which encompass common activities, if a single incident (other than Amdocs's failure to perform in a manner meeting the SLAs) impacts multiple SLAs and results in multiple Service Level Credits otherwise being available within a single Measurement Period, AT&T shall have the right to select any one of such multiple Service Level Credits, but shall not be entitled to all such Service Level Credits.

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Amendment

No. 02026713.A.010

Between

Amdocs, Inc.

And

AT&T Services, Inc.

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AMENDMENT NO. 10**AGREEMENT NO. 02026713**

This Amendment No. 10, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, and as further amended by Amendment No. 9 effective March 28, 2009 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, the Agreement expired by its terms on June 30, 2009 (the "Prior Expiration Date"); and

WHEREAS, after such Prior Expiration Date, the Parties continued to perform under the Agreement as if it had not expired, and with the intention of extending its term; and

WHEREAS, AT&T and Supplier now desire to revive the Agreement; to extend its term; to formalize the validity and continuation of the Agreement since its Effective Date of August 7, 2003; and to make the other additions, deletions and modifications as set forth below;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. The Agreement is revived; the term is extended as set forth below; and the Agreement shall be deemed to have been in effect continuously since the Agreement Effective Date. The Parties further ratify all actions taken under the Agreement between the Prior Expiration Date and the date when this Amendment is effective.

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2. For purposes of extending the term of this Agreement, Section 3.32. "Term of Agreement", is deleted in its entirety and replaced with the following:

3.32. Term of Agreement

This Agreement, with an Effective Date of August 7, 2003, shall remain in effect for a term ending on February 28, 2010, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

3. The term "Leadership Council" and all references thereto are deleted throughout the Agreement and associated Amendments, and where the Parties so agree in an applicable Work Order, is replaced by Section 3.40 and Appendix 10, "Governance".
4. A new Section 2.50, "Subcontractor," is hereby added to **ARTICLE II - DEFINITIONS** as follows:
- 2.50 "**Subcontractor**" means any person or entity supplying labor or materials to perform all or any part of Supplier's obligations under this Agreement. "Subcontractor" shall include any person or entity at any tier of subcontractors, and shall not be limited to those persons or entities with a direct relationship with Supplier.
5. Section 3.3, "Termination," of **ARTICLE III - GENERAL TERMS** is hereby amended to include the following:

F. Insolvency

(a) Right to Terminate. In the event that any Party (a) files for bankruptcy, (b) becomes or is declared insolvent, or is the subject of any proceedings related to its liquidation, insolvency or the appointment of a receiver or similar officer for it, (c) makes an assignment for the benefit of all or substantially all of its creditors or (d) enters into an agreement for the composition, extension, or readjustment of substantially all of its obligations, then the other Party may terminate this Agreement as of a date specified in a termination notice; provided, however, that Amdocs will not have the right to exercise such termination under this **Section 3.3(F)** so long as AT&T pays for the Services to be received hereunder in advance on a month-to-month basis. If any Party elects to terminate this Agreement due to the insolvency of the other Party, such termination will be deemed to be a termination for cause hereunder.

(b) Section 365(n). Notwithstanding any other provision of this Agreement to the contrary, in the event that Amdocs becomes a debtor under the Bankruptcy Code and rejects this Agreement pursuant to Section 365 of the Bankruptcy Code (a "**Bankruptcy Rejection**"), (i) any and all of the licensee and sublicense rights of AT&T arising under or otherwise set forth in this Agreement shall be deemed fully retained by and vested in AT&T as protected intellectual property rights under Section 365(n)(1)(B) of the Bankruptcy Code and further shall be deemed to exist immediately before the commencement of the bankruptcy case in which Amdocs is the debtor; (ii) AT&T shall have all of the rights afforded to non-debtor

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licensees and sublicensees under Section 365(n) of the Bankruptcy Code; and (iii) to the extent any rights of AT&T under this Agreement which arise after the termination or expiration of this Agreement are determined by a bankruptcy court to not be “intellectual property rights” for purposes of Section 365(n), all of such rights shall remain vested in and fully retained by AT&T after any Bankruptcy Rejection as though this Agreement were terminated or expired. AT&T shall under no circumstances be required to terminate this Agreement after a Bankruptcy Rejection in order to enjoy or acquire any of its rights under this Agreement.

(c) AT&T Rights Upon Amdocs’ Bankruptcy. In the event of Amdocs’ bankruptcy or of the filing of any petition under the federal bankruptcy laws affecting the rights of Amdocs which is not stayed or dismissed within thirty (30) days of filing, in addition to the other rights and remedies set forth herein, to the maximum extent permitted by Law, AT&T will have the immediate right to retain and take possession for safekeeping all AT&T Information, AT&T Proprietary Information, AT&T licensed Third Party Software, AT&T owned Equipment, AT&T owned Materials, AT&T owned Custom Software, and all other Software, Equipment, Systems or Materials to which AT&T is or would be entitled during the term of this Agreement or upon the expiration or termination of this Agreement. Amdocs shall cooperate fully with AT&T and assist AT&T in identifying and taking possession of the items listed in the preceding sentence. AT&T will have the right to hold such AT&T Information, Proprietary Information, Software, Equipment, Systems and Materials until such time as the trustee or receiver in bankruptcy or other appropriate court officer can provide adequate assurances and evidence to AT&T that they will be protected from sale, release, inspection, publication or inclusion in any publicly accessible record, document, material or filing. Amdocs and AT&T agree that without this material provision, AT&T would not have entered into this Agreement or provided any right to the possession or use of AT&T Information, AT&T Proprietary Information or AT&T Software covered by this Agreement.

(d) Rights To Assume In Bankruptcy. In the event of commencement of bankruptcy proceedings by or against AT&T, AT&T or its trustee in bankruptcy shall be entitled to assume this Agreement and shall be entitled to retain all of AT&T’s license rights hereunder.

6. Section 3.19, “MBE/WBE/DVBE,” of **ARTICLE III GENERAL TERMS** is deleted and replaced as follows:

3.19 MBE/WBE/DVBE (and Exhibits)

- A. AT&T 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%. Amdocs commits to making good faith efforts to achieve goals for the participation of MBE/WBE and DVBE firms (as defined in section 3.20 below entitled “MBE/WBE/DVBE Termination”).

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Amdocs will make good faith efforts to meet or exceed the target of twelve percent (12%) for 2009. In addition, Amdocs agrees that it shall meet the following MBE/WBE/DVBE Diversity Commitment Objectives (“DCO”) in 2010 and through the term of this Agreement using any combination of Amdocs expenditures with MBE, WBE and/or DVBE suppliers of first, second or third tier subcontractors provided Amdocs furnishes appropriate documentation and support of such expenditures and such suppliers qualify as MBE/WBE/DVBE through an AT&T recognized certifying agency:

<u>12/31/2010</u>	<u>12/31/2011</u>	<u>12/31/2012</u>	<u>12/31/2013</u>
12% of total AT&T expenditures with Amdocs for calendar year 2010	15% of total AT&T expenditures with Amdocs for calendar year 2011	15% of total AT&T expenditures with Amdocs for calendar year 2012	15% of total AT&T expenditures with Amdocs for calendar year 2013

For the avoidance of doubt, these goals apply to all annual expenditures by any AT&T entity with Amdocs. This includes all expenditures under all existing agreements between AT&T and Amdocs. Amdocs agrees to meet in good faith to evaluate with AT&T on annual basis whether Amdocs can increase participation over the life of the Agreement.

In the event Amdocs Diversity subcontracting results cannot be met by Amdocs due to significant legal, regulatory or business relationship changes that have a direct and substantive negative impact on the attainment of the Diversity commitments herein, AT&T and Amdocs will jointly review the results and known causes of the diversity subcontracting shortfall in order to reach a mutually acceptable Diversity subcontracting target. In the event the Parties cannot resolve the Diversity subcontracting targets, then the issue will be escalated as required through the following levels:

<u>Level</u>	<u>Amdocs</u>	<u>AT&T</u>
Level 1	Amdocs AT&T Division President	AVP-Global Business & Operations Sourcing (IT)
Level 2	President – Amdocs Customer Business Unit	President-Supply Chain & Fleet Operations

- 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.

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7. Section 3.29, "Subcontracting," of **ARTICLE III – GENERAL TERMS** is hereby amended to include the following:

Temporary Workers. Amdocs may, in the ordinary course of business, subcontract (i) for third party services or products that are not exclusively dedicated to AT&T and that do not include regular direct contact with AT&T or AT&T Affiliate personnel or the performance of services at AT&T sites or (ii) with temporary personnel firms for the provision of temporary contract labor (collectively, "**Temporary Workers**"); provided, that such Temporary Workers possess the training and experience, competence and skill to perform the work in a skilled and professional manner AT&T shall have no approval right with respect to such Temporary Workers. If, however, AT&T expresses dissatisfaction with the services of a Temporary Worker, Amdocs shall work in good faith to resolve AT&T's concerns on a mutually acceptable basis and, at AT&T's request, replace such Temporary Worker. at no additional cost to AT&T.

8. Section 3.23, "AT&T Supplier Information Security Requirements," of **ARTICLE III – GENERAL TERMS** is hereby deleted and replaced as follows:

3.39. AT&T Rules and Supplier Information Security Requirements

Amdocs shall comply with AT&T Rules and Supplier Information Security Requirements as they pertain to Systems used to access AT&T's network, Information or facilities under the Agreement. AT&T Rules and Supplier Information Security Requirements are specified in **Appendix 8**.

9. Section 4.7, "Dispute Resolution," of **ARTICLE IV – LEADERSHIP COUNCIL, PROJECT MANAGEMENT** is hereby deleted and replaced as follows:

4.7 Dispute Resolution

(A) Informal Dispute Resolution.

Prior to the initiation of formal dispute resolution procedures with respect to any dispute, other than as provided in this **Section 4.7**, the Parties shall first attempt to resolve such dispute informally, as follows:

- (a) **Initial Effort.** The Parties agree that they shall attempt in good faith to resolve all disputes in accordance with **Appendix 10 - Governance**. In the event of a dispute that is not resolved or resolvable in accordance with **Appendix 10 - Governance**, either Party may refer the dispute for resolution to the senior corporate executives specified in **Section 4.7(A)(e)** below upon written notice to the other Party.
- (b) **Escalation.** [**] of a notice under **Section 4.7(A)(a)** above referring a dispute for

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resolution by senior corporate executives, the AT&T Contract Office and the Amdocs Account Office will each prepare and provide to an Amdocs Division President and the AT&T Chief Information Officer, respectively, summaries of the relevant information and background of the dispute, along with any appropriate supporting documentation, for their review. The designated senior corporate executives will confer as often as they deem reasonably necessary in order to gather and furnish to the other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The designated senior corporate executives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding. The specific format for the discussions will be left to the discretion of the designated senior corporate executives, but may include the preparation of agreed-upon statements of fact or written statements of position.

- (c) **Provision of Information.** During the course of negotiations under **Section 4.7**, all reasonable requests made by one Party to another for non-privileged information, reasonably related to the dispute, will be honored in order that each of the Parties may be fully advised of the other's position. All negotiation shall be strictly confidential and used solely for the purposes of settlement. Any materials prepared by one Party for these proceedings shall not be used as evidence by the other Party in any subsequent arbitration or litigation; provided, however, the underlying facts supporting such materials may be subject to discovery.
- (d) **Prerequisite to Formal Proceedings.** Formal proceedings for the resolution of a dispute may not be commenced until the earlier of: (i) the designated senior corporate executives under **Section 4.7(A)(a)** above concluding in good faith that amicable resolution through continued negotiation of the matter does not appear likely; or (ii) [**] after the notice under **Section 4.7(A)(a)** above referring the dispute to designated senior corporate executives. The time periods specified in this **Section 4.7(A)** shall not be construed to prevent a Party from instituting, and a Party is authorized to institute, formal proceedings earlier to (A) avoid the expiration of any applicable limitations period, (B) preserve a superior position with respect to other creditors, or (C) address a dispute to the extent subject to equitable or injunctive relief.
- (e) **Additional Escalation.** In addition to the dispute resolution provisions contained in this **Section 4.7(A)**, in connection with any exercise of its termination rights under **Section 3.3(A)**, AT&T will, [**] to the effective date of such termination, but without extending any applicable time frames specified in the Agreement, provide Amdocs with the right to have its Chief Executive Officer address the relevant issues with AT&T's Chief Operating Officer.

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(B) Arbitration.

(a) Any controversy or claim arising out of or relating to this Agreement, or any breach thereof, which cannot be resolved using the procedures set forth above in **Section 4.7(A)** shall be finally resolved under the Commercial Arbitration Rules of the American Arbitration Association then in effect.

(b) The Arbitration shall take place in New York, New York, and shall apply the law of the State of Texas. The decision of the arbitrators shall be final and binding and judgment on the award may be entered in any court of competent jurisdiction. The arbitrators shall be instructed to state the reasons for their decisions in writing, including findings of fact and law. The arbitrators shall be bound by the warranties, limitations of liability and other provisions of this Agreement. Except with respect to the provisions of this Agreement that provide for injunctive relief rights, such arbitration shall be a precondition to any application by either Party to any court of competent jurisdiction.

(c) [**] after delivery of written notice (“**Notice of Dispute**”) by one Party to the other in accordance with this Section, the Parties each shall use good faith efforts to mutually agree upon one (1) arbitrator. If the Parties are not able to agree upon one (1) arbitrator within such period of time, the Parties each shall [**]: (i) appoint one (1) arbitrator who has at no time ever represented or acted on behalf of either of the Parties, and is not otherwise affiliated with or interested in either of the Parties and (ii) deliver written notice of the identity of such arbitrator and a copy of his or her written acceptance of such appointment to the other Party. If either Party fails or refuses to appoint an arbitrator within such [**], the single arbitrator appointed by the other Party shall decide alone the issues set out in the Notice of Dispute. [**] after such appointment and notice, such arbitrators shall appoint a third arbitrator. In the event that the two arbitrators fail to appoint a third arbitrator within [**] of the appointment of the second arbitrator, either arbitrator or either Party may apply for the appointment of a third arbitrator to the American Arbitration Association.

(d) All arbitrators selected pursuant to this Section shall be practicing attorneys with [**] applicable to the Services. Any such appointment shall be binding upon the Parties. The Parties shall use best efforts to set the arbitration within [**] after selection of the arbitrator or arbitrators, as applicable, but in no event shall the arbitration be set more than [**] after selection of the arbitrator or arbitrators, as applicable. Discovery as permitted by the Federal Rules of Civil Procedure then in effect will be allowed in connection with arbitration to the extent consistent with the purpose of the arbitration and as allowed by the arbitrator or arbitrators, as applicable. The decision or award of the arbitrator or the majority of the three arbitrators, as applicable, shall be rendered within [**] after the conclusion of the hearing, shall be in writing, shall set forth the basis therefore, and shall be final, binding and nonappealable upon the Parties and may be enforced and executed upon in any court having jurisdiction over the Party against whom the enforcement of such decision or award is sought. [**]; provided, however, the arbitrator or arbitrators, as applicable, may modify the allocation of fees, costs and expenses in the award in those cases where fairness dictates other than such allocation between the Parties.

Proprietary Information

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10. Section 6.9, "Work Done By Others," of **ARTICLE VI - ONGOING SUPPORT SERVICES** is hereby deleted and replaced as follows:

6.9 Work Done by Others

If any part of Amdocs's work is dependent upon work performed by others or subcontracted consistent with the terms herein, Amdocs shall inspect such other work and promptly report to AT&T any known or discovered defect that renders such other work unsuitable for Amdocs's proper performance. Amdocs's silence shall constitute approval of such other work as fit, proper and suitable for Amdocs's performance of its work except with respect to latent defects.

11. **Appendix 1.2(2) IT Professional Service Price(s)** is amended to include the following:

A. Mobility Software Development

The [**], with the following exception:

[**].

B. Production Support

[**].

C. Requirements/Consulting

[**].

D. Testing

[**]. This rate is conditional upon maintaining the current level or volume of testing services provided to AT&T upon signature of this Amendment. [**].

12. **Appendix 8 AT&T Supplier Information Security Requirements**, attached to the Agreement, is deleted in its entirety, and replaced with the revised **Appendix 8 AT&T Rules and Supplier Information Security Requirements**, attached herewith.

13. **Appendix 10 Governance**, attached to the Agreement, is deleted in its entirety, and replaced with the revised **Appendix 10 Governance**, attached herewith.

Proprietary Information

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The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Kelley Basta

Printed Name: Kelley Basta

Title: Director of Finance

Date: 8/7/09

AT&T Services, Inc.

By: /s/ Beverly J. Madson

Printed Name: Beverly J. Madson

Title: Senior Contract Manager

Date: 8-7-2009

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Appendix 8**A&T Rules and Supplier Information Security Requirements****1. Work Policies and Rules**

- a. During the performance of Services, representatives of Amdocs, including its employees and subcontractors ("Amdocs Representatives"), shall adhere to AT&T work rules and policies, including but not limited to those specified in the *AT&T Code Of Business Conduct*, as amended from time to time.
- b. Without limiting the Amdocs obligation in clause (a), Amdocs shall ensure that the personal conduct and comments in the workplace of Amdocs Representatives support a professional environment which is free of inappropriate behavior, language, jokes or actions which could be perceived as sexual harassment or as biased, demeaning, offensive, or derogatory to others based upon race, color, religion, national origin, sex, age, sexual orientation, marital status, veteran's status or disability. Amdocs further agrees that Amdocs Representatives will refrain from words or conduct that is threatening and/or disrespectful of others.
- c. Without limiting Amdocs' obligation in clauses (a) or (b), if AT&T provides Amdocs Representatives access to its computer systems, Amdocs agrees (i) to use such systems in a professional manner, (ii) to use such systems only for business purposes and solely for the purposes of performing under the Agreement, (iii) to use such systems in compliance with AT&T's applicable standards and guidelines for computer systems use, as outlined in AT&T Supplier Information Security Requirements, and (iv) to use password devices, if applicable and if requested by AT&T. Without limiting the foregoing, any access provided by AT&T, or by virtue of the presence of Amdocs Representatives at AT&T locations, including but not limited to access to intranet and internet services, shall not be used for personal purposes or for any purpose which is not directly related to the Services. Amdocs agrees that Amdocs Representatives must have a valid AT&T business reason to access the intranet and/or the internet from within AT&T's private corporate network.

2. Access

- a. When appropriate, Amdocs shall have reasonable access to AT&T's premises to enable Amdocs to perform its obligations under the Agreement. Amdocs shall coordinate such access with AT&T's designated representative prior to visiting such premises. Amdocs will ensure that only employees or subcontractors of Amdocs will be allowed to enter AT&T's premises. If AT&T requests Amdocs to discontinue furnishing any person provided by Amdocs from performing Services on AT&T's premises, in accordance with the terms and conditions of the Agreement, Amdocs shall immediately comply with such request. Such person shall leave AT&T's premises immediately and Amdocs shall not furnish such person again to perform Services on AT&T's premises without AT&T's written consent.
- b. AT&T may require Amdocs or its Amdocs Representatives to exhibit identification credentials, which AT&T may issue, to gain access to AT&T's premises for the performance

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of Services. If, for any reason, any Amdocs Representative is no longer performing such Services, Amdocs shall immediately inform AT&T and promptly deliver to AT&T such person's identification credentials, if issued by AT&T. Amdocs agrees to comply with AT&T's corporate policy requiring Amdocs Representatives to exhibit their company photo identification in addition to the AT&T issued photo identification when on AT&T's premises.

- c. Amdocs shall ensure that Amdocs Representatives, while on or off AT&T's premises, will perform (i) Services which protect AT&T-owned Materials, buildings and structures, (ii) which do not interfere with AT&T's business operations, and (iii) with care and due regard for the safety, convenience and protection of AT&T, its employees, and property and in full conformance with the policies specified in the *AT&T Code of Business Conduct*, which prohibits the possession of a weapon or an implement which can be used as a weapon (a copy of the *AT&T Code of Business Conduct* is available upon request).
- d. Amdocs shall ensure that all persons furnished by Amdocs work harmoniously with all others when on AT&T's premises.

3. Security Requirements for System or Network Access

Supplier shall comply with these security requirements ("Requirements") to have access to AT&T's computers, computer peripherals, computer communications networks, computer systems/applications/software, network elements and their support systems, and the information stored, transmitted, or processed using these resources ("Information Resources"). "User" means any individual performing services under the Agreement, whether as an employee, approved subcontractor, or agent of Supplier. "AT&T Sponsor" means the AT&T management employee responsible for the oversight of the services provided by Supplier.

These Requirements apply to Suppliers and Users performing services on AT&T premises or remotely accessing AT&T infrastructure, systems or applications using AT&T-provisioned client-VPN and to those providing services to AT&T that are hosted external to AT&T premises.

A. Information Security Program

Supplier shall adhere to the security requirements described in [Exhibit 1](#). Security requirements apply to all "Supplier system components" which are defined as any network component or server or application included or directly connected to the AT&T customer cardholder data environment. Network components include, but are not limited to, firewalls, switches, routers, wireless access points, network appliances, or other appliances. Servers include, but are not limited to, web database, authentication, and DNS mail proxy. Applications include all purchased and custom applications including internal and external web applications.

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Supplier expressly warrants that it will not store any AT&T customer cardholder data on any Supplier-owned system component. Supplier expressly warrants that it will not transmit any AT&T customer cardholder data across open public networks.

In the event that Supplier causes harm due to material breach of such warranties or Supplier's other obligations hereunder that causes an AT&T customer's cardholder information to be compromised, it shall be liable for all penalties or expenses incurred as a result of such a compromise.

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Exhibit 1

AT&T Supplier Information Security Requirements

The following AT&T Supplier Information Security Requirements (“Security Requirements”) apply to Supplier, its subcontractors, and each of their employees and/or temporary workers, contractors, vendors and/or agents (for the purpose of this Appendix, each or all “Supplier”) that perform Services for, on behalf of, and/or through AT&T **that include any of the following:**

1. Supplier’s performance of Services that involve the collection, storage or handling of AT&T confidential Information;
2. Supplier-offered or -supported AT&T branded services using non-AT&T network and computing resources;
3. Connectivity to AT&T non-public networks and computing resources;
4. Custom software development or software implementation; and
5. Website hosting and development for AT&T and/or AT&T’s customers.

Supplier shall be fully compliant with these Security Requirements prior to the performance of any such Services.

Supplier represents and warrants that during the term of this Agreement and thereafter (as applicable with respect to Supplier’s obligations under the Survival of Obligations clause) Supplier is, and shall continue to be, in compliance with its obligations as set forth herein. In addition to all other remedies specified in the Agreement, Supplier agrees that AT&T shall be entitled to seek an injunction and [**] by Supplier to enforce the obligations in these Security Requirements, including those that survive Termination, Cancellation or expiration of this Agreement. The provisions of this Appendix shall not be deemed to, and shall not, limit any more stringent security or other obligations of the Agreement.

Definitions:

Unless otherwise set forth or expanded herein, defined terms shall have the same meaning as set forth in the main body of the Agreement.

“Information Resources” means any systems, applications, and network elements, and the information stored, transmitted, or processed with these resources in conjunction with supporting AT&T and/or used by Supplier in fulfillment of its obligations under this Agreement.

“Personally Identifiable Information” or “PII” means any information that could be used to uniquely identify, locate, or contact a single person (or potentially be exploited to steal the identity of an individual, commit fraud or perpetuate other crimes). Examples of PII include, but are not limited to, personal telephone numbers, social security numbers, national, state or province issued identification number, drivers license number, date of birth, bank account numbers, credit card numbers, and other credit-related information, PINs, passwords, passcodes,

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password hint answers, Protected Health Information as defined by the Health Insurance Portability and Accountability Act (HIPAA), biometric data, digitized signatures, and background check details.

In accordance with the foregoing, Supplier shall:

System Security

1. Actively monitor industry resources (e.g., www.cert.org, pertinent software vendor mailing lists & websites) for timely notification of all applicable security alerts pertaining to Supplier networks and computers.
2. Scan externally-facing systems with applicable industry standard security vulnerability scanning software (including, but not limited to, network, server, & application scanning tools) [**]
3. Scan internal systems with applicable industry standard security vulnerability scanning software (including, but not limited to, network, server, application & database scanning tools) [**]
4. Upon AT&T's request, furnish to AT&T its most current scanning results for those resources used to support AT&T.
5. Deploy an Intrusion Detection System(s) (IDS) in an active mode of operation.
6. Remediate security vulnerabilities, including, but not limited to, those discovered through industry publications, vulnerability scanning, virus scanning, and the review of security logs, and apply applicable security patches in a timely manner, according to the following minimal guidelines: If:
 - A vulnerability exists and attack is underway: Supplier shall work on remediating/patching [**]
 - A vulnerability exists and attack is determined to be imminent: Supplier shall remediate/patch within [**].
 - A vulnerability exists and attack is determined to not be imminent: Supplier shall remediate/patch within [**].
 All other security remediations/patches shall be applied [**]
7. Assign security administration responsibilities for configuring host operating systems to specific individuals.
8. Ensure its security staff has reasonable and necessary experience in information/network security.
9. Ensure that all of Supplier's systems are and remain 'hardened' including, but not limited to, removing or disabling unused network services (e.g., finger, rlogin, ftp, simple TCP/IP services) and installing a system firewall, TCP Wrappers or similar technology.
10. Change all default account names and/or default passwords in accordance with password requirements as set forth within requirement number 34, below; except that the Administrator account name only in Windows and Root account name only in UNIX systems will continue unchanged.
11. Limit system administrator/root (or privileged, super user, or the like) access to host operating systems only to individuals requiring such high-level access in the performance of their jobs.
12. Require system administrators to restrict access by users to only the commands, data and systems necessary to perform authorized functions.

Physical Security

13. Ensure that all of Supplier's networks and computers are located in secure physical facilities with limited and restricted access by authorized individuals only.

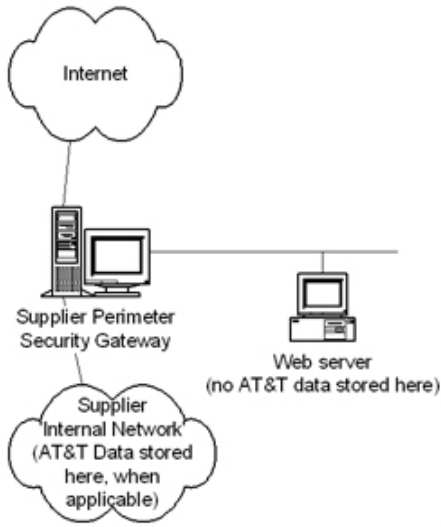
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14. Monitor and record, for audit purposes, access to the physical facilities containing networks and computers used in connection with Supplier's performance of its obligations under the Agreement.

Network Security

15. Separate AT&T's Information from the Internet and the destination web servers with a perimeter security gateway (e.g., firewall). For additional clarification of this requirement, see diagram, however, the written requirements shall control with respect to the interpretation of this provision.



16. Upon AT&T's request, provide to AT&T a logical network diagram detailing the Information Resources (including, but not limited to, firewalls, servers, etc.) that will support AT&T.
17. Have a documented process and controls in place to detect and handle unauthorized attempts to access AT&T Information.
18. Use the strongest commercially available encryption technologies (minimum 256-bit encryption) for the transfer of AT&T Information outside AT&T controlled facilities and network. This also applies to electronically transmitted email communications containing AT&T Information.
19. Use strong authentication (e.g., two factor token or digital certificates) for remote access.

Information Security

20. Not co-locate AT&T's application/Information on the same physical servers with any other customer's or Supplier's own application/data.

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21. Have a documented procedure for the secure backup, transport and storage of AT&T Information and provide it upon AT&T's request.
22. Maintain and, upon AT&T's request, furnish to AT&T a business continuity plan that ensures that Supplier can meet its contractual obligations under the Agreement, including the requirements of any applicable Statement of Work or Service Level Agreement.
23. Store sensitive AT&T data elements using the strongest commercially available encryption technologies (minimum 256-bit encryption). Sensitive data elements include, but are not limited to, Personally Identifiable Information.
24. Limit access to AT&T Information, including, but not limited to paper hard copies, only to persons or systems authorized by AT&T under written agreement.
25. Be compliant with any applicable government- and industry-mandated information security standards including, but not limited to, the Payment Card Industry - Data Security Standards (PCI), National Automated Clearing House Associates (NACHA) Rules, Electronic Data Interchange (EDI), and HIPAA.
26. Return all AT&T Information, including electronic and hard copies, within [**] - after the sooner of: (a) expiration or Termination or Cancellation of the Agreement; (b) AT&T's request for the return of Information; or (c) when Supplier (or its suppliers or representatives) no longer needs the Information. In the event that AT&T approves the destruction as an alternative to returning the Information, then Supplier shall certify the destruction (e.g., degaussing, overwriting, performing a secure erase, performing a chip erase, shredding, cutting, punching holes, breaking, etc.) as rendering the Information non-retrievable
27. Unless otherwise instructed by AT&T, when collecting, generating or creating Information for, through or on behalf of AT&T or under the AT&T brand, Supplier shall use the following AT&T proprietary marking:

“AT&T Proprietary Information (Internal Use Only)
 Not for use or disclosure outside the AT&T companies
 except under written agreement”

Identification and Authentication

28. Assign unique userIDs to individual users.
29. Have and use a documented UserID Lifecycle Management process including, but not limited to, procedures for approved account creation, timely account removal, and account modification (e.g., changes to privileges, span of access, functions/roles) for all applications and across all environments (e.g., production, test, development, etc.).
30. Enforce the rule of least privilege (i.e., limiting access to only the commands and Information necessary to perform authorized functions according to one's job function).
31. Limit failed login attempts to no more than [**] successive attempts and lock the user account upon reaching that limit. Access to the user account can be reactivated subsequently through a manual process requiring verification of the user's identity or, where such capability exists, can be automatically reactivated after [**] from the last failed login attempt.
32. Terminate interactive sessions that have been inactive for a designated period of time, not to [**]

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33. Require password expiration at regular intervals not to exceed [**].
34. Use an AT&T-approved authentication method based on sensitivity of Information. When passwords are used, they must meet these requirements:
- Passwords must be a minimum of [**] characters in length.
 - Passwords must contain characters from at least [**] of these groupings: alpha, numeric, and special characters.
 - Password construction must be complex and not contain names, dictionary words, combinations of words, or words with substitutions of numbers for letters, *e.g.*, s3cur1ty.
 - Passwords must differ from the USERID by at least three positions. The new password must differ from the previous password by at least two positions.
 - The same character must not occur in three consecutive positions in the password.

Note: Applications housing more sensitive Information, as identified by AT&T, may require an authentication mechanism stronger than passwords and the authentication mechanism must be approved by AT&T in advance in writing. Examples of stronger authentication methods include tokens, digital certificates, passphrases, and biometrics.

35. Use a secure method for the conveyance of authentication credentials (e.g., passwords) and authentication mechanisms (e.g., tokens or smart cards).

Warning Banner

36. Display a warning or “no-trespassing” banner on applicable login screens or pages when in Supplier’s environment and not an AT&T branded product or service.

(example long version):

This is an <company name> system, restricted to authorized individuals. This system is subject to monitoring. Unauthorized users, access, and/or modification will be prosecuted.

(example short version):

<company name> authorized use ONLY, subject to monitoring. All other use prohibited.

For AT&T branded products or services or for software developed for AT&T, Supplier shall display a warning banner on login screens or pages provided by AT&T.

Software and Data Integrity

37. Have current antivirus software installed and running to scan for and promptly remove viruses.
38. Separate non-production systems and data from production systems and data.
39. Have a documented software change control process including back out procedures.
40. Have database transaction logging features enabled and retain database transaction logs for a minimum of [**].
41. For all software developed, used or furnished and/or supported under this Agreement, review such software to find and remediate security vulnerabilities during initial implementation and upon any modifications and updates.
42. Perform quality assurance testing for the application functionality and security components (*e.g.*, testing of authentication, authorization, and accounting functions, as well as any other activity designed to validate the security architecture) during initial implementation and upon any modifications and updates.

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Privacy Issues

43. Restrict access to any Personally Identifiable Information to authorized individuals.

Monitoring and Auditing Controls

44. Restrict access to security logs to authorized individuals.

45. Manually review security logs [**] for anomalies and document and resolve all logged security problems in a timely manner. Amdocs logging runs continuously. Alerting is done [**]. Areas of concern are addressed and exceptions eliminated in a time mannerly. Security Operations investigates if necessary.

46. Supplier shall retain complete and accurate records relating to its performance of its obligations arising out of these Security Requirements and Supplier's compliance herewith in a format that will permit audit for a period of [**], or longer as may be required pursuant to a court order or civil or regulatory proceeding. Notwithstanding the foregoing, Supplier shall only be required to maintain security logs for a [**]. In the event Supplier is provided connectivity to AT&T, Supplier shall maintain logs of user sessions (including application to application sessions) relating to such connectivity. These session logs must include: login identification, user request records, system configuration, and timestamps and/or duration of access. These session logs must be retained for a [**].

47. Upon AT&T's request for audit, Supplier shall schedule a security audit to commence [**] from such request. In the event that AT&T, in its sole discretion, deems a security breach has occurred, Supplier shall schedule the audit to commence [**] of AT&T's notice requiring an audit. This provision shall not be deemed to, and shall not, limit any more stringent audit obligations permitting the examination of Supplier's records contained in this Agreement.

48. Provide AT&T, [**] from the publication of the audit report identifying any noncompliance with these Security Requirements, a written report of completed or proposed corrective actions addressing each noncompliance found within the audit and implementation timeframes (which timeframes must be as soon as possible, but, in any event, [**]). Supplier shall provide periodic, [**], written updates in a format acceptable to AT&T, regarding the status of the implementation of the corrective action plan in order to track the work to completion.

Reporting Violations

49. Have and use a documented procedure to follow in the event of an actual or suspected unauthorized intrusion or other security violation, including but not limited to, a physical security or computer security incident (*e.g.*, hacker or attempted hacker activity or the introduction or attempted introduction of a virus or malicious code), which includes immediate notification to the AT&T Computer Security Incident Response Team (ACSIRT).

ACSIRT 24 hour contact information:

[**]

50. Provide AT&T with regular status on any actual or suspected unauthorized intrusion or other security violation updates including, but not limited to, actions taken to resolve such incident, [**] for the duration of the incident, and, [**] of the closure of the incident, a written report describing the incident, actions taken by the Supplier during its response and Supplier's plans for future actions to prevent a similar incident from occurring.

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Software Development and Implementation

51. Ensure, prior to furnishing or development of custom software, that such software incorporates applicable AT&T security requirements as provided by AT&T.

Security Policies and Procedures

52. Ensure that all personnel, subcontractors or representatives performing work on any AT&T Information Resources or the resources used to interconnect to AT&T resources or the resources used to house AT&T Information under this Agreement are in compliance with these Security Requirements.

53. Notify AT&T of any policy changes that could impact the security controls put in place to secure AT&T's Information.

54. At a minimum annually, review these Security Requirements to ensure that Supplier is in compliance with the requirements.

55. Return all AT&T owned or provided access devices (including, but not limited to, SecurID tokens, information storage devices, software, and/or computer equipment), as soon as practicable, but in no event more than [**] upon the sooner of: (a) expiration or Termination or Cancellation of the Agreement; (b) AT&T's request for the return of such property; or (c) when Supplier (or its suppliers or representatives) no longer need such property.

Connectivity Requirements

In the event Supplier has, or will be provided connectivity (e.g., access to AT&T's or its customer's network) in conjunction with this Agreement, then in addition to the foregoing, the following Security Requirements shall apply to Supplier:

1. In the event a data connection agreement, such as a "Master Data Connection Agreement," "Data Connection Agreement," and/or "Connection Supplement" ("DCA") exists between the Parties, and incorporates this Agreement by reference, or is otherwise integrated with, or used to govern the Parties' connectivity obligations under, this Agreement, such DCA is hereby superseded by the terms of the Security Requirements, effective as of the date these Security Requirements become effective under the Agreement, and the terms of such DCA are amended to require that the Security Requirements and not the DCA are controlling in the Agreement (as well as any agreements subordinate to this Agreement). Notwithstanding the foregoing, the DCA remains in full force and effect for all other agreements between the Parties to which it applies.
2. Supplier shall:
 - a. Use only the AT&T Chief Security Office (CSO) approved facilities and connection methodologies to interconnect AT&T's data facilities with Supplier's data facilities and to provide access to the data for each connection.
 - b. NOT establish interconnection to endpoint resources other than in the United States. Interconnections to endpoint resources other than in the United States require the express prior written consent of AT&T.

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- c. Provide AT&T access to any Supplier facilities during normal business hours for the maintenance and support of any AT&T equipment (e.g., router) used for the transmission of Information under this Agreement.
 - d. Use any AT&T equipment provided under this Agreement only for the furnishing of those Services or functionalities explicitly defined in this Agreement.
 - e. Ensure that all Supplier interconnections to AT&T pass through the designated AT&T perimeter security gateway (e.g., firewall).
 - f. Ensure that Supplier interconnections to AT&T terminate at a perimeter security gateway (e.g., firewall) at Supplier end of the connection.
3. In addition to other rights set forth herein, AT&T shall have the right to:
- a. Gather information relating to access, including Supplier's access, to AT&T networks, processing systems and applications. This information may be collected, retained and analyzed by AT&T to identify potential security risks without further notice. This information may include trace files, statistics, network addresses, and the actual data or screens accessed or transferred.
 - b. Immediately suspend or terminate any interconnection if AT&T, in its sole discretion, believes there has been a breach of security or unauthorized access to or misuse of AT&T data facilities or Information.

Limited Offshore Remote Access

To the extent approved by AT&T's Executive Director of the Offshore Management Office, Amdocs Offshore Personnel may perform Services and access AT&T Data on an as-needed basis (e.g., to perform after-hours work) from their home location with specifically designated and approved computers provided by Amdocs ("Remote Access Computer"), subject to the following:

- Access to AT&T Data by Offshore Personnel will be done only by:
 - First, accessing the Amdocs network
 - Second, from the Amdocs network, accessing the AT&T network through a "Virtual Workstation"
- Connection from the Amdocs network to the AT&T network is defined by AT&T. Currently this is done through a dedicated Business to Business (B2B) network connection.
- Each Remote Access Computer will have Amdocs-provided anti-virus and firewall Software installed and operating in accordance with the Agreement.
- Each Remote Access Computer will only access AT&T Data through an Amdocs-provided VPN tunnel that is authenticated using a strong two-factor token solution.
- Amdocs will implement and enforce commercially reasonable password complexity requirements that are not less strict than those required under this Agreement.
- Amdocs Personnel using Remote Access Computers will only be able to connect to the Virtual Workstation or Citrix server in an AT&T facility from the Amdocs network using

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Microsoft Remote Desktop Connection or Citrix ICA protocol. Only domain accounts will be allowed to connect to such computers and those domain accounts will be configured by Amdocs on the target computers (i.e., the AT&T facility computer) as having permission to connect. Local accounts on that computer shall not be configured or allowed. Only accounts under the security control of the Windows domain will be permitted.

- All traffic over the public internet shall be highly encrypted (i.e., at least 128 byte encryption).
- Session timeouts shall be enabled by Amdocs, per AT&T guidelines.
- Security audit logs will be maintained by Amdocs to track system events, including login attempts, user sessions, logoffs, configuration changes, and other pertinent events and data.
- Virtual Workstations will be configured such that Offshore Amdocs Personnel will be unable to download or copy AT&T Data to their local devices such as disk drives, USB drives, writeable CDs, etc. Such configuration settings will be controlled centrally and editable only by authorized administrators.
- Amdocs will be responsible for all costs associated with setting up the offshore remote access solution, as described above.

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Appendix 10**Governance****Table of Contents**

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Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

This Governance procedure will be applicable to Services provided under this Agreement when the Parties so agree in an applicable Work Order. Capitalized terms not defined in this Schedule have the meaning given in the Agreement. Any capitalized term not defined has its generally understood meaning in the context in which it is used in the IT industry.

1.0 INTRODUCTION

This Schedule sets out the Governance structure for the Agreement, the roles and responsibilities of both Parties to maintain a working relationship, and the type, content and frequency of the status meetings that will be held. AT&T's Contract Executive, Contract Manager, Contract Administrator, Quality Assurance Program Manager, Business Unit Coordinator, Finance Manager, Transition Manager, Service Level Managers, Technology Architecture Program Managers and AT&T Retained and Vendor Employee Support Manager comprise the "AT&T Governance Team." Amdocs' Account Executive, Account Manager, Transition Manager, Architecture Manager, Service Delivery Managers, Resourcing Manager, Service Control Manager, Finance Manager, and Human Resource Director comprise the "Amdocs Governance Team." Amdocs shall replace any member of Amdocs' Governance Team upon reasonable request by AT&T to Amdocs. The AT&T Governance Team and the Amdocs Governance Team are collectively referred to in this Agreement as the "Governance Team." Costs for Amdocs activities associated with the Governance Team and committees shall be paid by Amdocs and not be billed to AT&T.

Upon notice to the other Party, each Party reserves the right to replace or substitute members of its own Governance Team in accordance with this Agreement and change the titles and responsibilities of members of its Governance Team (with members that have equivalent decision-making authority). Notwithstanding anything in this Agreement to the contrary, representatives from any AT&T Affiliate shall have the opportunity to attend and participate in Governance Team meetings as requested by AT&T.

A Party may fill multiple positions in its Governance Team with the same individual; provided, however, that the Amdocs Account Executive and the Amdocs Account Manager shall be separate individuals. At the reasonable request of AT&T (whether in connection with the addition of or other Change to the Services), Governance Team positions may be increased or decreased to address areas or issues in the scope of Services or other obligations of the Parties under the Agreement.

With respect to meetings under this Agreement, such meetings may be held by teleconference or videoconference, unless AT&T reasonably requests that such meetings be held in person at a location designated by AT&T.

If the two Parties cannot agree to what is reasonable, the Governance Escalation process will be followed. Each Party shall bear its own expenses (travel or otherwise) in connection with the meetings.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

2.0 ROLES AND RESPONSIBILITIES OF KEY GOVERNANCE TEAM MEMBERS

2.1 AT&T

2.1.1 AT&T Contract Executive

AT&T's Contract Executive's responsibilities include:

- Managing the overall relationship with Amdocs under this Agreement.
- Providing leadership and guidance to the AT&T Governance organization.
- Working with the Amdocs Account Executive and Amdocs Account Manager to progress the goals and objectives of the arrangement.
- Resolving escalated issues in accordance with the Governance escalation procedures.
- Providing liaison activities and guidance with Amdocs's corporate executive leadership in regard to the strategic needs of AT&T.
- Serving as the primary interface to AT&T IT senior management.
- Providing overall oversight of the Agreement including services, technical and financial oversight.
- Providing input to Long Range IT Planning activities and the disaster/business continuity strategy.

2.1.2 AT&T Contract Manager

AT&T's Contract Manager has primary operational responsibility for the Agreement and monitoring Amdocs deliverables and commitments. The Contract Manager's responsibilities include:

- Monitoring Amdocs and AT&T compliance with the obligations of the Agreement.
- Monitoring Amdocs Agreement level deliverable commitments.
- Tracking fulfillment of Amdocs deliverables.
- Managing benchmarking activities, according to the Agreement.
- Managing the AT&T Governance organization including committee establishment and oversight.
- Resolving escalated issues according to the Governance escalation procedures.
- Approving or declining all work requests that are in excess of pre-established expenditure amounts or circumstances, including New Services.
- Managing service level base-lining activities as defined in Schedule F.
- Evaluating Service Level Credits and approving any action plans resulting from critical Service Level Failures.
- Approving, authorizing and overseeing all Agreement related policies and procedures.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Authorizing Amendments to the Agreement.

Coordination of AT&T third party matters including contract management, leases, and license management, except to the extent the Agreement expressly requires Amdocs to provide such coordination (e.g., Managed Third Parties).

Coordination with the Amdocs Contract Manager concerning operational activities associated with all Amdocs Personnel including onsite and offshore resources.

Providing contractor sponsorship.

Developing and providing metric reporting for AT&T IT leadership.

2.1.3 AT&T Contract Administrator

AT&T's Contract Administrator has primary administrative responsibility for the Agreement including the management of all reporting and updates to the Agreement. The Contract Administrator's responsibilities include:

Ensuring receipt and review of all Amdocs reports required by the Agreement.

Serving as the single point of contact for all requests and communications originating from Amdocs with respect to the Agreement. Except for [**] communications for which alternative procedures are described elsewhere in the Agreement, Amdocs shall direct all requests and communications required by, permitted under or made in connection with the Agreement to the AT&T Contract Administrator.

Developing standard reporting and communication requirements between Amdocs and various staff and organizations within AT&T.

Developing and assisting with negotiations and dispute resolution related to all addendums and updates to the Agreement that are required during the Term.

Assisting with interpretation and intent of the Parties in regard to the terms and conditions of the Agreement.

Assuring ability to audit Amdocs processes.

Oversight of Agreement Amendment process.

Managing the dispute resolution process as needed for the Agreement.

Administration of Policy and Procedure Manual changes.

Serving as a single point of contact for any document retention notices, tax surveys, insurance surveys and general data calls.

Performing facilities management to ensure appropriate facilities are available to Amdocs with the required environmental equipment services.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

2.1.4 AT&T Quality Assurance Program Manager

AT&T's Quality Assurance (QA) Program Manager has the overall responsibility for tracking the quality of Amdocs' software development processes and deliverables. The Quality Assurance Program Manager's responsibilities include:

1. Developing and implementing processes and procedures to monitor, measure and report quality, reliability and performance of Amdocs' deliverables, and their conformance to requirements (business and technical).
2. Verifying, monitoring and reporting to AT&T Amdocs' compliance against:
 - a. IT Unified Process (ITUP), ITS Quality System standards and SEI CMM Level 2/3 processes.
 - b. Amdocs' Software Quality Assurance (SQA) plans and activities.
 - c. Amdocs' Software Configuration Management (SCM) plans and activities.
 - d. Amdocs' test plans, test activities and test performance.
3. Conducting scheduled QA reviews and audits to verify that the Amdocs Project activities and Services are following the AT&T Strategic Decisions, standards and communicating results to the Service Delivery Committee.
4. Conducting post-Project reviews to identify Amdocs processes and activities that worked well, along with areas of improvement.
5. Monitoring Amdocs defect resolutions and Root Cause Analysis of problems.

2.1.5 AT&T Business Unit Coordinator

AT&T's Business Unit Coordinator has the overall responsibility for AT&T's customer relationship with Amdocs and fulfilling AT&T's obligations under the Transition Plan. The Business Unit Coordinator's responsibilities include:

Providing advice and counsel to AT&T business units regarding the terms and conditions of the Agreement.

Providing support to AT&T business units in regard to questions and issues arising from the delivery of Services.

Acting as the primary interface between Amdocs' organization and the AT&T business unit in regards to issue management and problem escalation.

Assisting AT&T's client facing organization with documenting, reviewing, and tracking Change Requests, Work Requests and Service issues (problems/defects).

Identifying and escalating service issues related to specific business units until resolved.

Facilitating the project approval process and work authorization in accordance with the processes described in the Policy and Procedures Manual.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Overseeing Projects and their status for the AT&T business unit.

Reviewing and approving or rejecting the AT&T business units' User Acceptance Testing activities.

Oversight of Amdocs customer satisfaction survey activities.

Managing AT&T's obligations and service.

Approving or rejecting the Transition Plan.

Monitoring the implementation of Amdocs' service delivery plan.

Monitoring all service delivery processes and tracking that the Service Level reporting mechanisms are established and operational to AT&T's satisfaction.

Monitoring all service delivery processes and deliverables to ensure Amdocs' compliance with regulatory requirements.

Establishing and coordinating Amdocs demarcation with AT&T's business-operating environment for the entire account.

Oversight of any Amdocs End User training activities.

2.1.6 AT&T Finance Manager

AT&T's Finance Manager oversees all financial activities related to the Agreement and the delivery of Services. The Finance Manager's responsibilities include:

Assisting the AT&T Area Financial Manager in establishing and managing the overall budget in connection with the Agreement.

Performing any required research and analysis required in connection with the verifications contemplated in any Work Order.

Monitoring that savings objectives for the Agreement are being met.

Assisting the AT&T Area Financial Manager in reviewing and approving or rejecting financial analysis for all Amdocs sponsored initiatives to ensure financial viability.

Assisting in and supporting, as needed, the review of [**] charges to assure the accuracy of Amdocs charges, AT&T Service Level Credits, AT&T retained costs and pass-through expenses.

Ensuring that anticipated and agreed-upon Amdocs financial responsibilities are not converted to AT&T retained or pass-through expenses, except as provided under the Agreement.

Establishing and maintaining the AT&T charge back process and systems.

Performing AT&T cost management activities, including affiliate allocations and capitalization forecasting and tracking.

Providing oversight of asset management operations.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

2.1.7 AT&T Service Level Manager

AT&T's Service Level Manager oversees all Service Level management activities related to the Agreement and the delivery of Services. The Service Level Manager's responsibilities include:

- Analyzing [**] Service Level reports prepared by Amdocs, reviewing anomalies and trends in performance and continuous improvement.
- Coordinating and communicating [**] Service delivery issues.
- Addressing, co-coordinating and prioritizing the issues affecting the provision of the Services to AT&T.
- Reviewing and escalating operational problems and issues to the Management Committee in accordance with the Policies and Procedures Manual.
- Determining Service Level Credits where appropriate.
- Reviewing root cause analysis and action plans resulting from a Critical Service Level Failure.
- Rebaselining performance targets on an annual basis to account for continuous improvement contractual requirements.
- Developing semi-annual inventory of Service Level additions, deletions and modifications.
- Ensuring receipt and review of all Amdocs reports required by the Agreement.
- Reviewing and adjusting the following, as directed by the Management Committee:
 - Continuous improvement and quality assurance measures.
 - Customer satisfaction surveys.
 - Audits.
 - Benchmarking results.

2.1.8 AT&T Transition Manager

AT&T Transition Manager has overall AT&T responsibility for activities associated with the transition of the Transitioned Personnel and Subcontractors to Amdocs. The Transition Manager's responsibilities include:

- Coordinating the transition of AT&T's Transitioned Personnel, Subcontractors and Equipment to Amdocs under the applicable Transition Plan.
- Monitoring Amdocs' strategies for the transition of the infrastructure necessary to operate the account including all financial, human resources, security, facilities and communication.

Proprietary Information

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Assist Amdocs in developing and implementing each detailed Transition Plan.

Establishing an interim transition organization and assisting the AT&T Contract Manager in developing the Governance Organization.

Providing guidance to Amdocs related to the Policy and Procedures Manual development.

2.1.9 AT&T IT Architecture Program Managers

AT&T's IT Architecture Program Managers will have the primary responsibilities to review technical and architecture standards compliance. The IT Architecture Program Managers' responsibilities include:

1. Developing processes and procedures to track that Amdocs' services are in alignment with the AT&T business and AT&T IT architecture strategies.
2. Coordinating the IT architectural standards of AT&T and working with AT&T and Amdocs to develop the Long Range IT Plan, as described in **Schedule D, Part 1**.
3. Reviewing and approving or rejecting Amdocs' solution approach, including but not limited to:
 - a. Technical architecture designs at a level of detail that provides AT&T appropriate visibility into the application design to evaluate compliance with AT&T standards.
 - b. Logical and physical data models.
 - c. Data access methods and call patterns.
4. Reviewing and approving specific Project plans and Change Requests to comply with the Long Term IT Plan.
5. Reviewing designs/architecture/approval data models.
6. Ensuring Amdocs' compliance with AT&T IT software and hardware currency requirements.
7. Providing oversight of Amdocs activities associated with Disaster Recovery and planning.

2.1.10 AT&T Retained and Vendor Employee Support Manager

AT&T's Retained and Vendor Employee Support Manager will have the primary responsibility of coordinating service requests. The Support Managers' responsibilities include:

1. Coordinating customer service requests related to AT&T Facilities and Equipment for Amdocs Personnel at AT&T Facilities.

Proprietary Information

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2.2 Amdocs

2.2.1 Amdocs Account Executive

Amdocs' Account Executive has complete authority and responsibility to deliver all Services from Amdocs to AT&T. The Account Executive's responsibilities include:

Managing the overall relationship regarding Amdocs and AT&T under this Agreement.

Ensuring that Amdocs fulfills all of its obligations under the Agreement.

Working with the AT&T Governance Team to establish, manage, and meet commitments, requirements, and expectations.

Working with AT&T executives and business unit managers after approval from AT&T to align the delivery of Services with the strategic needs of AT&T; such activities will be performed with the approval and in conjunction with the AT&T Contract Manager.

Informing AT&T about new corporate capabilities and developments within Amdocs' organization; proposing ideas and solutions that will provide ongoing benefit to AT&T.

Responding, or ensuring the response by Amdocs' subject matter experts, to all requests for strategic or relationship-wide questions or requests from AT&T.

Assisting with interpretation and intent of the Parties in regard to the terms and conditions of the Agreement.

2.2.2 Amdocs Account Manager

Amdocs' Account Manager will have primary business operating performance responsibility for the account and will ensure that all delivery commitments and deliverables required under the Agreement are provided to AT&T. The Account Manager's responsibilities include:

Working with the AT&T Contract Manager to manage and meet commitments, requirements and expectations.

Ensuring that all Service Levels are met.

Ensuring that Amdocs' performance requirements as they relate to AT&T business requirements and business objectives are satisfied.

Ensuring operational compliance with the Agreement and ensuring that Amdocs fulfills its obligations under the Agreement, including all obligations relating to Deliverables.

Establishing and executing the account management disciplines, business management processes, and associated reporting.

Ensuring prompt identification and resolution of service delivery issues.

Ensuring that Amdocs' performance requirements as they relate to the AT&T strategic business planning (i.e., business and architecture, strategic options, business assessment, business operating plans) requirements are met.

Proprietary Information

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Staffing and leading the Amdocs management team and project staff.

Accepting requests for new Projects from AT&T and ensuring that such requests are handled pursuant to the Change Management Procedures set forth in **Section 9.6** of the Agreement, applicable Schedules and the Policy and Procedures Manual.

Ensuring the delivery to AT&T of all data that Amdocs is obligated to provide to AT&T under the Agreement as well as all data reasonably requested by AT&T.

Coordination with the AT&T Contract Manager concerning operational activities associated with all Amdocs Personnel including onsite and offshore resources

2.2.3 Amdocs Transition Manager

Amdocs' Transition Manager has the overall responsibility for the successful transition of the Transitioned Employees and applicable subcontractors to the Amdocs account team while ensuring that Service Levels and AT&T satisfaction are maintained. The Transition Manager's responsibilities include:

Establishing the account infrastructure necessary to operate the account including all financial, human resources, security, facilities and communication functions.

Developing and implementing the service delivery plan.

Installing all service delivery processes and ensuring that the Service Level reporting mechanisms are established and operational.

Transitioning all of AT&T's applicable personnel and subcontractors seamlessly to Amdocs.

Establishing the business-operating environment for the entire account.

Responding to all AT&T reasonable requests for information related to the Transition Services.

2.2.4 Amdocs Architecture Manager

Amdocs' Architecture Manager will be responsible for liaison with the AT&T IT architecture team and ensure that architectural initiatives and decisions are fully supported and executed. The Amdocs Architecture Manager's responsibilities include:

Interfacing with and fully supporting the AT&T IT architecture team.

Ensuring compliance with the Long Range IT Plan.

Coordinating and facilitating sharing of architectural information between AT&T and Amdocs.

2.2.5 Amdocs Service Delivery Managers

Amdocs' Service Delivery Managers will have the primary responsibility to deliver the Services. The Service Delivery Managers' responsibilities include:

Managing all Service Levels and Agreement commitments.

Proprietary Information

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Staffing all Service delivery with the appropriate level of trained personnel.

Forecasting resource requirements and managing resourcing requirements.

Ensuring that AT&T's IT architectural standards are met and working with AT&T to develop the Long Range IT Plan.

Providing support to AT&T and End Users in accordance with the problem management process.

Implementing Amdocs' development methodology as tailored to meet AT&T development standards.

Providing all Service Level reporting to AT&T and the service control function.

Implementing and meeting the requirements of the AT&T business continuity plans.

2.2.6 Amdocs Resourcing Manager

Amdocs' Resourcing Manager will be responsible to manage and execute resource allocation strategies applicable to this Agreement. The Resourcing Manager's responsibilities include:

Managing transition of assigned subcontractors.

Managing Amdocs relationships.

Managing selection of Subcontractors (e.g., permitted offshore subcontractors).

Managing shared resource centers within the AT&T account.

Managing overall resource levels in accordance with AT&T resource requirements.

2.2.7 Amdocs Service Control Manager

Amdocs' Service Control Manager will be responsible for delivering the metrics program for the account and overseeing the implementation of the account system development methodology. The Service Control Manager's responsibilities include:

Interfacing as needed with AT&T.

Establishing Amdocs' metrics program.

Providing direction for the account program office function.

Constructing the performance reports and managing the [**] reporting.

Establishing Amdocs benchmarking methodology in accordance with the Agreement.

Introducing Amdocs' methodology on the account, modifying it to meet AT&T development standards, and ensuring that this methodology is implemented on the account.

Providing training as required by the Agreement.

Providing process ownership for service delivery processes.

Providing Amdocs' quality assurance function.

Implementing a client satisfaction survey for the account, according to the Agreement.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

2.2.8 Amdocs Finance Manager

Amdocs' Finance Manager will be responsible for all financial, billing, Agreement compliance and new business management functions. The Finance Manager's responsibilities include:

Providing the [**] invoice and all account billing and reporting functions.

Implementing and managing Amdocs' financial system including time recording, labor reporting, billing, budgeting, forecasting, and annual planning.

Acting as the primary Amdocs focus for new service establishment for AT&T.

Managing other administrative functions including physical and logical security, facilities and contracts.

Providing financial reporting in accordance with the Agreement.

2.2.9 Amdocs Human Resource Director

Amdocs' Human Resource Director will be responsible for personnel policies or process administration. The Human Resource Director's responsibilities include:

Establishing all personnel administration policies for the AT&T account.

Providing the Human Resource management function for the AT&T account.

Providing the recruitment and placement function for the AT&T account.

Providing the communication forms for the AT&T account.

Interfacing with the AT&T Contract Manager on personnel issues.

Submitting the quarterly resource roster to the AT&T Contract Administrator and informing AT&T with reasonable advance notice of any changes to the then current roster.

3.0 COMMITTEES AND TEAMS**3.1 Executive Steering Committee**

The Parties will form and name members of an Executive Steering Committee. The Executive Steering Committee will have executive management responsibility for the Agreement and for the relationship between the Parties and shall provide business oversight and ensure the alignment of the Long Range IT Plan and Service delivery objectives. This committee will also assist the AT&T Contract Manager and the Amdocs Account Manager in decisions that directly affect the Agreement. AT&T's Contract Manager and an Amdocs Account Manager will be appointed by each respective Party to liaise with the Executive Steering Committee and to monitor and resolve where possible any issues raised by the AT&T Service Level Manager and the Amdocs Service Delivery Managers. The AT&T Service Level Manager and Amdocs Service Delivery Managers will carry out the [**] coordination of Service delivery, and include other AT&T representatives as required.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

AT&T and Amdocs will jointly develop and implement agreed performance management and business assurance processes.

Amdocs will deploy the performance management and business assurance processes at the Sites to ensure the stable start-up and efficient delivery of the Services.

3.1.1 Members

The Executive Steering Committee will be chaired by the AT&T Contract Manager and will be comprised of the following individuals:

AT&T Contract Executive.

AT&T Contract Manager.

Amdocs Account Executive.

Amdocs Account Manager.

Other AT&T and Amdocs Personnel as required.

3.1.2 Key Responsibilities

The Executive Steering Committee's responsibilities include the following:

Ensuring business alignment between the Parties, analysis of AT&T and Amdocs business plans, and oversight of new or modified Services during the Term.

Developing strategic requirements and plans associated with the Services during the Term.

Ensuring that the annual technology plan is in accordance with and supports the Long Range IT Plan.

Agreeing to and periodically reviewing the authority of the committees and makeup of the individual members of the Management Committee and the Service Delivery Committee.

Approving the Management Committee report and recommendations, including review of the following:

Transition Plan implementation, including progress and achievement of Critical Deliverables and key activities.

Service Level reports and modifications.

Continuous improvement and quality assurance measures.

Reset of Critical Service Levels.

Financial issues and performance.

Approving the Management Committee report and recommendations, including review and approval of the following:

Customer satisfaction surveys, according to the Agreement.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Audit results.

Benchmarking results according to the Agreement.

Attempting to resolve issues escalated by the Management Committee.

Resource plans according to the Agreement.

Escalated issue resolution.

3.1.3 Meetings

The Executive Committee will meet upon the request of either Party, no less than [**] but no more than [**] without the consent of both Parties. The Party requesting the meeting shall prepare and distribute a written agenda at least [**] prior to the meeting. Amdocs shall keep minutes of each meeting and shall distribute the minutes to AT&T within [**] after each meeting.

3.2 Management Committee

Prior to the Commencement Date, the Parties will establish a Management Committee. The names and titles of the representatives serving on the initial Management Committee are attached to this Schedule.

3.2.1 Members

The Management Committee will be chaired by AT&T's Contract Manager and will be comprised of the following individuals:

AT&T Contract Manager.

AT&T Contract Administrator.

AT&T Finance Manager.

Amdocs Account Manager.

Amdocs Finance Manager.

Other AT&T and Amdocs Personnel as required.

3.2.2 Authority

Subject to direction and approval from the Executive Steering Committee and to the authority derived from the Change Management Procedures set forth in the Agreement, the Management Committee will have general authority and responsibility regarding:

Approving changes to the Agreement.

Adding, modifying, and/or removing Services covered by the Agreement.

Operational, technical, financial, and general management oversight of the Agreement.

Resolving issues escalated by the Service Delivery Committee.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Notwithstanding the foregoing, any addition to, removal from or modification of the Services shall require the written consent of the AT&T Contract Executive and the AT&T Contract Manager. Any change or amendment to the Agreement shall not take effect unless such change or amendment is in writing and signed by an authorized representative of each Party authorized to make such changes.

3.2.3 Key Responsibilities

The Management Committee's responsibilities include:

Managing the performance of the Parties' respective roles and responsibilities under the Agreement.

Implementing the Agreement.

Managing risks and opportunities for improvement.

Monitoring Service delivery and transition activities based on reporting and coordination with the Service Delivery Committee.

Considering and approving, where possible, operational and technical changes in accordance with the Change Management Procedures.

Considering and approving, where possible, changes to the Agreement and to the Services in accordance with the Change Management Procedures set forth in the Agreement.

Seeking to resolve any issues escalated by the Service Delivery Committee.

Escalating any issues not resolved by the Management Committee to the Executive Steering Committee.

Producing Management Committee summary reports and submitting them for Executive Steering Committee review.

Monitoring the following and reporting, as required, to the Executive Steering Committee with respect to:

Service Levels, Service Level Credits and Earn Back.

Continuous improvement and quality assurance measures.

Proposals for reset of Service Levels.

Review of financial performance.

Pricing.

Approving the following and reporting, as required, to the Executive Steering Committee with respect to:

Customer satisfaction surveys, according to the Agreement.

Audit results.

Benchmarking results according to the Agreement.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Monitoring and reviewing the ongoing status of third party contracts as appropriate and according to the Agreement.

Initiating the recommendations and suggestions made by the Executive Steering Committee relating to the Services and the Agreement.

Ensuring the implementation of process/infrastructure, financial and resource plans.

Recommending changes to the Policy and Procedures Manual submitted to AT&T for approval.

Reviewing business and technical proposals submitted by AT&T business sponsors or Amdocs Personnel.

Recommending new proposals to the Executive Steering Committee.

Providing advice and direction to the Service Delivery Committee for performance improvement.

Preparing the following reports:

Summary Executive Reports.

Global Management Report.

Service Level Reporting.

Transition Reports.

Delegating any powers it considers appropriate to the Service Delivery Committee.

3.2.4 Meetings

The Management Committee will meet, at a minimum, [**], and at other times as agreed between the Parties, to review:

Management of the Agreement.

Service delivery.

Transition management.

Change management.

Technical planning.

Either Party may include items on a written agenda that Amdocs shall distribute at least [**] prior to the meeting. Amdocs shall keep minutes of each meeting and shall distribute the minutes to AT&T within [**] after each meeting.

3.3 Service Delivery Committee

Prior to the Commencement Date, the Parties will establish a Service Delivery Committee. The names and titles of the representatives serving on the initial Service Delivery Committee are attached to this Schedule.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

3.3.1 Members

The Service Delivery Committee will be comprised of the following individuals:

AT&T Service Level Manager.

AT&T Business Unit Coordinator.

Amdocs Service Delivery Managers.

Other AT&T and Amdocs Personnel as required.

3.3.2 Authority

The Service Delivery Committee will have authority regarding:

Review and approval, where possible, of the short-term and long-term plans and activities in regard to the delivery of the Services.

Resolution of Service delivery problems.

Upward notification of all issues that might result in the addition to, deletion from, or modification of the Services, or the terms of the Agreement, irrespective of the initiating Party.

Agreement of Service delivery initiatives.

3.3.3 Key Responsibilities

The Service Delivery Committee's responsibilities will be determined and delegated in each case by the Management Committee and may include matters within the relevant region including:

Implementing the Transition Plan and monitoring Service delivery.

Monitoring Critical Deliverables and Service Levels.

Coordinating and communicating [**] Service delivery issues; addressing, co-coordinating and prioritizing the issues affecting the provision of the Services to AT&T.

Reviewing and escalating operational problems and issues to the Management Committee and in accordance with the Policy and Procedures Manual.

Reviewing and scheduling change requests in accordance with the Change Management Procedures.

Ensuring efficient flow of documentation as required by the Agreement.

Handling disputes within the authority of the AT&T and Amdocs representatives, and referring others to the Management Committee.

Submitting issues concerning the relationship between the Parties to the Management Committee for its guidance and recommendations.

Submitting reports to the Management Committee.

Proprietary Information

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Advising the Management Committee of new opportunities and proposals.

Identifying and referring matters outside the authority of AT&T and Amdocs representatives to the Management Committee.

Reviewing and presenting recommendations and suggestions made by AT&T representatives and Amdocs representatives relating to the Services and initiating appropriate actions.

Identifying issues that may have an impact outside the relevant Sites and referring these to the Management Committee and to other Sites as required.

Monitoring and reviewing the ongoing status of third party contracts.

Reviewing and adjusting the following, as directed by the Management Committee:

Service Levels.

Continuous improvement and quality assurance measures.

Customer satisfaction surveys, according to the Agreement.

Audits, according to the Agreement.

Benchmarking results, according to the Agreement.

Preparing the following reports:

Management reports.

Service Levels and Service delivery results, as required.

Minutes.

3.3.4 Meetings

The Service Delivery Committee will meet, at a minimum, [**], and at other times as directed by the Management Committee, to review:

Agreement issues.

Service Delivery.

Transition management.

Projects.

Amdocs shall keep minutes of each meeting and shall distribute the minutes to AT&T within [**] after each meeting.

3.4 Technical Steering Committee

Within [**] days following the Effective Date, a Technical Steering Committee will be established by the Parties to focus on the development of the annual and Long Range IT Plans. The Technical Steering Committee will meet [**], and at other times as agreed between the Parties.

Proprietary Information

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3.4.1 Members

The Technical Steering Committee will be chaired and the agenda set by the AT&T IT Architecture Manager and will be comprised of the following individuals:

AT&T Contract Manager or their nominated deputy.

AT&T IT Architecture Manager.

AT&T ADM Manager.

AT&T infrastructure and maintenance Manager

AT&T Business Unit Coordinator.

Amdocs Account Manager.

Amdocs assigned Chief Technology Officer for AT&T.

AT&T and Amdocs subject matter experts.

3.4.2 Key Responsibilities

The Technical Steering Committee's responsibilities include:

Reviewing Amdocs' input for the Long Range IT Plan.

Using management reports and any other appropriate sources to research, develop, review and approve technical initiatives to address business problems and opportunities as agreed by the Executive Steering Committee and the Management Committee.

Providing advice and guidance to the Management Committee for technical improvement and making recommendations directly to AT&T and Amdocs on issues affecting the technical infrastructure that supports the AT&T business operations.

Reviewing technical policy standards and making recommendations to the Management Committee.

Reviewing Amdocs' migration plan to ensure compliance with AT&T standards.

Reviewing any proposals for reductions in the costs of the Services driven by new technology.

AT&T shall keep minutes of each Technical Steering Committee meeting and shall distribute the minutes within [**] after each meeting.

3.5 Program Steering Council

A Program Steering Council (PSC) and Program Team (PT) will be established for any major Program initiated by the business or IT. The PSC is focused on guidance and resource allocation for Projects within a specific business area. The PSC directs the PT and provides go/no-go and redirect decisions. PSC meetings will be conducted at a minimum of once every [**] using the conference call format and should be limited to [**] where possible and follow a standard sequence of events per

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a predetermined agenda. At a minimum, the standard agenda will include a report out of the current status and metrics of the program and a discussion of open issues that need to be addressed by the PSC. The program coordinator will facilitate the PSC status calls and capture/document/distribute action items and minutes from each call.

3.5.1 Members

The PSC will be chaired by the AT&T program sponsor and will be comprised of the following individuals:

AT&T Contract Manager or their nominated deputy.

AT&T Business Unit Coordinator.

AT&T IT Architecture Manager.

AT&T ADM manager.

AT&T infrastructure and maintenance manager.

AT&T Business Representatives.

Amdocs Account Manager.

Amdocs assigned Chief Technology Officer for AT&T.

AT&T and Amdocs subject matter experts.

3.5.2 Key Responsibilities

The PSC responsibilities include:

1. Charter the project team that will implement the project.
2. Assign individuals to lead and approve membership in the PT.
3. Make “go,” “no-go,” or “redirect” decisions for projects at decision point meetings.
4. Establish priorities and make decisions on personnel and financial resource allocation for projects at each phase of the process.
5. Review status of the project on an on-going basis and make adjustments to resources, activities and/or priorities as necessary.
6. Report progress and escalate issues as appropriate to the senior leadership team (SLT).

3.6 Program Team

The PSC and PT will be established for any major program initiated by the business or IT.

The PT reports to the PSC and is a decision making body made up of AT&T business personnel and IT leaders who are responsible for the successful delivery of business capabilities. This team is responsible for the delivery of end-to-end business solutions, including both the IT and business components. PT membership may be modified from phase to phase to ensure that necessary disciplines are represented.

Proprietary Information

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AT&T business personnel appoint the Program Team (PT) leader. The PT leader is responsible for ongoing communications with the SLT. Membership in the PT is split evenly between the business and IT. PT meetings will be conducted at a minimum of [**] using the conference call format and should be limited to [**] where possible and follow a standard sequence of events per a predetermined agenda. At a minimum, the standard agenda will include a report out of the current status and a discussion of open issues that need to be addressed by the PT.

The PT has the responsibility to:

1. Make decisions on behalf of their representative functional area/organization.
2. Ensure the timeliness and quality of Project deliverables.
3. Communicate project information to stakeholders and supporting team members in their respective functional area/organization.
4. Ensure consensus on all agreed schedules, work estimates and priorities by those performing the work.
5. Coordinate the direction and efforts of the Project with other Projects in the program.
6. Assign individuals to lead and approve membership in the project team.
7. Charter the Project team that will implement the Project.
8. Make “go/no-go” decisions for the Project at key milestones.
9. Establish priorities and make decisions on personnel and financial resource allocation at each phase of the Project.
10. Resolve issues that cannot be handled by the Project team.
11. Report progress and escalate issues that cannot be resolved to the PSC.
12. Review status of the Project on an on-going basis and make adjustments to resources, activities and/or priorities as necessary.

3.6.1 Members

The PT will be chaired by the AT&T Program Team leader and will be comprised of the following individuals:

AT&T IT personnel representing the following areas: architecture, infrastructure, project management, implementation, and quality assurance.

Amdocs personnel representing the following areas: software development, implementation, quality assurance, and infrastructure.

AT&T business personnel representing the appropriate functional areas including training.

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4.0 ISSUE ESCALATION PROCEDURES

From time to time, issues will arise that cannot be resolved at the various levels of management within the AT&T and Amdocs teams. Issues that cannot be resolved will be escalated as follows:

Notification: Either Party may decide that escalation is desirable when resolution of an issue appears unachievable at the current management level.

The Party desiring escalation will provide written notice of its intention to the members of the other Party currently involved in the dispute. At either Party's request, the members currently engaged in attempting to resolve the issue shall meet again to attempt resolution of the issue prior to escalation to the next level. If the issue cannot be resolved at the current management level, the issue will then be escalated after good faith attempts by both Parties to resolve the issue at the current level.

Documentation: Both Parties will jointly develop a short briefing document for escalation that describes the issue, relevant impact and positions of both Parties.

Request for Assistance: A meeting will be scheduled with appropriate individuals. The brief will be sent in advance to the participants.

Issues will be escalated for review and resolution to the next level of management as follows:

The Amdocs Service Delivery Manager and the appropriate AT&T Governance team member. If unresolved, escalate to:

The AT&T Contract Manager and the Amdocs Account Manager. If unresolved, escalate to:

The Executive Steering Committee. If unresolved, escalate to:

The AT&T IT Vice President and the equivalent Amdocs executive. If unresolved, escalate to:

AT&T's CIO and Amdocs' Senior Vice President.

If the matter remains unresolved after escalation under this Section 4.0, it shall be resolved by arbitration in accordance with **Section 4.7(B)** of the Agreement.

Proprietary Information

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Amendment

No. 02026713.A.011

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

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AMENDMENT NO. 11**AGREEMENT NO. 02026713**

This Amendment No. 11, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as further amended by Amendment No. 10 effective August 7, 2009 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, the Agreement expired by its terms on February 28, 2010 (the "Prior Expiration Date"); and

WHEREAS, after such Prior Expiration Date, the Parties continued to perform under the Agreement as if it had not expired, and with the intention of extending its term; and

WHEREAS, AT&T and Supplier now desire to revive the Agreement; to extend its term; to formalize the validity and continuation of the Agreement since its Effective Date of August 7, 2003; and to make the other additions, deletions and modifications as set forth below;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. The Agreement is revived; the term is extended as set forth below; and the Agreement shall be deemed to have been in effect continuously since the Agreement Effective Date. The Parties further ratify all actions taken under the Agreement between the Prior Expiration Date and the date when this Amendment is effective.

Proprietary Information

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2. For purposes of extending the term of this Agreement, Section 3.32. "Term of Agreement", is deleted in its entirety and replaced with the following:

3.32. Term of Agreement

This Agreement, with an Effective Date of August 7, 2003, shall remain in effect for a term ending on July 31, 2010, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

3. Section 3.15, "Insurance", of **ARTICLE III GENERAL TERMS** is hereby deleted and replaced with the following Section 3.15, Insurance, which shall apply to all existing agreements between AT&T and Amdocs:

3.15 Insurance

1. With respect to Amdocs' performance under this Agreement, and in addition to Amdocs' obligation to indemnify, Amdocs shall comply with this section, at its sole cost and expense.
2. Amdocs shall maintain insurance coverages and limits required by this Section and any additional insurance and/or bonds required by law:
 - a. at all times during the term of this Agreement and until completion of all Services associated with this Agreement, whichever is later; and
 - b. with respect to any coverage maintained in a "claims-made" policy, for two (2) years following the term of this Agreement or completion of all Services associated with this Agreement, whichever is later. If a "claims-made" policy is maintained, the retroactive date must precede the commencement of Services under this Agreement;
3. Amdocs shall require each Subcontractor that may perform Services under this Agreement or enter upon the AT&T Facilities or Amdocs facilities to maintain coverages, requirements, and limits at least as broad as those listed in this Section from the time when the Subcontractor begins performance of Services, throughout the term of the Subcontractor's performance of Services and, with respect to any coverage maintained on a "claims-made" policy, for two (2) years thereafter.
4. Amdocs shall procure the required insurance from an insurance company eligible to do business in the state or states where Services will be performed and having and maintaining a Financial Strength Rating of "A-" or better and a Financial Size Category of "VII" or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies, except that, in the case of Workers' Compensation insurance, Amdocs may procure insurance from the state fund of the state where Services are to be performed.
5. Amdocs shall deliver to AT&T certificates of insurance stating the types of insurance and policy limits. Amdocs shall provide or will endeavor to have the issuing insurance company provide at least thirty (30) days advance written notice of cancellation, non-renewal, or reduction in coverage, terms, or limits to AT&T. Amdocs shall deliver such certificates:
 - a. prior to execution of this Agreement and prior to commencement of any Services;

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- b. prior to expiration of any insurance policy required in this Section; and
 - c. for any coverage maintained on a “claims-made” policy, for two (2) years following the term of this Agreement or completion of all Services associated with this Agreement, whichever is later.
6. The Parties agree that:
- a. the failure of AT&T to demand such certificate of insurance or failure of AT&T to identify a deficiency will not be construed as a waiver of Amdocs’ obligation to maintain the insurance required under this Agreement;
 - b. the insurance required under this Agreement does not represent that coverage and limits will necessarily be adequate to protect Amdocs, nor will it be deemed as a limitation on Amdocs’ liability to AT&T in this Agreement;
 - c. Amdocs may meet the required insurance coverages and limits with any combination of primary and Umbrella/Excess liability insurance; and
 - d. Amdocs is responsible for any deductible or self-insured retention.
7. The insurance coverage required of Amdocs by this Section shall include:
- a. 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 limits of at least:
 - \$500,000 for Bodily Injury – each accident
 - \$500,000 for Bodily Injury by disease – policy limits
 - \$500,000 for Bodily Injury by disease – each employee

To the fullest extent allowable by Law, the policy must include a waiver of subrogation in favor of AT&T, its Affiliates, and their directors, officers and employees.

In states where Workers’ Compensation insurance is a monopolistic state-run system, Amdocs shall add Stop Gap Employers Liability with limits not less than \$500,000 each accident or disease.
 - b. Commercial General Liability insurance written on Insurance Services Office (ISO) Form CG 00 01 12 04 or a substitute form providing equivalent coverage, covering liability arising from premises, operations, personal injury, products/completed operations, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) with limits of at least:
 - \$2,000,000 General Aggregate limit
 - \$1,000,000 each occurrence limit for all bodily injury or property damage incurred in any one (1) occurrence
 - \$1,000,000 each occurrence limit for Personal Injury and Advertising Injury
 - \$2,000,000 Products/Completed Operations Aggregate limit
 - \$1,000,000 each occurrence limit for Products/Completed Operations
 - \$1,000,000 Damage to Premises Rented to You (Fire Legal Liability)

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- c. The Commercial General Liability insurance policy must:
 - i. include AT&T, its Affiliates, and their directors, officers, and employees as Additional Insureds. Amdocs shall provide a copy of the Additional Insured endorsement to AT&T. The Additional Insured endorsement may either be specific to AT&T or may be “blanket” or “automatic” addressing any person or entity as required by contract. A copy of the Additional Insured endorsement must be provided within sixty (60) days of execution of this Agreement and within sixty (60) days of each Commercial General Liability policy renewal;
 - ii. include a waiver of subrogation in favor of AT&T, its Affiliates, and their directors, officers and employees; and
 - iii. be primary and non-contributory with respect to any insurance or self-insurance that is maintained by AT&T.
- d. Business Automobile Liability insurance with limits of at least \$1,000,000 each accident for bodily injury and property damage, extending to all owned, hired, and non-owned vehicles.
- e. Umbrella/Excess Liability insurance with limits of at least \$1,000,000 each occurrence and with terms and conditions at least as broad as the underlying Commercial General Liability, Business Auto Liability, and Employers Liability policies. Umbrella/Excess Liability limits will be primary and non-contributory with respect to any insurance or self-insurance that is maintained by AT&T.
- f. Fidelity or Crime insurance covering employee dishonesty, including but not limited to dishonest acts of Amdocs and its employees, agents, subcontractors and anyone under Amdocs supervision or control. Amdocs shall be liable for money, securities or other property of AT&T. Amdocs shall include a client coverage endorsement written for limits of at least \$1,000,000 and shall include AT&T as Loss Payee.
- g. Professional Liability (Errors & Omissions) insurance with limits of at least \$1,000,000 each claim or wrongful act.
- h. Internet Liability and Network Protection (Cyberrisk) insurance with limits of at least \$1,000,000 each claim or wrongful act.
- i. Media Liability insurance with limits of at least \$1,000,000 each claim or wrongful act.
- j. Property insurance with limits equal to the replacement cost of Amdocs’ Business Personal Property at the location where Services are to be performed under this Agreement. The Property insurance policy will include a waiver of subrogation in favor of AT&T, its Affiliates, and their directors, officers and employees.

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- 4. Appendix 1.2(4), Reimbursable Expenses, which is attached to the Agreement, is deleted in its entirety and replaced with the revised Appendix 1.2(4) Vendor Expense Policy, which is attached hereto.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas C. Drury

Printed Name: Thomas C. Drury

Title: President

Date: 3-15-2010

AT&T Services, Inc.

By: /s/ Beverly J. Madson

Printed Name: Beverly J. Madson

Title: Senior Contract Manager

Date: 3-15-2010

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Appendix 1.2(4)
AT&T Vendor Expense Policy
AT&T Inc. and Participating Companies
(Updated 1/1/2010)

1.0 General

The AT&T Vendor Expense Policy (VEP) provides guidelines to be followed by all vendors of AT&T in requesting reimbursement for business travel, meals and other business related expense. Expenses outside this policy are not reimbursable.

The following principles apply to requests for expense reimbursement:

When spending money that is to be reimbursed, vendors must ensure that an AT&T Company ("Company") receives proper value in return.

The concept that a vendor and their employees are 'entitled' to certain types or amounts of expenditures while conducting business with the Company is erroneous. Personal expenditures reported for reimbursement should be billed exactly as they were incurred. The use of averages for any type expenditure or combination of expenditures is not permitted except as specifically provided or documented in a contract.

Every vendor and AT&T employee who certifies or approves the correctness of any voucher or bill should have reasonable knowledge the expense and amounts are proper and reasonable. In the absence of the adoption of such policy, or existing contractual agreements, these guidelines are considered the minimum requirements for requesting reimbursement of Company funds.

Deviations from this VEP *must be approved in writing* by the sponsoring Senior Manager or Officer of an AT&T Company.

Employees should refer to the Section entitled "Payments" in the Schedule of Authorizations for Affiliates of AT&T Inc. for appropriate supplier invoice authorization approval levels.

Receipts will be requested and reviewed for any unusual or out of the ordinary expenses or where the approver cannot make a reasonable determination of the propriety of the invoice without a receipt.

The origination of a given expenditure for business purposes is the responsibility of the vendor incurring the expense and the authorization of that expense is the responsibility of the appropriate level of AT&T management in accordance with the Schedule of Authorizations for Affiliates of AT&T Inc.

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1.1 Non-Reimbursable Expenses

The following is a list, although not all inclusive, of expenses considered not reimbursable:

- Airline club membership fees, dues, or upgrade coupon
- Barber/Hairstylist/Beautician Expenses
- Birthday cakes, lunches, balloons, and other personal celebration/recognition costs
- Break-room supplies for the supplier, such as coffee, creamer, paper products, soft drinks, snack food
- Car rental additional fees associated with high speed toll access programs and GPS devices
- Car Washes
- Clothing, personal care items, and toiletries
- Credit card fees
- Entertainment expenses
- Expenses associated with spouses or other travel companions
- Expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel
- Flowers, cards and gifts
- Health Club and Fitness facilities
- Hotel pay-per-view movies, Video Games and/or mini bar items
- Insurance for rental car and or flight
- Internet access in hotels (added to 3.5)
- Laundry (except when overnight travel is required for 7 or more consecutive nights)
- Lost luggage
- Magazines & newspapers
- Meals not consistent with AT&T's Global Employee Expense Policy and or meals not directly required for doing business on the AT&T account (e.g. suppliers cannot voucher lunch with each other simply to talk about AT&T)
- Medical supplies
- Membership fees to exercise facilities or social/country clubs
- Movies purchased while on an airplane
- Office expenses of suppliers
- PC, cell phone, and other supplier support expenses (unless specifically authorized in the agreement)
- Personal entertainment
- Phone usage on airline unless AT&T business emergency
- Safe rentals during a hotel stay
- Surcharges for providing fast service (not related to delivery charges such as Fedex, UPS, etc.). AT&T expects all suppliers to complete the terms of contracts in the shortest period practicable. Charges for shortening the timeframe in which contracts are fulfilled are not permissible.
- Tips for housekeeping and excessive tips, *i.e.*, in excess of 15% to 18% of cost of meal or services, excluding tax
- Tobacco Products

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- Traffic or Parking Fines
- Travel purchased with prepaid air passes.
- Upgrades on airline, hotel, or car rental fees
- Water (bottled or dispensed by a supplier), (unless authorized for specific countries where it is recommended that bottled water is used)

The failure to comply with the above mentioned restrictions will result in the Company refusing payment of charges or pursuing restitution from the vendor.

2.0 Responsibilities

2.1 Vendor's Responsibility

AT&T's sponsoring managers will ensure that vendors have been covered on this policy prior to incurring any expenditure. Vendors and their sponsoring AT&T managers are responsible for clarifying any questions or uncertainties they may have relative to reimbursable business expenses.

It is mandatory that financial transactions are recorded in a timely manner. **Out-of-pocket business expense(s) for vendors that are not submitted for reimbursement within **[**]** from the date incurred are considered non-reimbursable.** Company managers who are responsible for approving reimbursable expenses of vendors should ensure they are submitted and approved in a timely manner.

3.0 Travel Policy

Vendors must first consider the feasibility of using videoconferencing or teleconferencing as an alternative to travel. Travel that is to be reimbursed by AT&T should be incurred only as necessary and pre-approved by AT&T (unless otherwise authorized in the agreement).

AT&T reserves the right to dispute any expense submittal and if not verifiable as valid may reject reimbursement. Reimbursements will be made to vendor only after expenses are verified as valid.

3.1 Travel Authorization

Travel requiring overnight stays must be pre-approved by the sponsoring AT&T Senior Manager (5th Level or above) and should be approved only if it is necessary for the vendor to travel to perform required work.

3.2 Travel Reservations

Vendors are expected to procure the most cost efficient travel arrangements, preferably equivalent to the AT&T discount rate. AT&T does not reimburse for travel purchased with prepaid air passes.

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3.3 Travel Expense Reimbursement

Vendor travel expenses incurred for company business are reimbursable only as specified in these guidelines. Travel expenses may include the following:

- Transportation (airfare or other commercial transportation, car rental, personal auto mileage, taxi and shuttle service)
- Meals and lodging
- Parking and tolls
- Tips/porter service (if necessary and reasonable)
- Vendors who stay with friends or relatives or other vendor employees while on a Company business trip will **NOT** be reimbursed for lodging, nor will they be reimbursed for expenditures made to reciprocate their hospitality by buying groceries, being host at a restaurant, etc.

The expense must be ordinary and necessary, not lavish or extravagant, in the judgment of the AT&T sponsoring management. Any reimbursement request must be for actual expenditures only.

3.4 Air Travel Arrangements

Vendors must select lowest logical airfare (fares available in the market at the time of booking, preferably well in advance of trip to attain lowest possible airfare). Vendors shall book coach class fares for all travel at all times. First class bookings are not reimbursable. Vendors can request business class when a single segment of flight time ("in air time" excluding stops, layovers and ground time) is greater than 8 hours providing the relevant manager pre-approves.

3.5 Hotel Arrangements

AT&T has established Market-Based Room Rate Guidelines for vendors to reference when making hotel reservations in the United States (see Addendum A). U.S. vendors traveling outside the U.S. should reference the GSA, Government Per Diem as a guide: http://aoprals.state.gov/web920/per_diem.asp. Non-US vendors may use these dollar per diems as a guide, but any locally specified per diems will take precedence. Vendors are expected to abide by these guidelines when making hotel arrangements or use specified AT&T preferred hotels/maximum location rates or reasonably priced hotels outside of the U.S.. The AT&T supplier manager can advise which hotel/max rate to use if there is a hotel in the location concerned. AT&T will only reimburse vendors up to the established room rate guideline/AT&T preferred hotel rate in each market, or for actual hotel lodging charges incurred, whichever is less.

There must be a strong business justification for incurring any cost for internet access, and a request for reimbursement must be accompanied by a detailed explanation regarding reason for charge.

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Note: Vendors must indicate the number of room nights on the transaction line when invoicing for reimbursement of hotel expenses. Copies of all hotel bills must be made available for any invoice containing lodging charges.

3.6 Ground Transportation

While away from their home location overnight, vendors are expected to utilize rapid transit or local shuttle service. If the hotel provides a complimentary shuttle, vendors are to use this service before paying for transportation. If complimentary service is not provided a taxi or other local transportation is reimbursable as a business expense. Tips provided to taxi drivers cannot exceed 15% of the value of the total fare.

A rental car is appropriate when the anticipated business cost is less than that of other available public transportation. Except to the extent necessary to accommodate several travelers and/or luggage requirements, vendors will not be reimbursed for automobile rentals other than economy or mid-sized/intermediate models.

“Loss Damage Waiver” and “Extended Liability Coverage” are not considered reimbursable in the US. Prepaid fuel or refueling charges at the time of return are not reimbursable.

Rental cars should be refueled before returning to the rental company, since gas purchased through the rental company carries an expensive refueling service charge.

3.7 Use of Personal Vehicle

When use of personal vehicle is required, the current locally approved mileage rate for miles driven for the business portion of the trip should be the maximum used to determine the amount to be reimbursed.

3.8 Parking

If airport parking is necessary, vendors must use long term parking facilities. Additional costs for short term, valet or covered parking are not reimbursable.

3.9 Entertainment

Entertainment expense is not reimbursable to vendors. Entertainment includes meal expense involving AT&T personnel, golf fees, tickets to events and related incidental expenses. Hotel charges for a pay-per-view movie, individual sightseeing tours, or other individual activities (i.e., golf, sporting event, movie, etc.) are not reimbursable.

3.10 Laundry and Cleaning

Reasonable laundry charges during business trips of seven or more **consecutive** nights are reimbursable based on actual expenses incurred.

3.11 Communications

- The actual cost of landline telephone calls for AT&T business is reimbursable. The use of AT&T products is required when available.

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- AT&T will not reimburse vendors for cell phone bills unless approved under the contract. With prior consent of the sponsoring AT&T Senior Manager, only individual calls that **exceed** a vendor's rate plan that are necessary to conduct business for AT&T may be reimbursed.
- Charges for high speed internet access are not reimbursable unless specifically approved in the contract.

3.12 Business Meals (Travel and Non-Travel)

Vendors are expected to find reasonably priced dining alternatives. As a general rule, vendors are expected to spend [**] (or local currency equivalent) inclusive of tax and gratuity or to abide by the legally specified per diem applicable in the Vendor's country. This includes all meals, beverages and refreshments purchased during the day. Requests for reimbursement should break out the amount for meals and list the related number of travel days. If breakfast is offered as part of the hotel accommodation rate, no additional reimbursement will be permitted for breakfast. Vendors may not submit expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel.

AT&T managers authorizing invoices will be held accountable for ensuring that vendors are following this policy and are spending Company funds economically.

3.13 Flowers, Greeting Cards, Gifts and Incentive Awards

The cost of gifts, flowers, birthday lunches, or greeting cards is considered a personal expense and is not reimbursable. For example, vendors making a donation or providing a gift for a fund-raiser for AT&T may not submit such an expense to AT&T for reimbursement.

3.14 Loss or Damage to Personal Property

The Company assumes no responsibility for loss or damage to a vendor's personal property during business functions or hours.

3.15 Publications

Subscriptions to or purchases of magazines, newspapers and other publications are not reimbursable.

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AT&T U.S. 2010 Hotel Room Rate Only Guidelines

This Chart applies to the U.S. locations. For Travel outside of the U.S., travelers should exercise prudent judgment and select reasonably priced hotels, based on local market conditions.

Employees traveling outside the U.S. should reference the GSA, Government Per Diems as a guide. http://aoprals.state.gov/web920/per_diem.asp

*****U.S. Cities not listed on this Hotel Room Rate Only Guideline Matrix, default to \$[**] nightly rate. On occasion an AT&T Preferred Property may exceed the rate guideline for a season (s) or**

particular city, but has been added due to demand within the market. However, if an alternate Preferred Property within the guideline is offered it should be accepted when available.

You may select the Preferred Property that is over the Guideline if it is the option that is available, selecting the appropriate reason code.

<u>City</u>	<u>St</u>	<u>2010 Guideline</u>	<u>City</u>	<u>St</u>	<u>2010 Guideline</u>	<u>City</u>	<u>St</u>	<u>2010 Guideline</u>	<u>City</u>	<u>St</u>	<u>2010 Guideline</u>	<u>City</u>	<u>St</u>	<u>2010 Guideline</u>
Anchorage	AK	[**]	Susanville	CA	[**]	Fairview Heights	IL	[**]	Morrisville	NC	[**]	Knoxville	TN	[**]
Fairbanks	AK	[**]	Temecula	CA	[**]	Glenview	IL	[**]	Raleigh	NC	[**]	Memphis	TN	[**]
Glennallen	AK	[**]	Thousand Oaks	CA	[**]	Gurnee	IL	[**]	Winston Salem	NC	[**]	Nashville	TN	[**]
Ketchikan	AK	[**]	Torrance	CA	[**]	Hoffman Estates	IL	[**]	Omaha	NE	[**]	Abilene	TX	[**]
Kodiak	AK	[**]	Ukiah	CA	[**]	Lincolnshire	IL	[**]	Basking Ridge	NJ	[**]	Addison	TX	[**]
Birmingham	AL	[**]	Universal City	CA	[**]	Lisle	IL	[**]	Bernardsville	NJ	[**]	Arlington	TX	[**]
Decatur	AL	[**]	Valencia	CA	[**]	Naperville	IL	[**]	Bridgewater	NJ	[**]	Austin	TX	[**]
Hoover	AL	[**]	Van Nuys	CA	[**]	Northbrook	IL	[**]	Cranbury	NJ	[**]	Beaumont	TX	[**]
Huntsville	AL	[**]	Walnut Creek	CA	[**]	Ofallon	IL	[**]	Eatontown	NJ	[**]	Corpus Christi	TX	[**]
Montgomery	AL	[**]	Watsonville	CA	[**]	Palatine	IL	[**]	Edison	NJ	[**]	Dallas	TX	[**]
Mobile	AL	[**]	West Lake Village	CA	[**]	Peoria	IL	[**]	Elizabeth	NJ	[**]	El Paso	TX	[**]
Tuscaloosa	AL	[**]	West Sacramento	CA	[**]	Rockford	IL	[**]	Fair Lawn	NJ	[**]	Frisco	TX	[**]
Bryant	AR	[**]	Willits	CA	[**]	Rolling Meadows	IL	[**]	Florham Park	NJ	[**]	Houston	TX	[**]
El Dorado	AR	[**]	Woodland	CA	[**]	Rosemont	IL	[**]	Iselin	NJ	[**]	Irving	TX	[**]
Fayetteville	AR	[**]	Yorba Linda	CA	[**]	Schaumburg	IL	[**]	Mahwah	NJ	[**]	Lubbock	TX	[**]
Fort Smith	AR	[**]	Aurora	CO	[**]	Springfield	IL	[**]	Morristown	NJ	[**]	Mcallen	TX	[**]
Hardy	AR	[**]	Boulder	CO	[**]	Vernon Hills	IL	[**]	Newark	NJ	[**]	Midland	TX	[**]
Little Rock	AR	[**]	Colorado Springs	CO	[**]	Westmont	IL	[**]	Paramus	NJ	[**]	Plano	TX	[**]
Mountain Home	AR	[**]	Denver	CO	[**]	Willowbrook	IL	[**]	Parsippany	NJ	[**]	Richardson	TX	[**]
North Littlerock	AR	[**]	Englewood	CO	[**]	Bloomington	IN	[**]	Piscataway	NJ	[**]	San Antonio	TX	[**]
Pine Bluff	AR	[**]	Greenwood Village	CO	[**]	Carmel	IN	[**]	Princeton	NJ	[**]	Texarkana	TX	[**]
Rogers	AR	[**]	Glastonbury	CT	[**]	Columbus	IN	[**]	Ramsey	NJ	[**]	Tyler	TX	[**]
Russellville	AR	[**]	Hartford	CT	[**]	Fishers	IN	[**]	Red Bank	NJ	[**]	Waxahachie	TX	[**]
Springdale	AR	[**]	Meriden	CT	[**]	Indianapolis	IN	[**]	Saddle Brook	NJ	[**]	The Woodlands	TX	[**]
VanBuren	AR	[**]	New Haven	CT	[**]	Muncie	IN	[**]	Saddle River	NJ	[**]	Salt Lake City	UT	[**]
Chandler	AZ	[**]	New London	CT	[**]	South Bend	IN	[**]	Short Hills	NJ	[**]	Alexander	VA	[**]
Mesa	AZ	[**]	Rocky Hill	CT	[**]	Merriam	KS	[**]	Somerset	NJ	[**]	Arlington	VA	[**]

Proprietary Information

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Phoenix	AZ [**]	Stamford	CT [**]	Overland Park	KS [**]	Teaneck	NJ [**]	Chantilly	VA [**]
Rio Rico	AZ [**]	Washington	DC [**]	Shawnee	KS [**]	Tinton Falls	NJ [**]	Chester	VA [**]
Scottsdale	AZ [**]	Wilmington	DE [**]	Topeka	KS [**]	Warren	NJ [**]	Dulles	VA [**]
Tempe	AZ [**]	Altamonte Springs	FL [**]	Wichita	KS [**]	West Orange	NJ [**]	Fairfax	VA [**]
Tucson	AZ [**]	Boynton Beach	FL [**]	Covington	KY [**]	Whippany	NJ [**]	Falls Church	VA [**]
Yuma	AZ [**]	Dania Beach	FL [**]	Louisville	KY [**]	Woodcliff Lake	NJ [**]	Glen Allen	VA [**]
Anaheim	CA [**]	Fort Lauderdale	FL [**]	Covington	LA [**]	Albuquerque	NM [**]	Hampton	VA [**]
Buena Park	CA [**]	Jacksonville	FL [**]	Metairie	LA [**]	Henderson	NV [**]	Herndon	VA [**]
Burbank	CA [**]	Kendall	FL [**]	Monroe	LA [**]	Las Vegas	NV [**]	Norfolk	VA [**]
Burlingame	CA [**]	Key Largo/Tavernier	FL [**]	New Orleans	LA [**]	Pahrump	NV [**]	Richmond	VA [**]
Carlsbad	CA [**]	Key West	FL [**]	Vidalia	LA [**]	Reno	NV [**]	Sandston	VA [**]
Cerritos	CA [**]	Lake City	FL [**]	Boston	MA [**]	Albany	NY [**]	Sterling	VA [**]
Chico	CA [**]	Lake Mary	FL [**]	Burlington	MA [**]	Cheektowaga	NY [**]	Tysons Corner	VA [**]
City of Industry	CA [**]	Lakeland	FL [**]	Cambridge	MA [**]	Fishkill	NY [**]	Vienna	VA [**]
Clovis	CA [**]	Marathon	FL [**]	Dedham	MA [**]	Jamaica	NY [**]	Bellevue	WA [**]
Concord	CA [**]	Maitland	FL [**]	Framingham	MA [**]	New York	NY [**]	Bothell	WA [**]
Coronado	CA [**]	Miami	FL [**]	Lowell	MA [**]	Plainview	NY [**]	Kirkland	WA [**]
Costa Mesa	CA [**]	Miami Beach	FL [**]	Marlborough	MA [**]	Rochester	NY [**]	Lynnwood	WA [**]
Cupertino	CA [**]	Orlando	FL [**]	Natick	MA [**]	Rockville Center	NY [**]	Redmond	WA [**]
Del Mar	CA [**]	Palm Beach	FL [**]	Stoughton	MA [**]	Syracuse	NY [**]	Seattle	WA [**]
Dublin	CA [**]	Plantation	FL [**]	Baltimore	MD [**]	Vestal	NY [**]	Spokane	WA [**]
El Segundo	CA [**]	Saint Augustine	FL [**]	Columbia	MD [**]	White Plains	NY [**]	Tacoma	WA [**]
Emeryville	CA [**]	Sunrise	FL [**]	Greenbelt	MD [**]	Woodbury	NY [**]	Tukwila	WA [**]
Escondido	CA [**]	Tallahassee	FL [**]	Linthicum Heights	MD [**]	Tarrytown	NY [**]	Woodinville	WA [**]
Eureka	CA [**]	Tamarac	FL [**]	Portland	ME [**]	Beachwood	OH [**]	Green Bay	WI [**]
Garden Grove	CA [**]	Tampa	FL [**]	Battlecreek	MI [**]	Boardman	OH [**]	Kenosha	WI [**]
Glendale (North)	CA [**]	West Palm Beach	FL [**]	Canton	MI [**]	Centerville	OH [**]	Kimberly	WI [**]
Hawthorne	CA [**]	Alpharetta	GA [**]	Dearborn	MI [**]	Cleveland	OH [**]	Madison	WI [**]
Hayward	CA [**]	Athens	GA [**]	Detroit	MI [**]	Columbus	OH [**]	Milwaukee	WI [**]
Hollywood	CA [**]	Atlanta	GA [**]	Farmington Hills	MI [**]	Dublin	OH [**]	Mukwonago	WI [**]
Irvine	CA [**]	Augusta	GA [**]	Holland	MI [**]	Fairborn	OH [**]	Oshkosh	WI [**]
La Jolla	CA [**]	Brunswick	GA [**]	Livonia	MI [**]	Independence	OH [**]	Pewaukee	WI [**]
Livermore	CA [**]	Carrollton	GA [**]	Marquette	MI [**]	Mayfield Village	OH [**]	Waukesha	WI [**]
Long Beach	CA [**]	Columbus	GA [**]	Novi	MI [**]	Niles	OH [**]	Wauwatosa	WI [**]
Los Angeles	CA [**]	Dublin	GA [**]	Port Huron	MI [**]	North Olmsted	OH [**]	Beckley	WV [**]
Merced	CA [**]	Duluth	GA [**]	Saginaw	MI [**]	Orange Village	OH [**]	Charleston	WV [**]

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Milpitas CA [**]	Dunwoody GA [**]	Southfield MI [**]	Perrysburg OH [**]	Hurricane WV [**]
Modesto CA [**]	Griffin GA [**]	Walker MI [**]	Reynoldsburg OH [**]	
Montebello CA [**]	Lawrenceville GA [**]	Warren MI [**]	Richfield OH [**]	
Napa CA [**]	Lithia Springs GA [**]	Baxter MN [**]	Oklahoma City OK [**]	
Ontario CA [**]	Macon GA [**]	Bloomington MN [**]	Owasso OK [**]	
Orange CA [**]	Newnan GA [**]	Deluth MN [**]	Ponca City OK [**]	
Pasadena CA [**]	Norcross GA [**]	Minneapolis MN [**]	Coos Bay OR [**]	
Petaluma CA [**]	Peachtree City GA [**]	St. Paul MN [**]	Portland OR [**]	
Pleasanton CA [**]	Savannah GA [**]	Bridgeton MO [**]	Tigard OR [**]	
Riverside CA [**]	Roswell GA [**]	Columbia MO [**]	Allentown PA [**]	
Rocklin CA [**]	Tifton GA [**]	Fenton MO [**]	Audubon PA [**]	
Rohnert Park CA [**]	Warner Robins GA [**]	Festus MO [**]	Bensalem PA [**]	
Rosemead CA [**]	Honolulu HI [**]	Joplin MO [**]	Berwyn PA [**]	
Sacramento CA [**]	Kailua Kona HI [**]	Kansas City MO [**]	Coraopolis PA [**]	
Salinas CA [**]	Kihei HI [**]	Kirkwood MO [**]	Essington PA [**]	
San Carlos CA [**]	Waikoloa HI [**]	Lees Summit MO [**]	Glen Mills PA [**]	
San Diego CA [**]	Des Moines IA [**]	Maryland Heights MO [**]	Harrisburg PA [**]	
San Francisco CA [**]	Johnston IA [**]	Saint Charles MO [**]	King of Prussia PA [**]	
San Gabriel CA [**]	Urbandale IA [**]	Saint Louis MO [**]	Philadelphia PA [**]	
San Jose CA [**]	Ammon ID [**]	Springfield MO [**]	Pittsburgh PA [**]	
San Luis Obispo CA [**]	Alsip IL [**]	Jackson MS [**]	Wayne PA [**]	
San Mateo CA [**]	Arlington Heights IL [**]	McComb MS [**]	Anderson SC [**]	
San Rafael CA [**]	Barrington IL [**]	Natchez MS [**]	Charleston SC [**]	
San Ramon CA [**]	Bedford Park IL [**]	Ocean Springs MS [**]	Duncan SC [**]	
Santa Ana CA [**]	Bourbonnais IL [**]	Tupelo MS [**]	Florence SC [**]	
Santa Clara CA [**]	Champaign IL [**]	Asheville NC [**]	Hilton Head SC [**]	
Santa Monica CA [**]	Chicago IL [**]	Carolina Beach NC [**]	Myrtle Beach SC [**]	
Sherman Oaks CA [**]	Danville IL [**]	Charlotte NC [**]	Brentwood TN [**]	
South San Francisco CA [**]	Danville IL [**]	Durham NC [**]	Crossville TN [**]	
Stevenson Ranch CA [**]	Downers Grove IL [**]	Gastonia NC [**]	Franklin TN [**]	
Stockton CA [**]	Elmhurst IL [**]	Goldsboro NC [**]	Johnson City TN [**]	

Proprietary Information

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Amendment

No. 02026713.A.012

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 12**AGREEMENT NO. 02026713**

This Amendment No. 12, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as further amended by Amendment No. 11 effective March, 15, 2010 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, Supplier and AT&T desire to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. For purposes of extending the term of this Agreement, Section 3.32. "Term of Agreement", is deleted in its entirety and replaced with the following:

3.32. Term of Agreement

This Agreement, with an Effective Date of August 7, 2003, shall remain in effect for a term ending on November 15, 2010, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

2. Section 6.1, "Allowable Expenses", paragraph f, of **ARTICLE VI – ONGOING SUPPORT SERVICES** is hereby deleted and replaced with the following paragraph f):

- f) The [**] of travel and living expenses will occur each [**] In the event that the total travel and living expenses [**], Amdocs will provide AT&T a credit for the dollar amount that [**]. For the [**], Amdocs will provide a written report by [**] of the respective year showing the [**].

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

AT&T Services, Inc.

By: /s/ Thomas C. Drury

By: /s/ Beverly J. Madson

Printed Name: Thomas C. Drury

Printed Name: Beverly J. Madson

Title: President

Title: Senior Contract Manager

Date: 5-28-2010

Date: 5-27-2010

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Amendment

No. 02026713.A.013

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 13**AGREEMENT NO. 02026713**

This Amendment No. 13, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as further amended by Amendment No. 12 effective May 28, 2010 (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, Supplier and AT&T desire to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. Section 3.3, "Termination," of **ARTICLE III - GENERAL TERMS** is hereby amended to include the following paragraph G. Termination Upon Amdocs' Change of Control, which shall apply to all agreements between any AT&T Entity and any Amdocs' Entity:
 - G. Termination Upon Amdocs' Change of Control.
 1. In the event of a change in Control of Amdocs (or that portion of Amdocs providing Services under this Agreement) or the Entity that Controls Amdocs (if any), where such Control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of Amdocs are acquired by any Entity, or Amdocs is merged with or into another Entity to form a new Entity, AT&T may at its option terminate this Agreement by giving Amdocs at least ninety (90) days prior notice and designating a date upon which such termination shall be

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effective; provided, however, AT&T shall not have this right if Amdocs Limited, (a Guernsey corporation as of the Effective Date) retains Control of Amdocs after such transaction, acquisition, merger; provided, further, however, if such change in Control of Amdocs involves an AT&T competitor, AT&T may terminate this Agreement by giving Amdocs at least ten (10) days prior notice, and the AT&T competitor shall be prohibited from any contact with AT&T Data, AT&T Information and any and all other information about the AT&T account, including discussions with Amdocs personnel regarding specifics relating to the Services. Amdocs shall not be entitled to any termination charges in connection with a termination pursuant to this **Section 3.3 G**. For purposes of this Section, “Control” and its derivatives mean: (a) the legal, beneficial or equitable ownership, directly or indirectly, of (i) [**] or (ii) equity interests having the right to [**] or, in the event of dissolution, [**]; (b) the right to appoint, directly or indirectly, a majority of the board of directors; (c) the right to control, directly or indirectly, the management or direction of the Entity by contract or corporate governance document; or (d) in the case of a partnership, the holding by an Entity (or one of its Affiliates) of the position of sole general partner; and “Entity” means a corporation, partnership, joint venture, trust, limited liability company, association or other organization or entity.

2. Subject to any legal obligation of confidentiality or applicable securities laws, Amdocs will provide AT&T with notice at the earliest permissible time of Amdocs’ intention to make such a change of Control and facilitate AT&T’s receipt of sufficient information about the Entity acquiring Control for AT&T to choose to exercise its termination rights described in **Section 3.3 G 1**.
 3. Any permitted assignee or successor in interest under this **Section 3.3 G** shall agree in writing to be bound by the terms and conditions of this Agreement.
 4. Regardless of AT&T’s consent or refusal to consent to an assignment under this **Section 3.3 G**, Amdocs, or its successor in interest, shall continue to perform under the terms of the Agreement until such time as the Agreement terminates or expires.
2. Section 3.39, “AT&T Supplier Information Security Requirements,” of **ARTICLE III – GENERAL TERMS** is hereby deleted and replaced with the following 3.39, AT&T Rules, Supplier Information Security Requirements and Limited Offshore Remote Access, which shall apply to all agreements between any AT&T Entity and any Amdocs Entity:

3.39. AT&T Rules, Supplier Information Security Requirements and Limited Offshore Remote Access

Amdocs shall comply with AT&T Rules, Supplier Information Security Requirements (SISR) and Limited Offshore Remote Access (LORA) as set forth in Appendix 8.

3. Section 6.4, “Access to AT&T Facilities,” of **ARTICLE VI - ONGOING SUPPORT SERVICES**, is hereby deleted in its entirety.

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4. Section 6.12, "Electronic Privacy Policy," of **ARTICLE VI - ONGOING SUPPORT SERVICES**, is hereby deleted in its entirety.
5. Section 6.13, "Offshore Transfer or Processing of AT&T Data," of **ARTICLE VI - ONGOING SUPPORT SERVICES**, is hereby deleted in its entirety.
6. Section 6.14 "Service Facilities/Location," of **ARTICLE VI - ONGOING SUPPORT SERVICES** is hereby deleted and replaced with the following 6.14, Offshore Work Permitted Under Specific Conditions, which shall apply to all agreements between any AT&T Entity and any Amdocs Entity:

6.14 Offshore Work Permitted Under Specific Conditions

- a. Supplier shall not perform any Services under this Agreement, nor allow such performance by any Subcontractor, at a location outside the United States ("Offshore Location") unless AT&T approves work to be performed by Supplier or a Subcontractor at such Offshore Location. In the event of such approval, the physical location where the work is to be performed the Services to be performed at such location; and, if applicable, the identity of any Subcontractor performing such work, shall be specifically set forth in Appendix K. Prior to making any additions or deletions to the physical locations or changes in Subcontractors performing work at an Offshore Location the Parties shall amend Appendix K. A change in the location where a Service is performed from one Offshore Location to another AT&T approved Offshore Location shall not require an amendment to Appendix K. Remote access by Supplier employees or Subcontractor from an Offshore Location for the performance of Services shall be in accordance with Appendix 8 AT&T Rules, Supplier Information Security Requirements (SISR) and Limited Offshore Remote Access (LORA). The requirements of this section shall be in addition to Sections 3.2, **Amendments and Waivers**, and 6.9 **Work Done by Others**.
- b. AT&T shall have the right to withdraw its consent to the performance of work at an Offshore Location at any time in AT&T's sole discretion for any reason, in which event the Parties shall assess cost impacts, timing, methodology and amend the Agreement to reflect any changes reasonably required to permit Supplier to continue to perform such work at a location within the United States and the Parties shall amend the Agreement and Appendix K accordingly.
- c. Supplier's compliance with this Section, and all Services performed in Offshore Locations with AT&T's consent, shall be subject to Section 3.27, Records and Audits. Supplier shall provide, and shall ensure all Subcontractors provide AT&T with physical access to inspect all Offshore Locations.
- d. To the extent Supplier interconnects with, or otherwise has access to, the AT&T network, Supplier shall access, or establish network connections that would allow access, to the AT&T network from an Offshore Location in compliance with Appendix 8, "AT&T Rules, Supplier Information Security Requirements (SISR) and Limited Offshore Remote Access (LORA)" to the Agreement.

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e. If Supplier or any Subcontractor without intending to circumvent the requirements of this Section, provides any Services under this Agreement in an Offshore Location without AT&T's prior written consent and fails to cease providing such Services within [**], such inadvertent provisioning and failure to timely cure within said [**] shall be a material breach of this Agreement and, in addition to any other legal rights or remedies available to AT&T in law or in equity, AT&T may immediately Cancel and/or Terminate this Agreement without cost, liability or penalty to AT&T. Notwithstanding the foregoing, AT&T agrees that Amdocs' or a Subcontractor's provision of the Services in an Offshore Location without AT&T's prior written consent on a transient basis (e.g., an Amdocs' employee's provision of Services from an airport while in travel status) shall be permitted and shall not be deemed to be a material breach of this Agreement.

f. When AT&T has granted consent for Services to be performed in an Offshore Location, Supplier shall remain fully responsible for compliance with any foreign, federal, state or local law applicable to the Supplier's provision of such Services regardless of whether the Service is being performed by Supplier or a Subcontractor. Nothing contained within this Agreement is intended to extend, nor does it extend, any rights or benefits to any Subcontractor, and no third party beneficiary right is intended or granted to any third party hereby.

4. **Appendix 8, AT&T Rules and Supplier Information Security Requirements**, is hereby deleted in its entirety, and replaced with Appendix 8, **AT&T Rules, Supplier Information Security Requirements and Limited Offshore Remote Access**, attached herewith, which shall apply to all agreements between any AT&T Entity and any Amdocs Entity.

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The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas C. Drury
Printed Name: Thomas C. Drury
Title: President
Date: 8-30-2010

AT&T Services, Inc.

By: /s/ Beverly J. Madson
Printed Name: Beverly J. Madson
Title: Senior Contract Manager
Date: 8-30-2010

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Appendix 8
AT&T Rules, Supplier Information Security Requirements and Limited Offshore Remote Access

This Appendix 8 of the Master Service Agreement No. 02026713 (the "Agreement"). Capitalized terms not defined in this Appendix have the meaning given in the Agreement. Any capitalized term not defined has its generally understood meaning in the context in which it is used in the IT industry.

Work Policies and Rules

- a. During the performance of Services, representatives of Amdocs, including the Amdocs Personnel, ("Amdocs Representatives") shall adhere to AT&T Rules and policies, including but not limited to those specified in the AT&T Code of Business Conduct, found on the following website: <http://www.att.com/gen/investor-relations?pid=5711>, and to be reviewed once a year, all in accordance with **Appendix 8** of the Agreement.
- b. Without limiting the Amdocs obligation in clause (a), Amdocs shall ensure that the personal conduct and comments in the workplace of Amdocs Representatives support a professional environment which is free of inappropriate behavior, language, jokes or actions which could be perceived as sexual harassment or as biased, demeaning, offensive, or derogatory to others based upon race, color, religion, national origin, sex, age, sexual orientation, marital status, veteran's status or disability. Amdocs further agrees that Amdocs Representatives will refrain from words or conduct that is threatening to and/or disrespectful of others.
- c. Without limiting Amdocs' obligations in clauses (a) and (b), if AT&T provides Amdocs Representatives access to its computer systems, Amdocs agrees (i) to use such systems in a professional manner, (ii) to use such systems only for business purposes and solely for the purposes of performing Services under the Agreement, (iii) to use such systems in compliance with AT&T's applicable standards and guidelines for computer systems use, as outlined in AT&T's Security Policies and Procedures, and (iv) to use password devices, if applicable and if requested by AT&T. Without limiting the foregoing, any access provided by AT&T, or by virtue of the presence of Amdocs Representatives at AT&T locations, including but not limited to access to intranet and internet services, shall not be used for personal purposes or for any purpose which is not directly related to the Services. Amdocs agrees that Amdocs Representatives must have a valid AT&T business reason to access the intranet and/or the internet from within AT&T's private corporate network.

2. Access

- a. When appropriate, Amdocs shall have reasonable access to AT&T's premises during normal business hours, and at such other times as may be agreed upon by the Parties, to enable Amdocs to perform its obligations under the Agreement. Amdocs shall coordinate such access with AT&T's designated representative prior to visiting such premises. If AT&T requests Amdocs to discontinue furnishing any person provided by Amdocs from performing Services on AT&T's premises, in accordance with the terms and conditions of the Agreement, Amdocs shall immediately comply with such request. Such person shall leave AT&T's premises immediately and Amdocs shall not furnish such person again to perform Services on AT&T's premises without AT&T's written consent.

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- b. AT&T may require Amdocs or its Amdocs Representatives to exhibit identification credentials, which AT&T may issue, to gain access to AT&T's premises for the performance of Services. If, for any reason, any Amdocs Representative is no longer performing such Services, Amdocs shall immediately inform AT&T and promptly deliver to AT&T such person's identification credentials, if issued by AT&T. Each Amdocs Personnel shall wear a badge indicating that he or she is not an employee of AT&T.
- c. Amdocs shall ensure that Amdocs Representatives, while on or off AT&T's premises, will (i) perform Services which conform to the Specifications, (ii) protect AT&T Data, buildings and structures, (iii) perform Services which do not interfere with AT&T's business operations, and (iv) perform such Services with care and due regard for the safety, convenience and protection of AT&T, its employees, and its property and in full conformance with the policies specified in the *AT&T Code of Business Conduct*, which prohibits the possession of a weapon or an implement which can be used as a weapon.
- d. Amdocs shall ensure that all persons furnished by Amdocs work harmoniously with all others when on AT&T's premises.
- e. In providing the Services, Amdocs may only use citizens of the United States ("US") to access or display AT&T Data, including Customer Information, for any Government Applications. AT&T shall be responsible to identify for Amdocs any Application classified as a "Government Application."

3. AT&T Supplier Information Security Requirements

The following AT&T Supplier Information Security Requirements ("Security Requirements") apply to Amdocs, its Subcontractors, and each of their employees and/or temporary workers, contractors, vendors and/or agents who perform Services for, on behalf of, and/or through AT&T (for the purpose of this Appendix, each or all "Supplier") that include **any** of the following:

1. Supplier's performance of Services that involve the collection, storage, handling, or disposal of AT&T Data;
2. Supplier-offered or -supported AT&T branded services using non-AT&T network and Information Resources (as defined below);
3. Connectivity to AT&T non-public networks and Information Resources (as defined below);
4. Custom software development or software implementation; or
5. Website hosting and development for AT&T and/or AT&T's customers.

Supplier represents and warrants that during the term of this Agreement and thereafter (as applicable with respect to Supplier's obligations under the Survival of Obligations clause) Supplier is, and shall continue to be, in compliance with its obligations as set forth herein. In addition to all other remedies specified in the Agreement, Supplier agrees that AT&T shall be entitled to seek an injunction, specific performance or other equitable relief and [**] by Supplier to enforce the obligations in these Security Requirements, including those that survive Termination, Cancellation or expiration of this Agreement. The provisions of this Appendix shall not be deemed to, and shall not, limit any more

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stringent security or other obligations of the Agreement. Section and paragraph headings contained in parentheses following paragraphs in the table, below, in this Appendix are for reference purposes only and are not to affect the meaning or interpretation of this Agreement.

AT&T reserves the right to update or modify its Security Requirements from time to time as specified below. Upon notification by AT&T of its need to modify the Security Requirements, Supplier agrees to promptly negotiate in good faith and execute an amendment to this Agreement to incorporate any such modification. Supplier acknowledges that AT&T may require modifications to Security Requirements upon:

1. Extension, or renewal of the Agreement;
2. Any change in work scope or other substantive modification of the Agreement; or
3. Identification of a potential threat scenario.

3.1 Definitions:

Unless otherwise set forth or expanded herein, defined terms shall have the same meaning as set forth in the main body of the Agreement.

“**AT&T Network**” is the internal, non-public AT&T network infrastructure.

“**AT&T Systems**” are the internal, non-public AT&T systems and applications.

“**Customer Facing System**” means an Information Resource accessible from public networks which is intended for use by AT&T’s customers and which resides in a DMZ, as defined below, and where that DMZ:

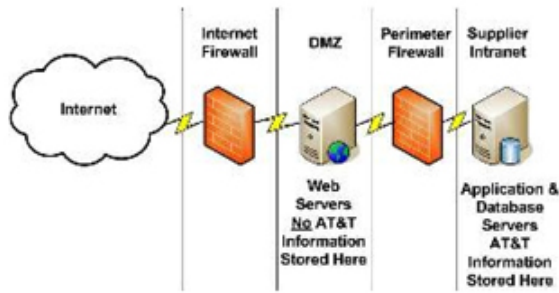
- A. Is protected by firewalls located between the Internet and the DMZ, between that DMZ and all other DMZs, and between the DMZ and the AT&T intranet,
- B. Prohibits incoming TELNET connections from public networks, and
- C. Prohibits incoming FTP connections from public networks except to specific systems known as “FTP drop boxes”.

Note: A Customer Facing System which also is used by AT&T employees, contractors, vendors or suppliers to perform work on behalf of AT&T is not considered a Customer Facing System when performing such work.

“**Demilitarized Zone**” or “**DMZ**” is a network or sub-network that sits between a trusted internal network, such as a corporate private LAN, and an untrusted external network, such as the public Internet. A DMZ helps prevent outside users from gaining direct access to internal Information Resources. The DMZ must be separated from the untrusted external network by use of a firewall and must be separated from the trusted internal network by use of another firewall. Inbound packets from the untrusted external network must terminate within the DMZ and must not be allowed to flow directly through to the trusted internal network. All inbound packets which flow to the trusted internal network must only originate within the DMZ. For additional clarification, see the diagram below; however, the written text shall control with respect to the interpretation of this definition.

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“Information Resources” means any systems, applications, and network elements, and the information stored, transmitted, or processed with these resources in conjunction with supporting AT&T and/or used by Supplier in fulfillment of its obligations under this Agreement.

“Sensitive Personal Information” or **“SPI”** means any information that could be used to uniquely identify, locate, or contact a single person (or potentially be exploited to steal the identity of an individual, commit fraud or perpetuate other crimes). Examples of SPI include, but are not limited to, social security numbers, national, state or province issued identification number, drivers license numbers, dates of birth, bank account numbers, and credit card numbers.

“Strong Encryption” means the use of encryption technologies with minimum key lengths of 128-bits for symmetric encryption and 1024-bits for asymmetric encryption whose strength provides reasonable assurance that it will protect the encrypted information from unauthorized access, and is adequate to protect the confidentiality and privacy of the encrypted information.

3.2 Security Requirements

In accordance with the foregoing, Supplier shall:

1. Actively monitor industry resources (e.g., www.cert.org, pertinent software vendor mailing lists & websites, etc.) for timely notification of all applicable security alerts pertaining to the Supplier networks and Information Resources. (Security Alerts)
2. Scan externally-facing Information Resources with applicable industry-standard security vulnerability scanning software (including, but not limited to, network, server, & application scanning tools) [**]. (Externally-facing System Scanning)
3. Scan internal Information Resources with applicable industry-standard security vulnerability scanning software (including, but not limited to, network, server, application & database scanning tools) [**]. (Internal System Scanning)
4. Upon AT&T’s request, furnish to AT&T its most current scanning results for Information Resources. (Sharing Scanning Results with AT&T)
5. Deploy one or more Intrusion Detection Systems (IDS) in an active mode of operation. (Intrusion Detection Systems)

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6. Have and use a documented process to remediate security vulnerabilities in the Information Resources, including, but not limited to, those discovered through industry publications, vulnerability scanning, virus scanning, and the review of security logs, and apply appropriate security patches promptly with respect to the probability that such vulnerability can be, or is in the process of being, exploited. (Remediating/Patching Service Vulnerabilities)
7. Assign security administration responsibilities for configuring host operating systems to specific individuals. (Security Administration Responsibilities)
8. Ensure that its security staff has reasonable and necessary experience in information/network security. (Necessary Staff Experience)
9. Ensure that all of Supplier's Information Resources are and remain 'hardened' including, but not limited to, removing or disabling unused network services (e.g., finger, rlogin, ftp, simple TCP/IP services, etc.) and installing a system firewall, TCP Wrappers or similar technology. (Hardened Systems)
10. Change all default account names and/or default passwords in accordance with password requirements as set forth herein. (Changing default Account names and Passwords)
11. Limit system administrator/root (or privileged, super user, or the like) access to host operating systems only to individuals requiring high-level access in the performance of their jobs. (Limit Super User Privileges)
12. Require system administrators to restrict access by users to only the commands, data and Information Resources necessary for them to perform authorized functions. (Administrators to Restrict User Access)
13. Ensure that all of Supplier's networks and Information Resources are located in secure physical facilities with access limited and restricted to authorized individuals only. (Information Resources in Secure Facilities)
14. Monitor and record, for audit purposes, access to the physical facilities containing networks and Information Resources used in connection with Supplier's performance of its obligations under the Agreement. (Monitoring and Recording Access)
15. When providing Internet-based services to AT&T, protect AT&T Data by the implementation of a network DMZ. Web servers providing service to AT&T shall reside in the DMZ. Information Resources storing AT&T Data (such as application and database servers) shall reside in a trusted internal network. (Internet Services Must Use DMZ)
16. Upon AT&T's request, provide to AT&T a logical network diagram detailing the Information Resources (including, but not limited to, firewalls, servers, etc.) that will support AT&T. (Provision of Logical Network Diagram)
17. Have a documented process and controls in place to detect and handle unauthorized attempts to access AT&T Data. (Detection and Handling of Unauthorized Access).
18. Use Strong Encryption for the transfer of AT&T Data outside AT&T- or Supplier-controlled facilities or when transmitting AT&T Data over any untrusted network. (Note: This also applies to AT&T Data contained in email, or the attachments embedded within the email, as the case may be. For greater clarity, if, for example, the text in an email does not contain AT&T Data, but the embedded attachments within that email do contain AT&T Data, then the embedded attachment, but not the email, needs to be encrypted.) (Encryption of Information in Transit)
19. Require strong authentication (e.g., two factor token or digital certificates) for remote access or use of Information Resources. (Remote Access Authentication).

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20. Isolate AT&T's applications and Information from any other customer's or Supplier's own applications and information either by using physically separate servers or alternatively by using logical access controls where physical separation of servers is not implemented. (Separate AT&T Data from non-AT&T Data)
21. Have a documented procedure for the secure backup, transport storage, and disposal of AT&T Data and, upon AT&T's request, provide such documented procedure to AT&T. (Secure Backup, Transport, Storage and Disposal of AT&T Data)
22. Amdocs will maintain and upon request provide the Business Continuity Plan for their operations associated with each Amdocs Facility, covering the Applications and Projects that are assigned to them by AT&T, as set forth in this section at all times during the term of this Agreement. This Business Continuity Plan will ensure that Supplier can meet its contractual obligations under the Agreement, including the requirements of any applicable Statement of Work or Service Level Agreement. Upon AT&T's request, Supplier shall promptly update its business continuity plan to include a potential threat scenario. (Business Continuity Plan)
23. Where physical and logical security of AT&T SPI cannot be ensured, store AT&T SPI using Strong Encryption. (Encryption at Rest / Storage)
24. Limit access to AT&T Data, including, but not limited to, paper hard copies, only to authorized persons or systems. (Limit Access to AT&T Data Regardless of Form)
25. Return or, at AT&T's option, destroy all AT&T Data, including electronic and hard copies, within thirty (30) days after the sooner of: (a) expiration or Termination or Cancellation of the Agreement; (b) AT&T's request for the return of AT&T Data; or (c) the date when Supplier (or its suppliers or representatives) no longer needs the AT&T Data. In the event that AT&T approves destruction as an alternative to returning the Information, then Supplier shall certify the destruction (e.g., degaussing, overwriting, performing a secure erase, performing a chip erase, shredding, cutting, punching holes, breaking, etc.) as rendering the AT&T Data non-retrievable. (Return of AT&T Data)
26. Unless otherwise instructed by AT&T, when collecting, generating or creating Information for, through or on behalf of AT&T or under the AT&T brand, whenever practicable, label such Information as "AT&T Proprietary Information" or, at a minimum, label AT&T Data as "Confidential" or "Proprietary". Supplier acknowledges that AT&T Data shall remain AT&T-owned Information irrespective of labeling or absence thereof. (Confidential or Proprietary Markings)
27. Assign unique UserIDs to individual users. (Unique User IDs)
28. Have and use a documented UserID Lifecycle Management process including, but not limited to, procedures for approved account creation, timely account removal, and account modification (e.g., changes to privileges, span of access, functions/roles) for all Information Resources and across all environments (e.g., production, test, development, etc.). (UserID Life Cycle Management)
29. Enforce the rule of least privilege (i.e., limiting access to only the commands and Information necessary to perform authorized functions according to one's job function). (Rule of Least Privilege)
30. Limit failed login attempts to no more than [**] successive attempts and lock the user account upon reaching that limit. Access to the user account can be reactivated subsequently through a manual process requiring verification of the user's identity or, where such capability exists, can be automatically reactivated after [**] from the last failed login attempt. (Limit Failed Logins)

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31. Terminate interactive sessions, or activate a secure, locking screensaver requiring authentication, after a period of inactivity [**]. Exception: Where elsewhere authorized in writing by AT&T, AT&T customer usage of Customer Facing Systems may be exempted from this requirement. (Terminate Inactive Interactive Sessions)
32. Require password expiration at regular intervals not to exceed [**]. Exception: Where elsewhere authorized in writing by AT&T, AT&T customer usage of Customer Facing Systems may be exempted from this requirement. (Expire Passwords)
33. Use an authentication method based on the sensitivity of Information When passwords are used, they must meet these minimum requirements:
- Passwords must be a minimum of [**] characters in length.
 - Passwords must contain characters from at least [**] of the these groupings: alpha, numeric, and special characters.
 - Passwords must not be the same as the UserID with which they are associated.
 - Password construction must be complex and not contain names, dictionary words, combinations of words, or words with substitutions of numbers for letters, e.g., s3cur1ty.
 - Passwords must not contain repeating or sequential characters or numbers.

Note: 1. When systems or applications do not enforce these password requirements, users and administrators must be instructed to comply with these password requirements when selecting passwords.

2. Applications housing more sensitive AT&T Data, as identified by AT&T, may require an authentication mechanism stronger than passwords and the authentication mechanism must be approved by AT&T in advance in writing. Examples of stronger authentication methods include tokens, digital certificates, passphrases, and biometrics. Exception: Where elsewhere authorized in writing by AT&T, AT&T customer usage of Customer Facing Systems may be exempted from this requirement. (Passwords and Construction Rules)

34. Use a secure method for the conveyance of authentication credentials (e.g., passwords) and authentication mechanisms (e.g., tokens or smart cards). (Use Secure Method to Convey UserIDs and Passwords)
35. Display a warning or “no-trespassing” banner on applicable login screens or pages when in Supplier’s environment and not an AT&T branded product or service.

(example long version):

This is an <company name> system, restricted to authorized individuals. This system is subject to monitoring. Unauthorized users, access, and/or modification will be prosecuted.

(example short version):

<company name> authorized use ONLY, subject to monitoring. All other use prohibited.

For AT&T branded products or services or for software developed for AT&T, the Supplier shall display a warning banner on login screens or pages provided by AT&T. (Display Warning Banners)

36. Have current antivirus software installed and running to scan for and promptly remove viruses. (Scan and Remove Viruses)
37. Separate non-production Information Resources from production Information Resources. (Separate Production and Non-Production Information Resources)

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38. Have a documented software change control process including back out procedures. (Software Change Control Process)
39. For applications which utilize a database that allows modifications to AT&T Data, have database transaction logging features enabled and retain database transaction logs for a minimum of [**] (Utilize Database Transaction Logging)
40. For all software developed, used, furnished and/or supported under this Agreement, review such software to find and remediate security vulnerabilities during initial implementation and upon any modifications and updates. (Review Code for Vulnerabilities)
41. Perform quality assurance testing for the application functionality and security components (e.g., testing of authentication, authorization, and accounting functions, as well as any other activity designed to validate the security architecture) during initial implementation and upon any modifications and updates. (Quality Assurance Test Application and Security Vulnerabilities).
42. Not store AT&T SPI on removable media (e.g., USB flash drives, thumb drives, memory sticks, tapes, CDs, external hard drives) except: (a) for backup and data interchange purposes as allowed and required under contract and (b) using Strong Encryption. (Control SPI on Removable Media)
43. Restrict access to any AT&T SPI to authorized individuals. (Restrict Access to SPI)
44. Restrict access to security logs to authorized individuals.(Restrict Access to Security Logs)
45. Review, on [**], security logs for anomalies and document and resolve all logged security problems in a timely manner. (Review Security Logs and Resolve Security Problems)
46. Retain complete and accurate records relating to its performance of its obligations arising out of these Security Requirements and Supplier's compliance herewith in a format that will permit audit for a period of [**], or longer as may be required pursuant to a court order or civil or regulatory proceeding. Notwithstanding the foregoing, Supplier shall only be required to maintain security logs for a [**]. (Retain Records)
47. Permit AT&T to conduct an audit to verify Supplier's compliance with the contractual obligations in connection with these AT&T Supplier Information Security Requirements. Upon AT&T's request for audit, Supplier shall schedule a security audit to commence [**] from such request. In the event that AT&T, in its sole discretion, deems that a security breach has occurred, Supplier shall schedule the audit to commence within [**] of AT&T's notice requiring an audit. This provision shall not be deemed to, and shall not, limit any more stringent audit obligations permitting the examination of Supplier's records contained in the Agreement. (Audit Rights)
48. [**] of receipt of the audit report, provide AT&T a written report outlining the corrective actions that Supplier has implemented or proposes to implement with the schedule and corrective action. Supplier shall update this report to AT&T [**] reporting the status of all corrective actions through the date of implementation. Supplier shall implement all corrective actions [**] of Supplier's receipt of the audit report. (Remediate Audit Findings).
49. Have and use a documented procedure to follow in the event of an actual or suspected unauthorized intrusion or other security violation, including, but not limited to, a physical security or computer security incident (e.g., hacker activity or the introduction of a virus or malicious code), that involves Supplier in fulfillment of its obligations under this Agreement, which includes immediate notification to the AT&T Computer Security Incident Response Team (ACSIRT).

ACSIRT 24 hour contact information:

[**]

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50. Provide AT&T with regular status updates on any actual or suspected unauthorized intrusion or other security violation that involves Information Resources used in conjunction with supporting AT&T and/or used by Supplier in fulfillment of its obligations under this Agreement, including but not limited to actions taken to resolve the incident, [**] for the duration of the incident, [**] of the closure of the incident, a written report describing the incident, actions taken by the Supplier during its response and the Supplier's plans for future actions to prevent a similar incident from occurring. (Provide AT&T Incident Response Status and Final Resolution)
51. Ensure, prior to furnishing or development of custom software, that such software incorporates applicable AT&T security requirements as documented by AT&T in the business requirements for the applicable software. (Software Must Comply with AT&T Security Requirements.)
52. Ensure that all personnel, subcontractors or representatives performing work on any AT&T Information Resources or the resources used to interconnect to AT&T resources or the resources used to house AT&T Data under this Agreement are in compliance with these Security Requirements. (All Work to Be In Compliance with SISR)
53. At a minimum annually, review these Security Requirements to ensure that Supplier is in compliance with the requirements. (Periodically Review and Ensure Compliance with SISR)
54. Return all AT&T owned or provided access devices (including, but not limited to, SecurID® tokens and/or software) as soon as practicable, but in no event [**] after the sooner of: (a) expiration, Termination, or Cancellation of the Agreement; (b) AT&T's request for the return of such property; or (c) the date when Supplier (or its suppliers or representatives) no longer need such devices. (Return all AT&T Owned or Provided Access Devices)

3.3 Connectivity Requirements

In the event Supplier has, or will be provided, connectivity (*i.e.*, access to AT&T's or its customers' networks) in conjunction with this Agreement, then, in addition to the foregoing, the following requirements shall apply to Supplier:

1. In the event that a data connection agreement, such as a "Master Data Connection Agreement," "Data Connection Agreement," and/or "Connection Supplement" ("DCA") exists between the Parties, and incorporates this Agreement by reference, or is otherwise integrated with, or used to govern the Parties' connectivity obligations under, this Agreement, such DCA is hereby superseded by the terms of these Security Requirements, effective as of the date these Security Requirements become effective under the Agreement, and the terms of such DCA are amended to require that the Security Requirements, and not the DCA, are controlling in the Agreement (as well as any agreements subordinate to this Agreement). Notwithstanding the foregoing, the DCA remains in full force and effect for all other agreements between the Parties to which it applies.

2. Supplier shall:

- a. Use only the mutually agreed upon facilities and connection methodologies to interconnect AT&T's networks with Supplier's networks and to provide access to the data for each connection.
- b. Only establish interconnection to endpoint resources and/or end users outside the United States as specified in the Agreement.

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- c. Provide AT&T access to any Supplier facilities during normal business hours for the maintenance and support of any AT&T equipment (e.g., router) used for the transmission of Information under this Agreement.
- d. Maintain logs of all sessions that pass through the Supplier's perimeter security gateway. These session logs must include sufficiently detailed information to identify the end user or application, origination IP address, destination IP address, ports/service protocols used and duration of access. These session logs must be retained [**].
- e. Use any AT&T equipment provided under this Agreement only for the furnishing of those Services or functions explicitly defined in the Agreement.
- f. Ensure that all Supplier interconnections to AT&T pass through the designated AT&T perimeter security gateway (e.g., firewall).
- g. Ensure that Supplier interconnections to AT&T terminate at a perimeter security gateway (e.g., firewall) at the Supplier end of the connection.

3. In addition to other rights set forth herein, AT&T shall have the right to:

- a. Gather information relating to Supplier's access to AT&T's networks, processing systems and applications. This information may be collected, retained and analyzed by AT&T to identify potential security risks without further notice. This information may include trace files, statistics, network addresses, and the actual data or screens accessed or transferred.
- b. AT&T shall have the right to immediately suspend or terminate any interconnection if AT&T, in its sole discretion, believes there has been a breach of security or unauthorized access to or misuse of AT&T data facilities or Information.

3.4 Offshore Information Technology Services Requirements

In the event Supplier currently provides or will be providing Offshore Information Technology Services in conjunction with this Agreement, then, in addition to the foregoing, the following requirements shall apply to Supplier:

- 1 Strong authentication controls must be established for firewalls, firewall management servers, and firewall hop boxes. Options for strong authentication may include two-factor authentication methods such as tokens, smart-cards and/or one-time passwords.
- 2 Supplier must ensure that firewall configurations are hardened by selecting a sample of firewalls and verifying that the default rule set ensures the following:
 - a. IP source routing is disabled.
 - b. Loopback address is prohibited from entering the internal network,
 - c. Anti-spoofing filters are implemented.
 - d. Broadcast packets are disallowed from entering the network,
 - e. ICMP redirects are disabled.
 - f. Fragmented packets are dropped.
 - g. Ruleset ends with a DENY ALL statement
- 3 Screen savers or connection timeouts are required to prevent unauthorized access to unattended workstations.

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- 4 Perform [**] revalidations on the user account list on firewalls, firewall management servers, and firewall hop boxes to ensure that only those users authorized for access to manage these devices have an account. This includes the need to revalidate the authorization level of each user account to ensure appropriate permission levels are maintained.
- 5 Production support personnel and development personnel must have enough separation and auditable controls to ensure that standard change management procedures are always consistently followed.
- 6 Developers cannot access production platforms “at will”. For some trouble-shooting situations, developers may be provided access to production platforms but only on an “as needed basis” and for a limited duration. All temporary access should be documented (who, what, when, where and why).
- 7 Track and approve changes to firewall rules is required and must be validated annually. Inappropriate firewall rules must be removed immediately.
- 8 Require a clean desk policy at the end of the day.
- 9A Effective [**], all portable or removable media (such as CD, floppy and USB drives) will be removed or disabled to ensure that AT&T Data cannot be downloaded and taken offsite.
- 9B Wireless networking technologies must not be used for communicating unless the following steps are taken by Amdocs to maintain the confidentiality and integrity of the communication and to prevent unauthorized access to the transmitting device and/or receiving device. When wireless networking technologies are used:
 - (i) All communications over wireless networks must be transmitted via Virtual Private Network (VPN) session(s) using Strong Encryption.
 - (ii) Strong authentication (e.g., two factor token or digital certificates) must be used for authenticating VPN access.
 - (iii) Wireless hardware (with the exception of wireless network cards and access points) must be located in a physically secure area (e.g., in a locked wiring closet or locked machine room).
 - (iv) All services not being used on the access point, router, and VPN concentrator must be disabled.
 - (v) Enable Media Access Control (MAC)-based filtering so that only specified wireless cards can communicate to the access point.
- 10 Supplier must implement procedures to ensure that AT&T Data is not downloaded and removed by Supplier, including at a minimum, searches of persons and their belongings when exiting AT&T restricted areas and Supplier’s premises.
- 11 Notify individuals that removal of AT&T Data from the work area or Supplier’s premises is not allowed, to include signage that communicates this policy and that people and personal property including, without limitation, packages, briefcases, and purses are subject to inspection prior to exiting AT&T restricted areas and Supplier’s premises.
- 12 Verify that all printed media containing AT&T Data (any information obtained from or provided by AT&T, including information about AT&T Systems, its employees and its customers) is securely stored, and that a mechanism is in place to protect the security and privacy of AT&T Data. Procedures are required to restrict access to AT&T Data to authorized Supplier personnel only, and to ensure that all media containing AT&T Data is accounted for and reconciled on [**] to ensure that the information is not removed from Supplier’s premises.

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- 13 All access to electronic documentation of AT&T Data retained locally must be password protected and restricted to the very minimum number of Supplier personnel. Supplier must implement procedures to ensure that AT&T Data is not downloaded and removed by Supplier personnel, including, at a minimum, searches of persons and their belongings when exiting AT&T restricted areas and Supplier's premises.
- 14 All electronically stored or printed AT&T Data no longer needed must be shredded onsite or destroyed onsite by authorized Supplier personnel assigned to AT&T projects. Shred bins must be located in AT&T restricted areas and locked until the shredding takes place.
- 15 A [**] Metric Report of Perimeter Security on the Supplier's system should be reported to AT&T that consists of:
- Location
 - Date
 - # of Intrusions
 - Type of Intrusions
 - Source
 - Destination
 - Detail
 - Actions
- Security IDS audit logs must be retained [**] and offline for a period of at least [**].
- 16 Remote access to AT&T Networks or AT&T Data is prohibited. All work on AT&T projects must be performed within the AT&T restricted area on Supplier's premises. Prior written exception to this prohibition must be obtained from the [**]. Supplier's use of laptops offsite must have written approval from the [**].
- 17 Randomly check Supplier-based email and internet-based email so that AT&T Data is not sent to an unauthorized recipient. [**], Amdocs must check for the AT&T Proprietary – Restricted and AT&T Proprietary – Sensitive Personal Information markings in emails and attachments sent from Amdocs to non-AT&T personnel outside. Any unauthorized transmissions must be reported by Amdocs in an email to the [**].
- 18 B2B VPN connections to AT&T are required to be secured from other remote connections.
- 19 Device-specific monitoring tools must be used to assure that firewall hardware is operational.
- 20 To minimize the risk exposure to visiting AT&T employees in locations that are of medium-high risk of terrorist attacks, adequate security measures are required to include (at a minimum) an enclosed property perimeter with controlled access at entrances, inspection program for people and cars, including delivery vehicles at the entrance, Supplier security personnel trained in surveillance and explosives detection, Supplier mailroom personnel trained in package screening procedures, deployment of security cameras connected to a central monitoring control room, random patrols of property, and restricted vehicle parking near buildings. The security plan should increase security measures as the threat level increases.
- 21 All access points into the Supplier's building(s) where AT&T work is being performed must be locked by either physical keys or a card key system, or controlled by a guard service to restrict access only to authorized individuals. These mechanisms must be in working order and utilized at all times. Proper identification must be worn by all persons inside the Supplier's building and a procedure in place to challenge those not wearing appropriate identification in the Supplier's building. The cable vault, electrical and telephone areas should be secured to give access only to those authorized.

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- 22 Card key access lists and event logs must be reviewed by Supplier [**] to validate that building card key access is limited to only those individuals with a need to be in the Supplier's building and restricted area where AT&T work is being performed. Ensure that all keys are accounted for and limited to those individuals with a need to be in the Supplier's building and restricted areas and all locks are changed on a regular interval (at a minimum annually). Ensure that Supplier personnel surrender company identification, keys and access cards before leaving the premises when access to an area is no longer required or upon voluntarily or involuntarily ceasing to work for Supplier and that the access cards are deactivated. [**] should include employee, contractor and supplier termination records and any associated unauthorized access attempts in the event logs.
- 23 Alarmed doors and monitored electronic systems are required to detect unauthorized access or access attempts with a plan to respond to and document incidents. [**] recorded video surveillance is required of the area where work on AT&T projects is performed, including entry and exit points.
- 24 Prior to permitting any person access to an AT&T project source or origin code (for example, software development), and at annual intervals thereafter, Supplier must ensure that such person (employee, contractor, subcontractor) is not on the Denied Persons List or the Specially Designated Nationals List of the US Department of Commerce – Bureau of Industry and Security. – Those lists are located at <http://www.bis.doc.gov/ComplianceAndEnforcement/ListsToCheck.htm>.
- Prior to permitting any person direct or indirect access, whether physical, virtual, or otherwise, to any of AT&T's company, employee, or customer information, or any of AT&T's or AT&T's customers' premises, systems, software, or networks, Supplier must have a reputable security company perform a criminal background check and verification of the identity of such person (employee, contractor, or subcontractor including onsite security guards responsible for physical security of Supplier's premises and AT&T restricted areas, and unescorted cleaning/maintenance personnel).
- 25 A security plan must be in place to include training of Supplier personnel to report suspicious activity/security incidents and complaints that did or could affect AT&T, to include documentation, follow-up and reporting to the **AT&T IT:OFFSHORE** organization and, as necessary, law enforcement. Information to be reported to the Executive Director of the IT:OFFSHORE organization would consist of at least:
- Date of Incident
 - Who - Identify those involved and be descriptive (suspects, vehicles, property, license plate numbers, ...)
 - What - What happened and how?
 - When - When did the incident occur?
 - Where - Where did the incident take place?
 - Action Taken – What action was taken? Was law enforcement notified?

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- 26 An exercise of Supplier's recovery strategy must be conducted annually. [**] from the completion of a disaster recovery exercise by Amdocs, Amdocs will produce a documented conclusion with a corrective action plan and proposed committed timeframes for corrective action upon which the Parties will agree within [**] from receipt of the action plan.
- 27 Failover processes and procedures are required to support AT&T applications and these failover processes and procedures are exercised [**]
- 28 Business continuity communication documents, processes, and procedures must be readily available and current.
- 29 As soon as reasonably possible after the execution of this Agreement and on an annual basis thereafter, Supplier will, at no charge to AT&T, perform a security audit utilizing a reputable independent auditor, as agreed by the Parties. Such security audit shall ensure that Supplier will strictly follow these AT&T Supplier Information Security Requirements.

3.5 Requirements for Offshore Information Technology Services Requiring Elevated Rights

In the event Supplier currently provides or will be providing system, database, and or network administrator/root (or privileged, super user, or the like) access to host operating systems located on AT&T non-public networks in conjunction with this Agreement from an Offshore Location, then, in addition to the foregoing, the following requirements shall apply to Supplier:

- 1 Access for privileged offshore users will be via a front-end Citrix farm that requires SecurID authentication, with front end Citrix servers located in a DMZ segment. An alternative to this is an AT&T-provided Client VPN with a SecurID token used over a **secure connection** (NOT the public Internet) as reviewed and approved by AT&T's Chief Security Office (CSO).
- 2 Auditing options must be enabled on any Supplier perimeter equipment which controls access to the Supplier equipment used to do AT&T work. To ensure integrity of audit log entries, all Supplier system clocks must be synchronized to the same time source. Synchronization to AT&T clocks is not required. At a minimum, security audit log(s) must be automatically updated for the following system events:
 - a. Successful and unsuccessful login attempts.
 - b. Successful and unsuccessful attempts to switch to another user's account (where applicable).
 - c. Logoffs.
 - d. User attempts to access files or resources outside their privilege level.
 - e. User access to all privileged files and/or processes.
 - f. Operating system configuration changes.
 - g. Operating system program changes.
 - h. All changes, that can feasibly be captured, to system hardware and software.
 - i. All security-related changes, including adding users.

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j. Failures for computer, program, communications, and operations.

k. Starting and stopping of audit logging.

Security audit logs must be maintained [**] and offline for a [**].

- 3 AT&T reserves the right to perform vulnerability scans and review the scanning results of Supplier systems in a pre-announced, scheduled manner on Supplier's equipment on an AT&T isolated LAN segment and Supplier Network equipment used to access AT&T Networks, systems, and data or Supplier agrees to reveal to the [**] the detailed scanning findings and closure activities related to vulnerabilities found [**].

Information to be reported to the AT&T-IT OCE would consist of at least:

- Date of discovery of vulnerability
- How it was remediated
- What was remediated
- What are the plans to remediate
- Estimated Date of closure

- 4 An Intrusion Prevention System (IPS) is required on Supplier's data network to prevent unauthorized access.

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Limited Offshore Remote Access (“LORA”) to AT&T Systems

The following outlines the AT&T requirements and procedures to which the Supplier must adhere for allowance of select pre-authorized offshore Supplier personnel to have remote access to AT&T systems, for which the Supplier is already under contract with AT&T to perform IT support services.

This remote access program (the “Limited Offshore Remote Access”) set forth herein defines the program requirements and how the Supplier shall work with the AT&T Offshore Compliance and Enablement organization to determine if Supplier can utilize the LORA for an existing or new information technology Services engagement. Examples of engagements where AT&T will consider Supplier’s request for LORA would be a Work Order where offshore Supplier personnel are required to perform after-hours work monitoring support services and access AT&T data.

I. Definitions

- **AT&T IT Offshore Compliance & Enablement (IT OCE)** – AT&T Information Technology organization that manages oversight of the Limited Offshore Remote Access program. The IT OCE will serve as the front door and provide authorization to Supplier. IT OCE point of contact is identified below.
 - **“AT&T Proprietary – Restricted Information”** or **“Restricted Information”** means: any Information that has a higher level of sensitivity and therefore must be shared only among persons with a clear business need to know; or any Information that requires a high degree of protection by law and loss or unauthorized disclosure could require notification by AT&T to government agencies, individuals or law enforcement; or any Information that if revealed widely could present an increased risk of compromising computer systems, fraud, or increased likelihood of disrupting business operations. Examples of Restricted Information include, but are not limited to, unpublished financial information, designs and development plans for new or improved products, services, or processes, Customer Proprietary Network Information (CPNI), marketing information including customer contact lists, software source code for business critical applications, other companies’ confidential information that is shared with AT&T under contract or an NDA, internal AT&T authentication credentials (e.g., passwords, PINs and password hint answers), and security and/or network information including: logs, engineering or architecture diagrams, configuration files, firewall rules, security incident reports, and vulnerability information.
- **Limited Offshore Remote (“LORA”)** - the ability, with prior AT&T IT OCE approval, for an Offshore Supplier resource to connect to AT&T systems via AT&T client VPN from their Resource Home Location for the purposes of completing contracted work for AT&T.
- **“Management Remote Access Laptop”** - limited in use by Amdocs Management Band 3 (Group leader-management personnel) and above who support the AT&T account, from the Amdocs facility, Resource Home Location or travel. There will be no transfer of or storage of

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SPI and AT&T Proprietary – Restricted Information or Restricted Information on this device. For clarity the only access to SPI and AT&T Proprietary – Restricted Information or Restricted Information will be as defined in Article II #3 below, “Remote Access end-user for laptops without AT&T Data requirements”.

- **Remote Access Laptop/Desktop** – A Supplier-provided Laptop/Desktop which will be used by an approved Supplier resource for LORA from their home location.
- **Resource Home Location** – The home residence of a Supplier resource. Each approved Supplier resource can have LORA from only one Resource Home Location.
- **Controlled and Audited Supplier Facility** – The designated offshore Supplier work location, which is governed by controls specified by AT&T. This is the Supplier resource’s primary work location.
- **Remote Access Solution** – From the Resource Home Location, an approved Supplier resource will use a Remote Access Laptop/Desktop to connect to the AT&T Secure VPN Gateway.
- **Permanent Workstation/Virtual Workstation** A laptop or desktop located in a controlled and audited Supplier facility that is used to access the AT&T network for contracted services.

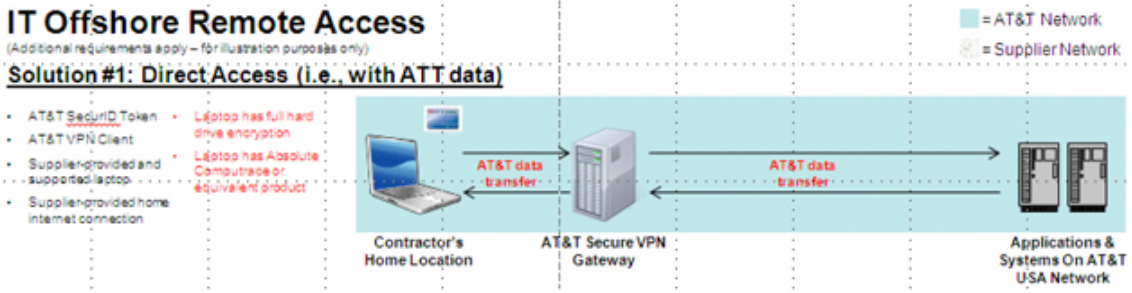
II. LORA requirements:

1. **General requirements:** Supplier shall adhere to the following:
 - a. Each individual LORA user shall be reviewed and either approved or denied [**] from receipt of written request to the AT&T IT Offshore Compliance & Enablement (IT OCE).
 - b. Each individual LORA request must be linked with a specific statement of work covered under an existing or pending Work Order issued under a current Master Agreement between AT&T and the Supplier.
 - c. Supplier is to maintain a history log of all requests for LORA.
 - d. Supplier is to submit all new LORA requests to IT OCE, in a format specified by AT&T.
 - e. The IT OCE Sr. Technical Director or equivalent will approve or deny each request.
 - f. [**] interface at the time of this document being implemented. This is subject to change by AT&T.
 - g. Supplier may also request AT&T IT OCE approval for temporary remote access from a location other than the Resource Home Location.
 - h. Resource Home Location shall be subject to voluntary inspection /verification, as agreed upon by the Parties, by Supplier or AT&T representative if AT&T information/resource is present. The Supplier resource must notify AT&T/Supplier of any changes in Resource Home Location.
 - i. Amdocs will notify AT&T immediately upon an Amdocs resource’s change in status that would no longer require them to have LORA.

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2. **[**]** and immediately upon approval, all offshore Supplier personnel approved for LORA must complete Supplier-provided compliance training, which shall include but not be limited to:
 - a. A review of all of the requirements outlined in this Agreement that pertain to the end-users of the Remote Access Solution. The review shall include but not be limited to: the use of the Remote Access Solution from only a single Resource Home Location; the Remote Access Laptop theft/loss reporting requirements; and the prohibition of the use of the Remote Access Solution for anything other than responding to on-call situations.
 - b. Review of the following guidelines: <https://spsf05.web.att.com/sites/AssetProtection/APO/Investigations/LaptopThefts.aspx>.
 - c. Upon AT&T request, Supplier shall provide to the AT&T IT Offshore Compliance & Enablement (IT OCE) team confirmation that the above training has been completed annually and upon LORA approvals.
3. **Management Remote Access Laptop with AT&T Data other than SPI or AT&T Proprietary – Restricted Information (“APRI”) or Restricted Information (“RI”) requirements:**



Supplier shall adhere to the following:

- a. Supplier shall designate, provide and support the Management Remote Access Laptop to be used from the Resource Home Location, Amdocs Facility and travel.
- b. Each Management Remote Access Laptop shall have anti-virus and firewall software installed and operating.
- c. The configuration file that controls these settings required for LORA shall be read only for the user and editable only by authorized domain administrators (e.g., settings

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that control full hard drive encryption, antivirus and [**], for application installations) or resources approved for LORA shall not have administrator rights on the Management Remote Access Laptop.



- d. Each Management Remote Access Laptop shall have a full hard drive encryption solution, such as [**], installed and operating, with all data encrypted as long as the laptop is “locked” (screensaver has turned on) or the Management Remote Access Laptop is shut down. The configuration file that controls the above settings shall be read only for the user and editable only by authorized domain administrators.
- e. Management Remote Access Laptops with no [**] software or equivalent product installed must require both a password and biometric (i.e., thumb print scan) authentication for both logging into the device and “unlocking” the device (gaining control of the device after the screensaver has turned on). The configuration file that controls the above settings shall be read only for the user and editable only by authorized domain administrators. Amdocs will work in good faith to have this requirement implemented [**].
- f. Password and/or biometric-protected screensavers must be set with the inactivity timeout set to [**] or less. The configuration file that controls the above settings shall be read only for the user and editable only by authorized domain administrators.
- g. Each Management Remote Access Laptop shall have the [**] or equivalent product installed and operating [**], with the configuration file that controls the above settings set to be read only for the user and editable only by authorized domain administrators. Supplier shall initiate the [**] data wipe process for all lost or stolen laptops within [**] of the reported theft or loss of a Management Remote Access Laptop. Supplier is to notify [**] of a lost or stolen Management Remote Access Laptop within [**], including in such notification a description of AT&T information that was on the Management Remote Access Laptop. Supplier shall provide full and proactive cooperation with any investigation related to AT&T. In addition to Amdocs’ obligation to indemnify , in the event of such a loss of equipment, if it is determined that the lost equipment included personnel Information (personal data such as HR information, SSN, address, etc.) and the Supplier has failed to comply with the provisions of subsections b, c, d, e, and f, above the Supplier shall provide [**].
- h. Each Management Remote Access Laptop shall only be able to [**] network at any one time.
- i. Management Remote Access Laptops shall use either (i) a VPN connection to AT&T through AT&T’s approved Client VPN or (ii) another VPN connection to connect to the Supplier’s corporate network. The Management Remote Access Laptop may not use both (i) and (ii) at the same time or any other connection method(s).

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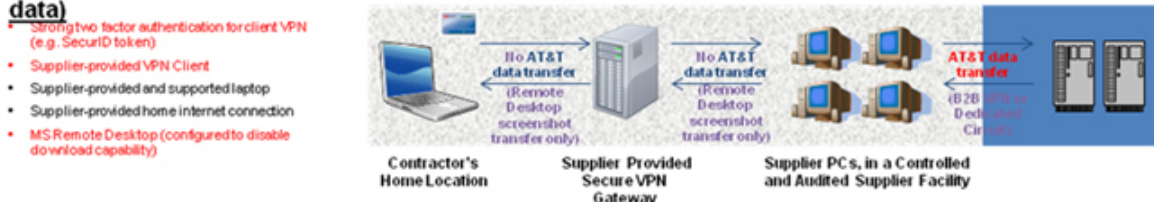
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- j. The data and voice connection in the Resource Home Location and all associated costs shall be provided by the Supplier per the Supplier’s policy and will be either a wired or wireless connection. AT&T will not be required to cover the charges for data and voice connections in the Resource Home Locations. Wired data connections are preferred. However, if the connection is wireless (e.g., WIFI or cellular wireless connection), the connection must be encrypted and adequately secured.
- k. Supplier Laptops/Desktops shall be configured such that offshore Supplier personnel shall be unable to download or copy AT&T Data to external devices through means such as disk drives, USB drives, writeable CDs, serial ports, etc. Such configuration settings shall be controlled centrally and editable only by authorized administrators.
- l. Except where expressly stated, all aforementioned software and hardware shall be provided by the Supplier.
- m. Security audit logs shall be maintained by the Supplier to track system events, including login attempts, user sessions, logoffs, configuration changes, and other pertinent events and data. Logs shall be retained online for [**]
- n. Each LORA user [**] for reviewing desktop and email by December 31, 2010. Upon LORA approval each LORA user will execute, review findings classified by [**] as “High” and remediate findings that are found to be SPI. Each LORA user will execute SPI Checker at least [**]. User must review entries in the output file written to the desktop [**] and are classified by [**] as “High”. Entries found to be SPI must be immediately deleted.
- o. At all times, the Management Remote Access Laptop shall be kept in the possession of either the AT&T-approved offshore Supplier resource to whom Supplier has assigned the device or Supplier personnel that are responsible for administering the LORA.

4. Remote Access end-user for laptops without AT&T Data requirements:

 = AT&T Network
 = Supplier Network

Solution #2: Remote Control Access (no ATT data)



To the extent approved by AT&T’s Executive Director of the IT OCE, Amdocs Offshore Personnel may perform Services and access AT&T Data on an as-needed basis (e.g., to perform after-hours contracted work for AT&T only) from an authorized Resource Home Location with specifically designated and approved computers provided by Amdocs (each a “Remote Access Laptop”), subject to the following:

- a. Access to AT&T Data by Offshore Personnel will be done only by:
 - First, accessing the Amdocs network
 - Second, from the Amdocs network, accessing the AT&T network through a “Virtual Workstation”

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- b. Connection from the Amdocs network to the AT&T network is defined by AT&T. Currently this is done through a dedicated Business to Business (B2B) network connection.
- c. Each Remote Access Laptop will have Amdocs-provided anti-virus and firewall Software installed and operating in accordance with the Agreement.
- d. Each Remote Access Laptop will only access AT&T Data through an Amdocs-provided VPN tunnel that is authenticated using a strong two-factor token solution.
- e. Each Remote Access Laptop will have an AT&T-approved full hard drive encryption solution and Amdocs-provided anti-virus and firewall Software installed and operating in accordance with the Agreement.
- f. Amdocs will implement and enforce commercially reasonable password complexity requirements that are no less strict than those required under this Agreement.
- g. Microsoft (MS) Remote Desktop™ , VPN Client, and/or Citrix ICA Client shall be installed, provided by and supported by Amdocs. Remote Desktop Protocol traffic must be encrypted. High encryption must be enabled (128 bit).
- h. Remote Access Laptops shall use either (i) a VPN connection to connect to the Permanent Workstation at the Approved Work Location(s) or (ii) another VPN connection to connect to the Supplier's corporate network or (iii) by connecting to the Virtual Workstation or Citrix server in an AT&T or Amdocs facility, from the Amdocs network, using Microsoft Remote Laptop Connection or Citrix ICA Protocol. The Remote Access Laptop may not use both (i) and (ii) and (iii) at the same time or any other connection methods.
- i. File transfer between the Remote Access Laptop and desktop shall be disabled by the Supplier. MS Remote Desktop and Citrix ICA Client shall be configured to disable download capability. The configuration file that controls the above settings shall be read only for the user and editable only by authorized domain administrators.
- j. Password screensavers on Remote Access Laptops must be set with the inactivity timeout set to [**] or less. The configuration file that controls the above settings shall be read only for the user and editable only by authorized domain administrators.
- k. Security audit logs will be maintained by Amdocs to track system events, including login attempts, user sessions, logoffs, configuration changes, and other pertinent events and data.
- l. Virtual Workstations will be configured such that Offshore Amdocs Personnel will be unable to download or copy AT&T Data to the Remote Access Device. Such configuration settings will be controlled centrally and editable only by authorized administrators.
- m. Amdocs will be responsible for all costs associated with setting up the offshore remote access solution as described above.
- n. Amdocs will review in the yearly Security Awareness training that Remote Access Laptops, with exception to technical support, are not permitted inside the Approved Work Location(s). This is to ensure that the Remote Access Laptop is never in a situation where AT&T data could be downloaded onto it.
- o. Permanent Workstations are not permitted to leave the Approved Work Location.

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- p. Offshore Supplier personnel approved by AT&T for remote access may only utilize the Remote Access Solution from their Resource Home Location with exception to Section II.1.g Lora Requirements, General Requirements.
 - q. Offshore Supplier personnel shall only store their Remote Access Laptops in their Resource Home Locations.
 - r. The Remote Access Solution shall only be used for AT&T business purposes, and only for on-call and emergency situations. AT&T will not approve the LORA for Supplier resources providing Services to AT&T who are part or full time telecommuting and use of the Remote Access Solution as a primary disaster recovery solution is prohibited.
5. **Changes in Program:**
- a. The Limited Remote Offshore Access program is subject to change as directed by AT&T.
 - b. AT&T reserves the right to cancel any approved Limited Remote Offshore Access requests upon written notice to the Supplier.

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AMENDMENT NO. 15**AGREEMENT NO. 02026713**

This Amendment No. 15, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software;

WHEREAS, Supplier and AT&T desire to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. **ARTICLE III - GENERAL TERMS** is hereby amended to include the following new **Section 3.42** entitled "**Access to and Use of Information of Amdocs in AT&T's PRISM Tool**". The Parties further agree that the terms of **Section 3.42** shall apply to each agreement between any AT&T Affiliate and any Amdocs Affiliate (collectively the "Agreements").

3.42 Access to and Use of Information of Amdocs in AT&T's "PRISM" Tool

On August 26, 2008, AT&T deployed for use a new version of AT&T's "PRISM", an IT management tool that serves as an electronic repository for certain information about various

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AT&T software development projects, including the “artifacts” (i.e., work products) produced in the course of AT&T-IT’s Unified Process (“IT UP”) System Development Life Cycle. Certain information of Amdocs relating to software development that Amdocs may or will perform for AT&T under the Agreements or other software development or maintenance projects that Amdocs may undertake for AT&T under other agreements (or information derived therefrom) may be entered into and thereafter reside in PRISM. The Parties agree as follows with respect to such information:

1. Access to and use of *financial* information of Amdocs

The only persons who will have access to *financial* proprietary information of Amdocs in PRISM (e.g., information relating to the fees Amdocs charges AT&T) are (i) AT&T employees, and (ii) contractors of AT&T subject to confidentiality obligations with AT&T similar to those set forth in this Agreement to whom AT&T has assigned an “IT Role”. The “IT Roles” currently include, but shall not be limited to, the following: Client Account Representative/Business Consultant, Lead Project Manager, Project Manager, Project Management Director, Governance Administrator, Governance Manager, Alternative Governance Manager, Strategic Initiative Owner, Strategic Initiative Alternate Owner, Strategic Initiative Designate, Budget Coordinator, PRISM Development, PRISM Testing, Administrator, Release Manager, Application Owner, Business Owner, Development Director, and Business Application Owner. AT&T may change or add to these IT Roles as business needs require. Each such AT&T employee, and each such contractor performing an IT Role, may access and use *financial* proprietary information of Amdocs in connection with AT&T’s receipt of Services from or AT&T’s performance of obligations (including AT&T’s performance of administrative obligations) with respect to Amdocs and for no other purpose.

2. Access to and use of *non-financial* information of Amdocs

Users of PRISM, whether (i) AT&T employees, or (ii)(a) contractors of AT&T or (b) third parties (including other suppliers to AT&T of software development services) subject, in the case of (ii)(a) and (b), to confidentiality obligations with AT&T similar to those set forth in this Agreement, may access and use any *non-financial* information relating to any AT&T software development or maintenance project that Amdocs undertakes for AT&T.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

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IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Bryson Stucki

Printed Name: /s/ Bryson Stucki

Title: Director of Finance

Date: 12-3-2010

AT&T Services, Inc.

By: Karin M. Hunt

Printed Name: Karen M. Hunt

Title: Senior Contract Manager

Date: December 3, 2010

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Reinstatement and Amendment

No. 02026713.A.016

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

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REINSTATEMENT AND AMENDMENT NO. 16**AGREEMENT NO. 02026713**

This Reinstatement and Amendment No. 16, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, (collectively, the "Agreement"); and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software; and

WHEREAS, the Agreement expired by its terms on February 15, 2010 (the "Prior Expiration Date"); and

WHEREAS, after such Prior Expiration Date, the Parties continued to perform under the Agreement as if it had not expired, and with the intention of extending its term; and

WHEREAS, AT&T and Supplier now desire to revive the Agreement and to extend its term and to formalize the validity and continuation of the Agreement since its Effective Date of August 7, 2003;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. The Agreement is revived; the term is extended as set forth below; and the Agreement shall be deemed to have been in effect continuously since the Agreement Effective Date. The Parties further ratify all actions taken by them under the Agreement between the Prior Expiration Date and the date when this Amendment is effective.

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- 2. For purposes of extending the term of the Agreement, Section 3.32, "Term of Agreement", is deleted in its entirety and replaced with the following:

3.32. Term of Agreement

This Agreement with an Effective Date of August 7, 2003, shall remain in effect for a term ending on May 15, 2011, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

- 3. **Appendix K** is hereby deleted in its entirety and replaced with Appendix K, attached herewith, which shall apply to all agreements between any AT&T Entity and any Amdocs Entity.
- 4. **Appendix 1.2(4), Vendor Expense Policy**, which is attached to the Agreement, is deleted in its entirety and replaced with the revised Appendix 1.2(4) Vendor Expense Policy, which is attached hereto.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Reinstatement and Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas C. Drury
 Printed Name: Thomas C. Drury
 Title: President
 Date: 2-25-2011

AT&T Services, Inc.

By: /s/ Beverly J. Madsen
 Printed Name: Beverly J. Madsen
 Title: Senior Contract Manager
 Date: 2-24-2011

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Appendix 1.2(4)
AT&T Vendor Expense Policy
AT&T Inc. and Participating Companies
(Updated 1/3/2011)

1.0 General

The AT&T Vendor Expense Policy (VEP) provides guidelines to be followed by all vendors of AT&T in requesting reimbursement for business travel, meals and other business related expense. Expenses outside this policy are not reimbursable.

The following principles apply to requests for expense reimbursement:

When spending money that is to be reimbursed, vendors must ensure that an AT&T Company ("Company") receives proper value in return.

The concept that a vendor and their employees are 'entitled' to certain types or amounts of expenditures while conducting business with the Company is erroneous. Personal expenditures reported for reimbursement should be billed exactly as they were incurred. The use of averages for any type expenditure or combination of expenditures is not permitted except as specifically provided or documented in a contract.

Every vendor and AT&T employee who certifies or approves the correctness of any voucher or bill should have reasonable knowledge the expense and amounts are proper and reasonable. In the absence of the adoption of such policy, or existing contractual agreements, these guidelines are considered the minimum requirements for requesting reimbursement of Company funds.

Deviations from this VEP *must be approved in writing* by the sponsoring Senior Manager or Officer of an AT&T Company.

Employees should refer to the Section entitled "Payments" in the Schedule of Authorizations for Affiliates of AT&T Inc. for appropriate supplier invoice authorization approval levels.

Receipts will be requested and reviewed for any unusual or out of the ordinary expenses or where the approver cannot make a reasonable determination of the propriety of the invoice without a receipt.

The origination of a given expenditure for business purposes is the responsibility of the vendor incurring the expense and the authorization of that expense is the responsibility of the appropriate level of AT&T management in accordance with the Schedule of Authorizations for Affiliates of AT&T Inc.

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1.1 Non-Reimbursable Expenses

The following is a list, although not all inclusive, of expenses considered not reimbursable:

- Airline club membership fees, dues, or upgrade coupon
- Barber/Hairstylist/Beautician Expenses
- Birthday cakes, lunches, balloons, and other personal celebration/recognition costs
- Break-room supplies for the supplier, such as coffee, creamer, paper products, soft drinks, snack food
- Car rental additional fees associated with high speed toll access programs and GPS devices
- Car Washes
- Clothing, personal care items, and toiletries
- Credit card fees
- Entertainment expenses
- Expenses associated with spouses or other travel companions
- Expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel
- Flowers, cards and gifts
- Health Club and Fitness facilities
- Hotel pay-per-view movies, Video Games and/or mini bar items
- Insurance for rental car and or flight
- Internet access in hotels (added to 3.5)
- Laundry (except when overnight travel is required for 7 or more consecutive nights)
- Lost luggage
- Magazines & newspapers
- Meals not consistent with AT&T's Global Employee Expense Policy and or meals not directly required for doing business on the AT&T account (e.g. suppliers cannot voucher lunch with each other simply to talk about AT&T)
- Medical supplies
- Membership fees to exercise facilities or social/country clubs
- Movies purchased while on an airplane
- Office expenses of suppliers
- PC, cell phone, and other supplier support expenses (unless specifically authorized in the agreement)
- Personal entertainment
- Phone usage on airline unless AT&T business emergency
- Safe rentals during a hotel stay
- Surcharges for providing fast service (not related to delivery charges such as Fedex, UPS, etc.). AT&T expects all suppliers to complete the terms of contracts in the shortest period practicable. Charges for shortening the timeframe in which contracts are fulfilled are not permissible.

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- Tips for housekeeping and excessive tips, *i.e.*, in excess of 15% to 18% of cost of meal or services, excluding tax
- Tobacco Products
- Traffic or Parking Fines
- Travel purchased with prepaid air passes.
- Upgrades on airline, hotel, or car rental fees
- Water (bottled or dispensed by a supplier), (unless authorized for specific countries where it is recommended that bottled water is used)

The failure to comply with the above mentioned restrictions will result in the Company refusing payment of charges or pursuing restitution from the vendor.

2.0 Responsibilities

2.1 Vendor's Responsibility

AT&T's sponsoring managers will ensure that vendors have been covered on this policy prior to incurring any expenditure. Vendors and their sponsoring AT&T managers are responsible for clarifying any questions or uncertainties they may have relative to reimbursable business expenses.

It is mandatory that financial transactions are recorded in a timely manner. **Out-of-pocket business expense(s) for vendors that are not submitted for reimbursement within [**] from the date incurred are considered non-reimbursable.** Company managers who are responsible for approving reimbursable expenses of vendors should ensure they are submitted and approved in a timely manner.

3.0 Travel Policy

Vendors must first consider the feasibility of using videoconferencing or teleconferencing as an alternative to travel. Travel that is to be reimbursed by AT&T should be incurred only as necessary and pre-approved by AT&T (unless otherwise authorized in the agreement).

AT&T reserves the right to dispute any expense submittal and if not verifiable as valid may reject reimbursement. Reimbursements will be made to vendor only after expenses are verified as valid.

3.1 Travel Authorization

Travel requiring overnight stays must be pre-approved by the sponsoring AT&T Manager 3rd Level or above and should be approved only if it is necessary for the vendor to travel to perform required work.

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3.2 Travel Reservations

Vendors are expected to procure the most cost efficient travel arrangements, preferably equivalent to the AT&T discount rate. AT&T does not reimburse for travel purchased with prepaid air passes.

3.3 Travel Expense Reimbursement

Vendor travel expenses incurred for company business are reimbursable only as specified in these guidelines. Travel expenses may include the following:

- Transportation (airfare or other commercial transportation, car rental, personal auto mileage, taxi and shuttle service)
- Meals and lodging
- Parking and tolls
- Tips/porter service (if necessary and reasonable)
- Vendors who stay with friends or relatives or other vendor employees while on a Company business trip will **NOT** be reimbursed for lodging, nor will they be reimbursed for expenditures made to reciprocate their hospitality by buying groceries, being host at a restaurant, etc.

The expense must be ordinary and necessary, not lavish or extravagant, in the judgment of the AT&T sponsoring management. Any reimbursement request must be for actual expenditures only.

3.4 Air Travel Arrangements

Vendors must select lowest logical airfare (fares available in the market at the time of booking, preferably well in advance of trip to attain lowest possible airfare). Vendors shall book coach class fares for all travel at all times. First class bookings are not reimbursable. Vendors can request business class when a single segment of flight time ("in air time" excluding stops, layovers and ground time) is greater than 8 hours providing the relevant manager pre-approves.

3.5 Hotel Arrangements

AT&T has established Market-Based Room Rate Guidelines for vendors to reference when making hotel reservations in the United States (see Addendum A). U.S. vendors traveling outside the U.S. should reference the GSA, Government Per Diem as a guide: http://aoprals.state.gov/web920/per_diem.asp. Non-US vendors may use these dollar per diems as a guide, but any locally specified per diems will take precedence. Vendors are expected to abide by these guidelines when making hotel arrangements or use specified AT&T preferred hotels/maximum location rates or reasonably priced hotels outside of the U.S. The AT&T supplier manager can advise which hotel/max rate to use if there is a hotel in the location concerned. AT&T will only reimburse vendors up to the established room rate guideline/AT&T preferred hotel rate in each market, or for actual hotel lodging charges incurred, whichever is less.

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There must be a strong business justification for incurring any cost for internet access, and a request for reimbursement must be accompanied by a detailed explanation regarding reason for charge.

Note: Vendors must indicate the number of room nights on the transaction line when invoicing for reimbursement of hotel expenses. Copies of all hotel bills must be made available for any invoice containing lodging charges.

3.6 Ground Transportation

While away from their home location overnight, vendors are expected to utilize rapid transit or local shuttle service. If the hotel provides a complimentary shuttle, vendors are to use this service before paying for transportation. If complimentary service is not provided a taxi or other local transportation is reimbursable as a business expense. Tips provided to taxi drivers cannot exceed 15% of the value of the total fare

A rental car is appropriate when the anticipated business cost is less than that of other available public transportation. Except to the extent necessary to accommodate several travelers and/or luggage requirements, vendors will not be reimbursed for automobile rentals other than economy or mid-sized/intermediate models.

“Loss Damage Waiver” and “Extended Liability Coverage” are not considered reimbursable in the US. Prepaid fuel or refueling charges at the time of return are not reimbursable.

Rental cars should be refueled before returning to the rental company, since gas purchased through the rental company carries an expensive refueling service charge.

3.7 Use of Personal Vehicle

When use of personal vehicle is required, the current locally approved mileage rate for miles driven for the business portion of the trip should be the maximum used to determine the amount to be reimbursed.

3.8 Parking

If airport parking is necessary, vendors must use long term parking facilities. Additional costs for short term, valet or covered parking are not reimbursable.

3.9 Entertainment

Entertainment expense is not reimbursable to vendors. Entertainment includes meal expense involving AT&T personnel, golf fees, tickets to events and related incidental expenses. Hotel charges for a pay-per-view movie, individual sightseeing tours, or other individual activities (i.e., golf, sporting event, movie, etc.) are not reimbursable.

3.10 Laundry and Cleaning

Reasonable laundry charges during business trips of seven or more **consecutive** nights are reimbursable based on actual expenses incurred.

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3.11 Communications

- The actual cost of landline telephone calls for AT&T business is reimbursable. The use of AT&T products is required when available.
- AT&T will not reimburse vendors for cell phone bills unless approved under the contract. With prior consent of the sponsoring AT&T Senior Manager, only individual calls that **exceed** a vendor's rate plan that are necessary to conduct business for AT&T may be reimbursed.
- Charges for high speed internet access are not reimbursable unless specifically approved in the contract.

3.12 Business Meals (Travel and Non-Travel)

Vendors are expected to find reasonably priced dining alternatives. As a general rule, vendors are expected to spend [**] (or local currency equivalent) inclusive of tax and gratuity or to abide by the legally specified per diem applicable in the Vendor's country. This includes all meals, beverages and refreshments purchased during the day. Requests for reimbursement should break out the amount for meals and list the related number of travel days. If breakfast is offered as part of the hotel accommodation rate, no additional reimbursement will be permitted for breakfast. Vendors may not submit expenses to cover meals or expenses for an AT&T employee, whether in a home location or on official travel.

AT&T managers authorizing invoices will be held accountable for ensuring that vendors are following this policy and are spending Company funds economically.

3.13 Flowers, Greeting Cards, Gifts and Incentive Awards

The cost of gifts, flowers, birthday lunches, or greeting cards is considered a personal expense and is not reimbursable. For example, vendors making a donation or providing a gift for a fund-raiser for AT&T may not submit such an expense to AT&T for reimbursement.

3.14 Loss or Damage to Personal Property

The Company assumes no responsibility for loss or damage to a vendor's personal property during business functions or hours.

3.15 Publications

Subscriptions to or purchases of magazines, newspapers and other publications are not reimbursable.

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AT&T U.S. 2011 Hotel Room Rate Only Guidelines

This Chart applies to the U.S. locations. For Travel outside of the U.S., travelers should exercise prudent judgment and select reasonably priced hotels, based on local market conditions. Employees traveling outside the U.S. should reference the GSA, Government Per Diems as a guide.

http://aoprals.state.gov/web920/per_diem.asp

***U.S. Cities not listed on this Hotel Room Rate Only Guideline Matrix, default to [**] nightly rate. On occasion an AT&T Preferred Property may exceed the rate guideline for a season (s) or particular city, but has been added due to demand within the market. However, if an alternate Preferred Property within the guideline is offered it should be accepted when available. You may select the Preferred Property that is over the Guideline if it is the option that is available, selecting the appropriate reason code.

City	St	2011 Guideline	City	St	2011 Guideline	City	St	2011 Guideline
Anchorage	AK	[**]	Plantation	FL	[**]	Edison	NJ	[**]
Fairbanks	AK	[**]	Port St. Lucie	FL	[**]	Elizabeth	NJ	[**]
Glennallen	AK	[**]	Saint Augustine	FL	[**]	Fair Lawn	NJ	[**]
Ketchikan	AK	[**]	Sarasota	FL	[**]	Florham Park	NJ	[**]
Kodiak	AK	[**]	Sunrise	FL	[**]	Iselin	NJ	[**]
Birmingham	AL	[**]	Tallahassee	FL	[**]	Mahwah	NJ	[**]
Decatur	AL	[**]	Tamarac	FL	[**]	Manahawkin	NJ	[**]
Florence	AL	[**]	Tampa	FL	[**]	Morristown	NJ	[**]
Hoover	AL	[**]	West Palm Beach	FL	[**]	Newark	NJ	[**]
Huntsville	AL	[**]	Alpharetta	GA	[**]	Paramus	NJ	[**]
Montgomery	AL	[**]	Atlanta	GA	[**]	Parsippany	NJ	[**]
Mobile	AL	[**]	Augusta	GA	[**]	Piscataway	NJ	[**]
Tuscaloosa	AL	[**]	Brunswick	GA	[**]	Princeton	NJ	[**]
Bryant	AR	[**]	Carrollton	GA	[**]	Ramsey	NJ	[**]
El Dorado	AR	[**]	Columbus	GA	[**]	Red Bank	NJ	[**]
Fayetteville	AR	[**]	Dublin	GA	[**]	Saddle Brook	NJ	[**]
Fort Smith	AR	[**]	Duluth	GA	[**]	Saddle River	NJ	[**]
Hardy	AR	[**]	Dunwoody	GA	[**]	Short Hills	NJ	[**]
Little Rock	AR	[**]	Griffin	GA	[**]	Somerset	NJ	[**]
Mountain Home	AR	[**]	Lawrenceville	GA	[**]	Teaneck	NJ	[**]
North Little Rock	AR	[**]	Lithia Springs	GA	[**]	Tinton Falls	NJ	[**]
Pine Bluff	AR	[**]	Norcross	GA	[**]	Warren	NJ	[**]
Rogers	AR	[**]	Peachtree City	GA	[**]	West Orange	NJ	[**]
Russellville	AR	[**]	Savannah	GA	[**]	Whippany	NJ	[**]
Springdale	AR	[**]	Roswell	GA	[**]	Woodcliff Lake	NJ	[**]
VanBuren	AR	[**]	Tifton	GA	[**]	Albuquerque	NM	[**]
Chandler	AZ	[**]	Honolulu	HI	[**]	Henderson	NV	[**]
Mesa	AZ	[**]	Kailua Kona	HI	[**]	Las Vegas	NV	[**]
Phoenix	AZ	[**]	Kihei	HI	[**]	Pahrump	NV	[**]
Rio Rico	AZ	[**]	Waikoloa	HI	[**]	Albany	NY	[**]
Scottsdale	AZ	[**]	Des Moines	IA	[**]	Brooklyn	NY	[**]
Tempe	AZ	[**]	Johnston	IA	[**]	Cheektowaga	NY	[**]
Tucson	AZ	[**]	Urbandale	IA	[**]	Fishkill	NY	[**]

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Yuma	AZ	[**]	Ammon	ID	[**]	Jamaica	NY	[**]
Anaheim	CA	[**]	Idaho Falls	ID	[**]	New York	NY	[**]
Buena Park	CA	[**]	Alsip	IL	[**]	Plainview	NY	[**]
Burbank	CA	[**]	Arlington Heights	IL	[**]	Rochester	NY	[**]
Burlingame	CA	[**]	Barrington	IL	[**]	Rockville Center	NY	[**]
Carlsbad	CA	[**]	Bedford Park	IL	[**]	Syracuse	NY	[**]
Cerritos	CA	[**]	Bourbonnais	IL	[**]	Tarrytown	NY	[**]
Chico	CA	[**]	Champaign	IL	[**]	Vestal	NY	[**]
City of Industry	CA	[**]	Chicago	IL	[**]	West Harrison	NY	[**]
Clovis	CA	[**]	Danville	IL	[**]	White Plains	NY	[**]
Concord	CA	[**]	Des Plaines	IL	[**]	Woodbury	NY	[**]
Coronado	CA	[**]	Downers Grove	IL	[**]	Beachwood	OH	[**]
Costa Mesa	CA	[**]	Elk Grove	IL	[**]	Boardman	OH	[**]
Cupertino	CA	[**]	Elmhurst	IL	[**]	Centerville	OH	[**]
Del Mar	CA	[**]	Fairview Heights	IL	[**]	Cleveland	OH	[**]
Dublin	CA	[**]	Gurnee	IL	[**]	Columbus	OH	[**]
El Segundo	CA	[**]	Hoffman Estates	IL	[**]	Dayton	OH	[**]
Emeryville	CA	[**]	Lincolnshire	IL	[**]	Dublin	OH	[**]
Escondido	CA	[**]	Lisle	IL	[**]	Fairborn	OH	[**]
Eureka	CA	[**]	Lombard	IL	[**]	Independence	OH	[**]
Garden Grove	CA	[**]	Naperville	IL	[**]	Mayfield Village	OH	[**]
Glendale (North)	CA	[**]	Northbrook	IL	[**]	North Olmsted	OH	[**]
Hawthorne	CA	[**]	Oakbrook	IL	[**]	Orange Village	OH	[**]
Hayward	CA	[**]	Ofallon	IL	[**]	Perrysburg	OH	[**]
Hollywood	CA	[**]	Palatine	IL	[**]	Poland	OH	[**]
Irvine	CA	[**]	Rockford	IL	[**]	Reynoldsburg	OH	[**]
La Jolla	CA	[**]	Rolling Meadows	IL	[**]	Richfield	OH	[**]
Livermore	CA	[**]	Rosemont	IL	[**]	Oklahoma City	OK	[**]
Long Beach	CA	[**]	Schaumburg	IL	[**]	Owasso	OK	[**]
Los Angeles	CA	[**]	Springfield	IL	[**]	Ponca City	OK	[**]
Merced	CA	[**]	Tinley Park	IL	[**]	Coos Bay	OR	[**]
Milpitas	CA	[**]	Vernon Hills	IL	[**]	Lake Oswego	OR	[**]
Modesto	CA	[**]	Westmont	IL	[**]	Portland	OR	[**]
Montebello	CA	[**]	Willowbrook	IL	[**]	Tigard	OR	[**]
Monterey	CA	[**]	Bloomington	IN	[**]	Allentown	PA	[**]
Mountain View	CA	[**]	Carmel	IN	[**]	Audubon	PA	[**]
Napa	CA	[**]	Columbus	IN	[**]	Bensalem	PA	[**]
Newark	CA	[**]	Indianapolis	IN	[**]	Berwyn	PA	[**]
Newport Beach	CA	[**]	Muncie	IN	[**]	Coraopolis	PA	[**]
Oakland	CA	[**]	South Bend	IN	[**]	Essington	PA	[**]
Ontario	CA	[**]	Merriam	KS	[**]	Glen Mills	PA	[**]

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Orange	CA	[**]	Overland Park	KS	[**]	Harrisburg	PA	[**]
Palo Alto	CA	[**]	Shawnee	KS	[**]	King of Prussia	PA	[**]
Pasadena	CA	[**]	Topeka	KS	[**]	Langhorn	PA	[**]
Petaluma	CA	[**]	Wichita	KS	[**]	Philadelphia	PA	[**]
Pleasanton	CA	[**]	Covington	KY	[**]	Pittsburgh	PA	[**]
Redondo Beach	CA	[**]	Louisville	KY	[**]	Wayne	PA	[**]
Redwood City	CA	[**]	Baton Rouge	LA	[**]	Lincoln	RI	[**]
Riverside	CA	[**]	Covington	LA	[**]	Providence	RI	[**]
Rocklin	CA	[**]	La Place	LA	[**]	Anderson	SC	[**]
Rohnert Park	CA	[**]	Metairie	LA	[**]	Charleston	SC	[**]
Rosemead	CA	[**]	New Orleans	LA	[**]	Duncan	SC	[**]
Sacramento	CA	[**]	Boston	MA	[**]	Florence	SC	[**]
Salinas	CA	[**]	Burlington	MA	[**]	Hilton Head	SC	[**]
San Carlos	CA	[**]	Cambridge	MA	[**]	Myrtle Beach	SC	[**]
San Diego	CA	[**]	Dedham	MA	[**]	Brentwood	TN	[**]
San Francisco	CA	[**]	Framingham	MA	[**]	Crossville	TN	[**]
San Gabriel	CA	[**]	Lowell	MA	[**]	Franklin	TN	[**]
San Jose	CA	[**]	Marlborough	MA	[**]	Jackson	TN	[**]
San Luis Obispo	CA	[**]	Natick	MA	[**]	Johnson City	TN	[**]
San Mateo	CA	[**]	Stoughton	MA	[**]	Knoxville	TN	[**]
San Rafael	CA	[**]	Baltimore	MD	[**]	Memphis	TN	[**]
San Ramon	CA	[**]	Bethesda	MD	[**]	Nashville	TN	[**]
Santa Ana	CA	[**]	Columbia	MD	[**]	Addison	TX	[**]
Santa Clara	CA	[**]	Greenbelt	MD	[**]	Arlington	TX	[**]
Santa Monica	CA	[**]	Hanover	MD	[**]	Austin	TX	[**]
Santa Rosa	CA	[**]	Linthicum	MD	[**]	Beaumont	TX	[**]
Sherman Oaks	CA	[**]	Linthicum Heights	MD	[**]	Corpus Christi	TX	[**]
South San Francisco	CA	[**]	Portland	ME	[**]	Dallas	TX	[**]
Stevenson Ranch	CA	[**]	Battlecreek	MI	[**]	El Paso	TX	[**]
Stockton	CA	[**]	Canton	MI	[**]	Frisco	TX	[**]
Susanville	CA	[**]	Detroit	MI	[**]	Ft. Worth	TX	[**]
Temecula	CA	[**]	Farmington Hills	MI	[**]	Houston	TX	[**]
Thousand Oaks	CA	[**]	Holland	MI	[**]	Irving	TX	[**]
Torrance	CA	[**]	Lansing	MI	[**]	McAllen	TX	[**]
Ukiah	CA	[**]	Marquette	MI	[**]	Midland	TX	[**]
Universal City	CA	[**]	Novi	MI	[**]	Plano	TX	[**]
Valencia	CA	[**]	Port Huron	MI	[**]	Richardson	TX	[**]
Van Nuys	CA	[**]	Romulus	MI	[**]	San Antonio	TX	[**]
Walnut Creek	CA	[**]	Southfield	MI	[**]	Texarkana	TX	[**]
Watsonville	CA	[**]	Walker	MI	[**]	Waxahachie	TX	[**]
West Lake Village	CA	[**]	Warren	MI	[**]	The Woodlands	TX	[**]
West Sacramento	CA	[**]	Baxter	MN	[**]	Salt Lake City	UT	[**]

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Willits	CA	***	Bloomington	MN	***	Alexandria	VA	***
Woodland	CA	***	Edina	MN	***	Arlington	VA	***
Yorba Linda	CA	***	Minneapolis	MN	***	Charlottesville	VA	***
Aurora	CO	***	St. Paul	MN	***	Chantilly	VA	***
Boulder	CO	***	Bridgeton	MO	***	Chester	VA	***
Colorado Springs	CO	***	Columbia	MO	***	Dulles	VA	***
Denver	CO	***	Fenton	MO	***	Fairfax	VA	***
Englewood	CO	***	Festus	MO	***	Falls Church	VA	***
Greenwood Village	CO	***	Joplin	MO	***	Glen Allen	VA	***
Glastonbury	CT	***	Kansas City	MO	***	Hampton	VA	***
Meriden	CT	***	Kirkwood	MO	***	Herndon	VA	***
New Haven	CT	***	Lees Summit	MO	***	Norfolk	VA	***
New London	CT	***	Maryland Heights	MO	***	Richmond	VA	***
Rocky Hill	CT	***	Saint Charles	MO	***	Sandston	VA	***
Stamford	CT	***	Saint Louis	MO	***	Sterling	VA	***
Wallingford	CT	***	Springfield	MO	***	Tysons Corner	VA	***
Washington	DC	***	Jackson	MS	***	Vienna	VA	***
Wilmington	DE	***	McComb	MS	***	Bellevue	WA	***
Altamonte Springs	FL	***	Natchez	MS	***	Bothell	WA	***
Aventura	FL	***	Ocean Springs	MS	***	Kirkland	WA	***
Boca Raton	FL	***	Pearl	MS	***	Lynnwood	WA	***
Boynton Beach	FL	***	Ridgeland	MS	***	Redmond	WA	***
Dania Beach	FL	***	Tupelo	MS	***	Seattle	WA	***
Fort Lauderdale	FL	***	Asheville	NC	***	Spokane	WA	***
Fort Meyers	FL	***	Carolina Beach	NC	***	Tacoma	WA	***
Jacksonville	FL	***	Charlotte	NC	***	Tukwila	WA	***
Kendall	FL	***	Durham	NC	***	Woodinville	WA	***
Key Largo/Tavernier	FL	***	Gastonia	NC	***	Green Bay	WI	***
Key West	FL	***	Goldsboro	NC	***	Kenosha	WI	***
Lake City	FL	***	Greensboro	NC	***	Kimberly	WI	***
Lake Mary	FL	***	Morrisville	NC	***	Madison	WI	***
Lakeland	FL	***	Raleigh	NC	***	Milwaukee	WI	***
Marathon	FL	***	Shelby	NC	***	Mukwonago	WI	***
Maitland	FL	***	Wilmington	NC	***	Oshkosh	WI	***
Melbourne	FL	***	Winston Salem	NC	***	Pewaukee	WI	***
Miami	FL	***	Omaha	NE	***	Waukesha	WI	***
Miami Beach	FL	***	Basking Ridge	NJ	***	Wauwatosa	WI	***
Orlando	FL	***	Bernardsville	NJ	***	Beckley	WV	***
Palm Beach	FL	***	Bridgewater	NJ	***	Charleston	WV	***
Panama City	FL	***	Cranbury	NJ	***	Hurricane	WV	***
Pensacola	FL	***	Eatontown	NJ	***			

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Amendment

No. 02026713.A.021

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 21**AGREEMENT NO. 02026713**

This Amendment No. 21, effective on the date when signed by the last Party (“Effective Date”), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation (“Supplier” or “Amdocs”), and AT&T Services, Inc., a Delaware corporation (“AT&T”), each of which may be referred to in the singular as a “Party” or in the plural as the “Parties”.

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, as amended by Amendment No. 16 effective February 24, 2011, as amended by Amendment 17 effective May 24, 2011; as amended by Amendment No. 18 effective July 25, 2011; as amended by Amendment No. 19 effective November 14, 2011; and as amended by Amendment No. 20 effective June 28, 2012 (collectively, the “Agreement”) and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs’ Software; and

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. A new Section 2.51, “AT&T Data,” is hereby added to **ARTICLE II - DEFINITIONS** as follows:

2.51 “AT&T Data” means any data or information of AT&T, and any data or information of the customers of AT&T, that is provided to or obtained by Amdocs in the performance of its obligations under this Agreement, including Customer Information, user identification numbers and passwords provided for access or use of AT&T Software, Equipment or Systems, data and information with respect to the businesses,

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

customer, operations, facilities, products, rates, regulatory compliance, competitors, consumer markets, assets, expenditures, mergers, acquisitions, divestitures, billings, collections, revenues and finances of AT&T. "AT&T Data" also means any data or information created, generated, collected or processed by Amdocs in the performance of its obligations under this Agreement, including data processing input and output, service level measurements, asset information, third party service and product agreements, contract charges and retained and pass-through expenses.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas G. O'Brien

Printed Name: Thomas G. O'Brien

Title: Treasurer

Date: 7-23-2012

AT&T Services, Inc.

By: /s/ Beverly J. Madsen

Printed Name: Beverly J. Madsen

Title: Senior Contract Manager

Date: July 20, 2012

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Amendment

No. 02026713.A.025

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 25**AGREEMENT NO. 02026713**

This Amendment No. 25, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, as amended by Amendment No. 16 effective February 24, 2011, as amended by Amendment 17 effective May 24, 2011; as amended by Amendment No. 18 effective July 25, 2011; as amended by Amendment No. 19 effective November 14, 2011; as amended by Amendment No. 20 effective June 28, 2012; as amended by Amendment No. 21 effective July 23, 2012; as amended by Amendment No. 22 effective August 28, 2012; as amended by Amendment No. 23 effective October 31, 2012; as amended by Amendment No. 24 effective January 28, 2013 (collectively, the "Agreement") and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs' Software; and

WHEREAS, the Agreement in accordance with Amendment 24 is set to expire by its terms on March 31, 2013 (the "Prior Expiration Date"); and

WHEREAS, AT&T and Supplier now desire to extend its term and to formalize the validity and continuation of the Agreement since its Effective Date of August 7, 2003;

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. The Agreement is extended as set forth below; and the Agreement shall be deemed to have been in effect continuously since the Agreement Effective Date.
2. For purposes of extending the term of the Agreement, Section 3.32, "Term of Agreement", is deleted in its entirety and replaced with the following:

3.32. Term of Agreement

This Agreement with an Effective Date of August 7, 2003, shall remain in effect for a term ending on June 30, 2013, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

3. For purposes of changing payment terms of the Agreement, Section 3.16.B, "Invoicing and Payment", is hereby deleted in its entirety and replaced with the following:

Section 3.16.B Invoicing and Payment

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. AT&T shall pay Supplier in accordance with the prices set forth in this Agreement [**] 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 AT&T until such problem has been resolved in accordance with the escalation and arbitration mechanisms described in Sections 4.7. If AT&T disputes any invoice rendered or amount paid, AT&T shall promptly so notify Supplier. The Parties shall use their best efforts to resolve such dispute expeditiously, including escalation in accordance with Section 4.7 (A), if necessary.

The term "Leadership Council" and all references thereto are deleted throughout the Agreement and associated Amendments, and where the Parties so agree in an applicable Work Order, is replaced by Section 4.7.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Michael Saeger
Printed Name: Michael Saeger
Title: Treasurer
Date: 3-22-2013

AT&T Services, Inc.

By: /s/ Phillip S. Castle
Printed Name: Phillip S. Castle
Title: Senior Contract Manager
Date: 3-22-2013

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Amendment

No. 02026713.A.026

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 26**AGREEMENT NO. 02026713**

This Amendment No. 26, effective on the date when signed by the last Party ("Effective Date"), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation ("Supplier" or "Amdocs"), and AT&T Services, Inc., a Delaware corporation ("AT&T"), each of which may be referred to in the singular as a "Party" or in the plural as the "Parties".

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, as amended by Amendment No. 16 effective February 24, 2011, as amended by Amendment 17 effective May 24, 2011; as amended by Amendment No. 18 effective July 25, 2011; as amended by Amendment No. 19 effective November 14, 2011; as amended by Amendment No. 20 effective June 28, 2012; as amended by Amendment No. 21 effective July 23, 2012; as amended by Amendment No. 22 effective August 28, 2012; as amended by Amendment No. 23 effective October 31, 2012; as amended by Amendment No. 24 effective January 28, 2013; and as amended by Amendment No. 25 effective March 22, 2013 (collectively, the "Agreement") and

WHEREAS, AT&T and Supplier now desire to further amend the Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. Notwithstanding anything to the contrary contained in any Work Order or Order that was executed pursuant to the Agreement prior to March 22, 2013, the Parties agree that the payment terms for any invoices issued by Amdocs to AT&T [**], shall be [**].

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas C. Drury
Printed Name: Thomas C. Drury
Title: President
Date: 4/10/2013

AT&T Services, Inc.

By: /s/ Beverly J. Madsen
Printed Name: Beverly J. Madsen
Title: Senior Contract Manager
Date: 4-9-2013

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Reinstatement and Amendment

No. 02026713.A.027

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

REINSTATEMENT AND AMENDMENT NO. 27**AGREEMENT NO. 02026713**

This Reinstatement and Amendment No. 27, effective on the date when signed by the last Party (“Effective Date”), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation (“Supplier” or “Amdocs”), and AT&T Services, Inc., a Delaware corporation (“AT&T”), each of which may be referred to in the singular as a “Party” or in the plural as the “Parties”.

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, as amended by Amendment No. 16 effective February 24, 2011, as amended by Amendment 17 effective May 24, 2011; as amended by Amendment No. 18 effective July 25, 2011; as amended by Amendment No. 19 effective November 14, 2011; as amended by Amendment No. 20 effective June 28, 2012; as amended by Amendment No. 21 effective July 23, 2012; as amended by Amendment No. 22 effective August 28, 2012; as amended by Amendment No. 23 effective October 31, 2012; as amended by Amendment No. 24 effective January 28, 2013; as amended by Amendment No. 25 effective March 22, 2013; and as amended by Amendment No. 26 effective April 10, 2013 (collectively, the “Agreement”) and

WHEREAS, Amdocs Software Systems Limited and AT&T have entered into that certain Agreement No. 03032360.A.003 pursuant to which AT&T has the right to obtain a license to use Amdocs’ Software; and

WHEREAS, the Agreement expired by its terms on June 30, 2013 (the “Prior Expiration Date”); and

WHEREAS, after such Prior Expiration Date, the Parties continued to perform under the Agreement as if it had not expired, and with the intention of extending its term; and

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

WHEREAS, AT&T and Supplier now desire to revive the Agreement and to extend its term and to formalize the validity and continuation of the Agreement since its Effective Date of August 7, 2003;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. The Agreement is revived; the term is extended as set forth below; and the Agreement shall be deemed to have been in effect continuously since the Agreement Effective Date. The Parties further ratify all actions taken by them under the Agreement between the Prior Expiration Date and the date when this Amendment is effective.
2. For purposes of extending the term of the Agreement, Section 3.32, "Term of Agreement", is deleted in its entirety and replaced with the following:

3.32. Term of Agreement

This Agreement with an Effective Date of August 7, 2003, shall remain in effect for a term ending on September 30, 2013, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

3. For purposes of changing AT&T Data definitions, Section 2.51, "AT&T Data", is deleted in its entirety and replaced with the following:

2.51 "AT&T Data"

"AT&T Data" means any data or information (i) of AT&T or its customers, that is disclosed or provided to Supplier by, or otherwise obtained by Supplier from, AT&T or its customers, including Customer Information and customer proprietary network information (as that term is defined in Section 222 of the Communications Act of 1934, as amended, 47 U.S.C. §222), as well as data and information with respect to the businesses, customers, operations, networks, systems, facilities, products, rates, regulatory compliance, competitors, consumer markets, assets, expenditures, mergers, acquisitions, divestitures, billings, collections, revenues and finances of AT&T; and (ii) not supplied by AT&T or its customers, but created, generated, collected or harvested by Supplier either (a) in furtherance of this Agreement or an Order hereunder or (b) as a result of Supplier having access to AT&T infrastructure, systems, data, hardware, software or processes (for example, through data processing input and output, service level measurements, or ascertainment of network and system information). Notwithstanding the foregoing, the Parties agree that "AT&T Data" shall (1) not be deemed to include material or software (A)(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 (III) created by Amdocs or third parties after execution of this Agreement for a client other than AT&T or (B) that Supplier owns in accordance with this Agreement or as agreed by the Parties in a Work Order, and (2) be deemed to include material or software that is derived from the performance and operation of AT&T Data or AT&T Proprietary Information.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

4. For purposes of adding AT&T Derived Data definitions, Section 2.52, “AT&T Derived Data”, is being added as follows:

2.52 “AT&T Derived Data”

“AT&T Derived Data” means any data or information that is a result of or modification of, adaption, revision, translation, abridgement, condensation, compilation, evaluation, expansion, or any other recasting or processing of the AT&T Data, for example, as a result of Supplier’s observation, analysis, or visualization of AT&T Data arising out of the performance of Supplier’s obligations. Notwithstanding the foregoing, the Parties agree that “AT&T Derived Data” shall not be deemed to include Supplier’s material or software that does not constitute AT&T Data as set forth in Subsection 1 above.

5. For purposes of addressing Ownership of AT&T Data and AT&T Derived Data, Section 3.37 “Ownership of AT&T Data and AT&T Derived Data”, is being added as follows:

3.37 “Ownership of AT&T Data and AT&T Derived Data”

1. AT&T Data is the property of AT&T. To the extent needed to perfect AT&T’s ownership in AT&T Data, Supplier hereby assigns all right, title and interest in AT&T Data to AT&T. No transfer of title in AT&T Data is implied or shall occur under this Agreement. AT&T grants to Supplier and its approved subcontractors a license to access, use, and copy the AT&T Data, with no right to grant sublicenses, solely for the performance of Supplier’s obligations during the Term of this Agreement and solely in compliance with AT&T’s privacy policies, including obligations relating to Customer Information as set forth in the Agreement. Supplier shall promptly return AT&T Data, at no cost to AT&T, and in the format and on the media prescribed by AT&T (i) at any time at AT&T’s request, regardless of the expiration or termination of this Agreement, (ii) at the expiration or termination of this Agreement, or (iii) with respect to particular AT&T Data, whenever such data is no longer needed by Supplier to perform its obligations under this Agreement. AT&T Data shall not be (a) utilized by Supplier for any purpose other than as required to fulfill its obligations under this Agreement, (b) sold, assigned, leased, commercially exploited or otherwise provided to or accessed by third parties, whether by or on behalf of Supplier, (c) withheld from AT&T by Supplier, or (d) used by Supplier to assert any lien or other right against or to it. Supplier shall promptly notify AT&T if Supplier believes that any use of AT&T Data by Supplier contemplated under this Agreement or to be undertaken as part of the performance of this Agreement is inconsistent with the preceding sentence.
2. AT&T shall own all right, title and interest to the AT&T Derived Data. To the extent needed to perfect AT&T’s ownership in AT&T Derived Data, Supplier hereby assigns all right, title and interest in AT&T Derived Data to AT&T. AT&T grants to Supplier and its approved subcontractors a license to access, use, and copy the AT&T Derived Data, with

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

no right to grant sublicenses (except to an approved Supplier subcontractor), solely for the performance of Supplier's obligations during the Term of this Agreement and solely in compliance with AT&T's privacy policies, including obligations relating to Customer Information. Supplier shall deliver AT&T Derived Data in the format, on the media and in the timing prescribed by AT&T. Such delivery shall be at no cost to AT&T unless the format, media, or timing prescribed by AT&T for delivery would cause Supplier to incur substantial additional costs, in which case Supplier shall so notify AT&T and the Parties shall negotiate in good faith to determine whether the format, media, or timing can be changed to avoid Supplier's incurring such costs or to determine whether AT&T is willing to reimburse Supplier for such costs. If the Parties fail to agree, the Parties agree to use the Dispute Resolution procedures in the Agreement to resolve the dispute. For the avoidance of doubt, Supplier shall not create or develop AT&T Derived Data after the expiration or termination of this Agreement.

3. The provisions of this Section 3.37 shall apply (i) to all AT&T Data and AT&T Derived Data disclosed or otherwise provided to, or created, developed, modified, recast or processed by, Supplier on or after the Effective Date of this Agreement should AT&T request such AT&T Data and AT&T Derived Data and (ii) to all AT&T Data and AT&T Derived Data disclosed or otherwise provided to, or created, developed, modified, recast or processed by Supplier after the effective date of this Amendment No. 27 as part of the Services provided to AT&T under any Work Order that was in effect on the Effective Date of Amendment No.27. Supplier's obligation to return AT&T Data and AT&T Derived Data upon AT&T's request shall survive the expiration or termination of this Agreement, but shall not apply to AT&T Data and AT&T Derived Data which, at the time of AT&T's request for return, is no longer retained by or on behalf of Supplier.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Reinstatement and Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Thomas C. Drury
Printed Name: Thomas C. Drury
Title: President
Date: 7-19-2013

AT&T Services, Inc.

By: /s/ Beverly J. Madsen
Printed Name: Beverly J. Madsen
Title: Senior Contract Manager
Date: July 17, 2013

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Amendment

No. 02026713.A.030

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 30**AGREEMENT NO. 02026713**

This Amendment No. 30, effective on the date when signed by the last Party (“Effective Date”), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation (“Supplier” or “Amdocs”), and AT&T Services, Inc., a Delaware corporation (“AT&T”), each of which may be referred to in the singular as a “Party” or in the plural as the “Parties”.

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, as amended by Amendment No. 16 effective February 24, 2011, as amended by Amendment 17 effective May 24, 2011; as amended by Amendment No. 18 effective July 25, 2011; as amended by Amendment No. 19 effective November 14, 2011; as amended by Amendment No. 20 effective June 28, 2012; as amended by Amendment No. 21 effective July 23, 2012; as amended by Amendment No. 22 effective August 28, 2012; as amended by Amendment No. 23 effective October 31, 2012; as amended by Amendment No. 24 effective January 28, 2013; as amended by Amendment No. 25 effective March 22, 2013; as amended by Amendment No. 26 effective April 10, 2013; as amended by Amendment No. 27 effective July 19, 2013; as amended by Amendment No. 28 effective September 30, 2013; and as amended by Amendment No. 29 effective February 28, 2014 (collectively, the “Agreement”) and

WHEREAS, AT&T and Supplier now desire to further amend the Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. For purposes of extending the term of the Agreement, **Section 3.32, “Term of Agreement”**, is deleted in its entirety and replaced with the following:

3.32. Term of Agreement

This Agreement with an Effective Date of August 7, 2003, shall remain in effect for a term ending on September 30, 2014, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

Proprietary Information

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2. **Section 3, “AT&T Supplier Information Security Requirements”, of Appendix 8, “AT&T Rules, Supplier Information Security Requirements and Limited Offshore Remote Access”,** is deleted in its entirety and replaced with the following:

3. AT&T Supplier Information Security Requirements

The following AT&T Supplier Information Security Requirements (“Security Requirements”) apply to Amdocs, its affiliates, its Subcontractors, and each of their employees and/or temporary workers, contractors, vendors and/or agents who perform any Services for, on behalf of, and/or through AT&T and/or any other obligations (for the purpose of this Appendix, each or all “Supplier”) that include any of the following:

1. Supplier’s performance of Services that involve the collection, storage, handling, or disposal of AT&T’s Information;
2. Supplier-offered or -supported AT&T branded services using non-AT&T Information Resources (as defined below);
3. Connectivity to AT&T’s Nonpublic Information Resources (as defined below);
4. Custom Software development pursuant to Section 3.33 to the Master Services Agreement No. 02026713 to the extent produced or developed by or on behalf of Supplier, or forming part of any software pursuant to the Agreement to which these Security Requirements are attached (including under any statement of work, exhibit, order or other document under, subordinate to, or referencing this Agreement) for the development of which AT&T has been charged monies; or
5. Website hosting and development for AT&T and/or AT&T’s customers.

Supplier represents and warrants that during the term of this Agreement and thereafter (as applicable with respect to Supplier’s obligations under the Survival of Obligations clause) Supplier is, and shall continue to be, in compliance with its obligations as set forth herein. In addition to all other remedies specified in the Agreement, Supplier agrees that AT&T shall be entitled to seek an injunction, specific performance or other equitable relief and be reimbursed the costs (including reasonable attorney’s fees) by Supplier to enforce the obligations in these Security Requirements, including those that survive Termination, Cancellation or expiration of this Agreement. The provisions of this Appendix shall not be deemed to, and shall not, limit any more stringent security or other obligations of the Agreement. Section and paragraph headings contained in parentheses following paragraphs in the table, below, in this Appendix are for reference purposes only and are not to affect the meaning or interpretation of this Agreement.

AT&T reserves the right to update or modify its Security Requirements from time to time. Upon notification by AT&T of its need to modify the Security Requirements, Supplier agrees to promptly negotiate in good faith and expedite execution of an amendment to this Agreement to incorporate any such modification. Supplier acknowledges that AT&T may require modifications to Security Requirements:

1. Upon extension or renewal of the Agreement;
2. Upon any change in work scope or other substantive modification of the Agreement; or
3. At such time that AT&T deems necessary.

Proprietary Information

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3.1 Definitions:

Unless otherwise set forth or expanded herein, defined terms shall have the same meaning as set forth in the main body of the Agreement.

“Customer Facing System” means an Information Resource accessible from public networks, intended for use by AT&T and/or its customers and which resides in a Demilitarized Zone (DMZ), as defined below, and where that DMZ:

- A. Is protected by firewalls located between the Internet and the DMZ, between that DMZ and all other DMZs, and between the DMZ and the AT&T intranet,
- B. Prohibits incoming TELNET connections from public networks, and
- C. Prohibits incoming File Transfer Protocol (FTP) connections from public networks except to specific systems known as “FTP drop boxes”.

Note: A Customer Facing System which also is used by AT&T employees, contractors, vendors or suppliers to perform work on behalf of AT&T is not considered a Customer Facing System when performing such work.

“CPNI” (Customer Proprietary Network Information) as that term is defined in the Telecommunications Act of 1996, 47 U.S.C. §222 (h)(1).

“Demilitarized Zone” or **“DMZ”** is a network or sub-network that sits between a trusted internal network, such as a corporate private Local Area Network (LAN), and an untrusted external network, such as the public Internet. A DMZ helps prevent outside users from gaining direct access to internal Information Resources. Inbound packets from the untrusted external network must terminate within the DMZ and must not be allowed to flow directly through to the trusted internal network. All inbound packets which flow to the trusted internal network must only originate within the DMZ.

The DMZ must be separated from the untrusted external network by use of a Security Gateway and must be separated from the trusted internal network by use of either:

- a. another Security Gateway, or
- b. the same Security Gateway used to separate the DMZ from the untrusted external network, in which case the Security Gateway must ensure that packets received from the untrusted external network are either immediately deleted or if not deleted are routed only to the DMZ with no other processing of such inbound packets performed other than possibly writing the packets to a log.

Proprietary Information

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The following must only be located within the trusted internal network:

- a. Any of AT&T's Sensitive Personal Information (SPI) stored without the use of Strong Encryption,
- b. The official record copy of information to be accessed from requests originating from the untrusted external network,
- c. The official record copy of information to be modified as the result of requests originating from the untrusted external network,
- d. Database servers,
- e. All exported logs, and
- f. Development environments and source code.

The following must not be located within the DMZ:

- a. Authentication credentials not protected by the use of Strong Encryption.

“Incident Management Process” is a Supplier-developed documented procedure to be followed in the event of an actual or suspected attack upon, intrusion upon, unauthorized access to, loss of, or other breach involving AT&T's Information Resources.

“Information Resources” means systems, applications, networks, network elements and other computing and information storage devices, including smart phones, tablets, and USB memory sticks, and AT&T's Information stored, transmitted, or processed with these resources in conjunction with supporting AT&T and/or used by Supplier in fulfillment of its obligations under this Agreement.

“Location Based Information” or **“LBI”** means information that identifies the current or past location of a specific individual's mobile device. LBI contains two factors both of which must be present and able to be associated with each other. These two factors are: (1) a mobile device's physical location (e.g. a map address, or latitude and longitude together with altitude where known) derived from the mobile device through activities such as GPS (Global Positioning System) or network connectivity rather than as a result of user action (e.g. revealing location in the content of an email or SMS text message), and (2) an individual's identity derived from a unique identifier assigned to that mobile device such as customer name, MSISDN (Mobile Subscriber Integrated Services Digital Network-Number), IMSI (International Mobile Subscriber Identity), IMEI (International Mobile Station Equipment Identity) or ICCID (Integrated Circuit Card Identifier).

“Mobile and Portable Devices” means mobile and/or portable computers, devices, media and systems capable of being easily carried, moved, transported or conveyed that are used in connection with the Agreement. Examples of such devices include laptop computers, tablets, USB hard drives, USB memory sticks, Personal Digital Assistants (PDAs), and wireless phones, such as smartphones.

Proprietary Information

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“Nonpublic Information Resources” means those Information Resources used under the Agreement to which access is restricted and cannot be gained without proper authorization and identification.

“Sensitive Personal Information” or **“SPI”** means any information that: (a) requires a high degree of protection by law and where loss or unauthorized disclosure would require notification by AT&T to government agencies, individuals or law enforcement, and (b) any information that, if made public, could expose individuals to a risk of physical harm, fraud, or identity theft. Examples of SPI include, but are not limited to, social security numbers, national government, such as passport and visa numbers, state- or province-issued identification numbers, driver’s license numbers, dates of birth, bank account numbers, credit card numbers, customer authentication credentials, Protected Health Information (PHI) as defined by the Health Insurance Portability and Accountability Act (HIPAA) and Location Based Information (LBI) (as defined above). Note: Authentication credentials, encryption keys, and encryption passwords used to protect Sensitive Personal Information are themselves classified as Sensitive Personal Information.

“Security Gateway” means a set of control mechanisms between two or more networks having different trust levels which filter and log traffic passing, or attempting to pass, between networks, and the associated administrative and management servers. Examples of Security Gateways include firewalls, firewall management servers, hop boxes, session border controllers, proxy servers, and intrusion prevention devices.

“Strong Authentication” means the use of authentication mechanisms and authentication methodologies stronger than the passwords required by Security Requirement 34 herein. Examples of Strong Authentication mechanisms and methodologies include digital certificates, two-factor authentication, and one-time passwords.

“Strong Encryption” means the use of encryption technologies with minimum key lengths of 128-bits for symmetric encryption and 1024-bits for asymmetric encryption whose strength provides reasonable assurance that it will protect the encrypted information from unauthorized access, and is adequate to protect the confidentiality and privacy of the encrypted information, and which incorporates a documented procedure approved by the Supplier’s appropriate management level, for the management of the encryption keys and associated processes adequate to protect the confidentiality and privacy of the keys and passwords used as inputs to the encryption algorithm.

3.2 Security Requirements

In accordance with the foregoing, Supplier shall:

System Security

1. Actively monitor industry resources (e.g., www.cert.org, pertinent software vendor mailing lists & websites) for timely notification of all applicable security alerts pertaining to Supplier’s Information Resources. (Security Alerts)

Proprietary Information

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2. If commercially available and to the extent practicable, [**], and in addition immediately following all significant changes and upgrades, scan externally-facing Information Resources, including, but not limited to, networks, servers, & applications, with applicable industry-standard security vulnerability scanning software to uncover security vulnerabilities. (Externally-facing System Scanning)
3. If commercially available and to the extent practicable, [**], and in addition immediately following all significant changes and upgrades, scan internal Information Resources, including, but not limited to, networks, servers, applications & databases, with applicable industry-standard security vulnerability scanning software to uncover security vulnerabilities, ensure that such Information Resources are properly hardened as documented in Security Requirement 9 below, and identify any unauthorized wireless networks, unless documented policies and processes are in place to proactively prevent the creation of unauthorized wireless networks. (Internal System Scanning)
4. RESERVED
5. In environments where such technology is commercially available and to the extent practicable, deploy one or more Intrusion Detection Systems (IDS) , Intrusion Prevention Systems (IPS), or Intrusion Detection and Prevention Systems (IDP) in an active mode of operation that monitors all traffic entering and leaving Information Resources in conjunction with the Agreement. (Intrusion Detection Systems)
6. Have and use a documented process to remediate security vulnerabilities in the Information Resources, including, but not limited to, those discovered through industry publications, vulnerability scanning, virus scanning, and the review of security logs, and apply appropriate security patches promptly with respect to the probability that such vulnerability can be or is in the process of being exploited. (Remediating/Patching Service Vulnerabilities)
7. Assign security administration responsibilities for configuring host operating systems to specific individuals. (Security Administration Responsibilities)
8. Ensure that its information security staff has reasonable and necessary experience in information and network security. (Necessary Staff Experience)
9. If commercially available and to the extent practicable, ensure that all of Supplier's Information Resources are and remain 'hardened' including, but not limited to, removing or disabling unused network services (e.g., finger, rlogin, ftp, and simple Transmission Control Protocol/Internet Protocol (TCP/IP) services) and installing a system firewall, Transmission Control Protocol (TCP) wrappers or similar technology. (Hardened Systems)
10. Change all default account names and/or default passwords. (Changing Default Account Names and Passwords)
11. Limit system administrator (also known as root, privileged, or super user) access to operating systems intended for use by multiple users only to individuals requiring such high-level access in the performance of their jobs. (Limit Super User Privileges)
12. Require application, database, network and system administrators to restrict access by users to only the commands, data and Information Resources necessary for them to perform authorized functions. (Administrators to Restrict User Access)

Proprietary Information

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Physical Security

13. Ensure that all of Supplier's Information Resources intended for use by multiple users are located in secure physical facilities with access limited and restricted to authorized individuals only. (Information Resources in Secure Facilities)
14. Monitor and record, for audit purposes, access to the physical facilities containing Information Resources intended for use by multiple users used in connection with Supplier's performance of its obligations under the Agreement. (Monitoring and Recording Access)

Network Security

15. When providing Internet-based services to AT&T, protect AT&T's Information by the implementation of a network DMZ. Web servers providing service to AT&T shall reside in the DMZ. Information Resources storing AT&T's Information (such as application and database servers) shall reside in a trusted internal network. (Internet Services Must Use DMZ)
16. Upon AT&T's request, provide to AT&T a logical network diagram documenting the Information Resources (including, but not limited to, Security Gateways, servers, etc.) that will support AT&T. (Provision of Logical Network Diagram)
17. Have a documented process and controls in place to detect and handle unauthorized attempts to access AT&T's Information. (Detection and Handling of Unauthorized Access).
18.
 - a. Use Strong Encryption for the transfer of AT&T's Information outside of AT&T-controlled or Supplier-controlled networks or when transmitting AT&T's Information over any untrusted network.
 - b. Additionally, [**], always use Strong Encryption to protect AT&T's SPI when transmitted over any AT&T-controlled or Supplier-controlled network.

(Note: This also applies to AT&T's Information contained in email, or the attachments embedded within the email, as the case may be. For greater clarity, if, for example, the text in an email does not contain AT&T's Information, but the embedded attachments within that email do contain AT&T's Information, then the embedded attachments, but not the email, need to be encrypted.) (Encryption of Information in Transit)

19. Require strong authentication for any remote access use of Nonpublic Information Resources. (Remote Access Authentication)

Information Security

20. Isolate AT&T's applications and AT&T's Information from any other customer's or Supplier's own applications and information either by using physically separate servers or alternatively by using logical access controls where physical separation of servers is not implemented. (Separate AT&T's Information from non-AT&T Information)
21. Have documented procedures for the secure backup and recovery of AT&T's Information which shall include, at a minimum, procedures for the transport, storage, and disposal of the backup copies of AT&T's Information and, upon AT&T's request, provide such documented procedures to AT&T. (Secure Backup, Transport, Storage and Disposal of AT&T's Information)
22. Maintain and, upon AT&T's request, furnish to AT&T a documented business continuity plan that ensures that Supplier can meet its contractual obligations under the Agreement, including the requirements of any applicable Statement of Work or Service Level Agreement. Such plan shall include the requirement that the included procedures be regularly tested in accordance with Supplier's documented risk management plan. Supplier shall promptly review its business continuity plan to address additional threat scenarios. (Business Continuity Plan)

Proprietary Information

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23. Use Strong Encryption to protect AT&T's SPI when stored. (Encryption of SPI at Rest/Storage)
24. Limit access to AT&T's Information, including, but not limited to, paper hard copies, only to authorized persons or systems. (Limit Access to AT&T's Information Regardless of Form)
25. Be compliant with government- and generally known industry-mandated information security standards to the extent applicable to the Services provided by Supplier. (Examples of such standards include, but are not limited to, the Payment Card Industry-Data Security Standards (PCI-DSS), National Automated Clearing House Associates (NACHA) Rules, and Electronic Data Interchange (EDI) standards, and the information security requirements documented within laws, such as HIPAA.) (Compliance with Industry and Government Requirements)
- In the event any such government- or industry-mandated information security standards cause Amdocs to incur additional costs to be compliant, [**]
26. At no additional charge to AT&T:
- a. Upon AT&T's request, provide copies of any of AT&T's Information to AT&T [**].
 - b. Return, or, at AT&T's option, destroy all of AT&T's Information, including electronic and hard copies, [**] after the sooner of:
 - i. expiration or Termination of the Agreement;
 - ii. AT&T's request for the return of AT&T's Information; or
 - iii. the date when Supplier no longer needs AT&T's Information to perform Services under the Agreement.
 - c. In the event that AT&T approves destruction as an alternative to returning AT&T's Information, then certify in writing the destruction (e.g., degaussing, overwriting, performing a secure erase, performing a chip erase, shredding, cutting, punching holes, breaking, etc.) as rendering the AT&T's Information non-retrievable.
 - d. In the event that Supplier needs to retain copies of AT&T's Information [**] either the expiration or Termination of the Agreement, or AT&T's request for the return or destruction of AT&T's Information, Supplier shall be allowed to retain such copies when elsewhere agreed to in writing with AT&T. Exception: Copies of AT&T's Information retained as part of a backup-and-recovery, business continuity or disaster recovery process may be retained for [**] the expiration or Termination of the Agreement without obtaining agreement in writing from AT&T allowing such retention provided that all such copies are destroyed within [**] of creation. (Return of AT&T's Information)
27. Unless otherwise instructed by AT&T in writing, when collecting, generating or creating Information for, through or on behalf of AT&T or under the AT&T brand, ensure that such Information shall be AT&T's Information and, whenever practicable, label such Information of AT&T as "AT&T Proprietary Information" or, at a minimum, label AT&T's Information as

Proprietary Information

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“Confidential” or “Proprietary”. Supplier acknowledges that AT&T’s Information shall remain AT&T-owned Information irrespective of labeling or absence thereof. (Confidential or Proprietary Markings)

28. Assign unique UserIDs to individual users. (Unique User IDs)
29. Have and use a documented UserID Lifecycle Management process including, but not limited to, procedures for approved account creation, timely account removal, and account modification (e.g., changes to privileges, span of access, functions/roles) for all Information Resources and across all environments (e.g., production, test, development, etc.). Such process shall include review of access privileges and account validity to be performed [**]. (UserID Life Cycle Management)
30. Enforce the rule of least privilege (i.e., limiting access to only the commands and Information Resources necessary to perform authorized functions according to one’s job function). (Rule of Least Privilege)
31. Limit failed login attempts to no more than [**] successive attempts and lock the user account upon reaching that limit. Access to the user account can be reactivated subsequently through a manual process requiring verification of the user’s identity or, where such capability exists, can be automatically reactivated after [**] from the last failed login attempt. Exception: Where elsewhere authorized in writing by AT&T, AT&T customer usage of Customer Facing Systems may be exempted from this requirement. (Limit Failed Logins)
32. Terminate interactive sessions, or activate a secure, locking screensaver requiring authentication, after a period of inactivity [**]. Exception: Where elsewhere authorized in writing by AT&T, AT&T customer usage of Customer Facing Systems may be exempted from this requirement. (Terminate Inactive Interactive Sessions)
33. Require password expiration at regular intervals not to exceed [**]. Exception: Where elsewhere authorized in writing by AT&T, AT&T customer usage of Customer Facing Systems may be exempted from this requirement. (Expire Passwords)
34.
 - a. Use an authentication method based on the sensitivity of AT&T’s Information. Whenever authentication credentials are stored, Supplier shall protect them using Strong Encryption.
 - b. When passwords are used, they shall be complex and shall at least meet the following password construction requirements:
 - Be a minimum of six (6) characters in length.
 - Contain characters from at least two (2) of these groupings: alphabetic, numeric, and special characters.
 - Not be the same as the UserID with which they are associated.
 - Passwords must not contain repeating or sequential characters or numbers.Exception: Where elsewhere authorized in writing by AT&T, AT&T customer usage of Customer Facing Systems may be exempted from the password construction requirements.
 - c. Applications housing more sensitive copies of AT&T’s Information, as identified in writing by AT&T, may require an authentication mechanism stronger than passwords. In such case the authentication mechanism shall be mutually agreed to in advance in writing. Examples of stronger authentication methods include Strong Authentication, passphrases, and biometrics. (Passwords and Construction Rules)

Proprietary Information

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35. Use a secure method for the conveyance of authentication credentials (e.g., passwords) and authentication mechanisms (e.g., tokens or smart cards). (Use Secure Method to Convey UserIDs and Passwords)

Warning Banner

36. For AT&T branded products or services or for software developed for AT&T, the Supplier shall display a warning banner on login screens or pages provided by AT&T. (Display Warning Banners)

Software and Data Integrity

37. In environments where antivirus software is commercially available and to the extent practicable, have current antivirus software installed and running to scan for and promptly remove or quarantine viruses and other malware. (Note: For the avoidance of doubt, this requirement also applies to Mobile and Portable Devices where antivirus software is commercially available.) (Scan and Remove Viruses)
38. Separate non-production Information Resources from production Information Resources. (Separate Production and Non-Production Information Resources)
39. Have a documented change control process including back out procedures for all production environments. (Software Change Control Process)
40. For applications which utilize a database that allows modifications to AT&T's Information, have database transaction logging features enabled and retain database transaction logs [**]. (Utilize Database Transaction Logging)
- 41.
- a. For all software developed under this Agreement, review such software to find and remediate security vulnerabilities during initial implementation and upon any modifications and updates.
 - b. Where technically feasible, for all software used, furnished and/or supported under the Agreement, review such software to find and remediate security vulnerabilities during initial implementation and upon any modifications and updates. (Review Code for Vulnerabilities)
42. Perform quality assurance testing for the security components (e.g., testing of identification, authentication, and authorization functions), as well as any other activity designed to validate the security architecture, during initial implementation and upon any modifications and updates. (Quality Assurance Test Security Components)

Privacy Issues

43. Restrict access to any of AT&T's CPNI and AT&T's SPI to authorized individuals. (Restrict Access to AT&T CPNI and SPI)
44. Not store AT&T's CPNI and AT&T's SPI on removable media (e.g., USB flash drives, thumb drives, memory sticks, tapes, CDs, or external hard drives) except: (a) for backup, business continuity, disaster recovery, and data interchange purposes as allowed and required under contract, and (b) using Strong Encryption. Exception: Where elsewhere authorized in writing by AT&T, AT&T's CPNI stored for distribution to AT&T's customers may be exempted from this requirement. (Control AT&T CPNI and SPI on Removable Media)

Proprietary Information

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Monitoring and Auditing Controls

45. Restrict access to security logs to authorized individuals, and protect security logs from unauthorized modification. (Restrict Access to Security Logs)
46. Review, on [**], all security and security-related logs for anomalies and document and resolve all logged security problems in a timely manner. (Review Security Logs and Resolve Security Problems)
47. Retain complete and accurate records relating to its performance of its obligations arising out of these Security Requirements and Supplier's compliance herewith in a format that will permit assessment or audit for a period of [**], or longer as may be required pursuant to a court order or civil or regulatory proceeding. Notwithstanding the foregoing, Supplier shall only be required to maintain security logs for a [**]. (Retain Records)
48. Permit AT&T to conduct an assessment or audit to verify Supplier's compliance with the contractual obligations in connection with these AT&T Supplier Information Security Requirements. Upon AT&T's request for audit, Supplier shall schedule a security audit to commence [**] from such request. In the event that AT&T, in its sole discretion, deems that a security breach has occurred, which has not been promptly reported to AT&T in compliance with the Supplier's Incident Management Process, Supplier shall schedule the audit to commence within [**] of AT&T's notice requiring an audit. This provision shall not be deemed to, and shall not, limit any more stringent audit obligations permitting the examination of Supplier's records contained in the Agreement. (Audit Rights)
49. [**] of receipt of the assessment or audit report, provide AT&T a written report outlining the corrective actions that Supplier has implemented or proposes to implement with the schedule and current status of each corrective action. Supplier shall update this report to AT&T [**] reporting the status of all corrective actions through the date of implementation. Supplier shall implement all corrective actions [**] of Supplier's receipt of the audit report. (Remediate Audit Findings)

Reporting Violations

50. Have and use an Incident Management Process and promptly notify AT&T whenever there is an attack upon, intrusion upon, unauthorized access to, loss of, or other breach of AT&T's Information Resources at:
 - a. Asset Protection by telephone at 800-807-4205 from within the US and at 1-908-658-0380 from elsewhere, and
 - b. Supplier's contact within AT&T for Service-related issues.
 (Maintain and Use Incident Response Procedures)
51. After notifying AT&T whenever there is an attack upon, intrusion upon, unauthorized access to, loss of, or other breach of AT&T's Information Resources, provide AT&T with regular status updates, including, but not limited to, actions taken to resolve such incident, at mutually agreed intervals or times for the duration of the incident and, [**] of the closure of the incident, provide AT&T with a written report describing the incident, actions taken by the Supplier during its response and the Supplier's plans for future actions to prevent a similar incident from occurring. (Provide AT&T Incident Response Status and Final Resolution)

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Software Development

52. RESERVED

Security Policies and Procedures

53. Ensure that all personnel, subcontractors or representatives performing work under this Agreement are in compliance with these Security Requirements. (All Work to Be In Compliance with SISR)

54. RESERVED

55. Deactivate or Return all AT&T-owned or -provided access devices (including, but not limited to, SecurID® tokens and/or software) as soon as practicable, but in no event [**] after the sooner of: (a) expiration or Termination of the Agreement; (b) AT&T's request for the return of such property; or (c) the date when Supplier no longer need such devices. (Return all AT&T Owned or Provided Access Devices)

Mobile and Portable Devices

56.

- a. By [**] after the date of execution of Amendment 30, Supplier shall not store any of AT&T's SPI on Mobile and Portable Devices unless AT&T's SPI stored on such devices is protected by the use of Strong Encryption.
- b. Following the execution of Amendment 30, Supplier shall continue to negotiate in good faith with AT&T on reaching mutual agreement on a date when Supplier shall protect AT&T's Information stored on Mobile and Portable Devices through the use of Strong Encryption. Such negotiations shall successfully conclude within [**] of the execution of Amendment 30, and shall result in an execution of an amendment to the Agreement, or AT&T shall have the right to terminate for convenience.

57.

Following the execution of Amendment 30, Supplier shall continue to negotiate in good faith with AT&T on reaching mutual agreement on a date when Supplier shall use Strong Encryption to protect all of AT&T's Information transmitted using or remotely accessed by network-aware Mobile and Portable Devices. Such negotiations shall successfully conclude within [**] of the execution of Amendment 30, and shall result in an execution of an amendment to the Agreement, or AT&T shall have the right to terminate for convenience.

58.

- a. When using network-aware Mobile and Portable Devices that are not laptop computers to access and/or store AT&T's Information, such devices must be capable of deleting all stored copies of AT&T's Information upon receipt over the network of a properly authenticated command. (Note: Such capability is often referred to as a "remote wipe" capability.)
- b. Have documented policies, procedures and standards in place to ensure that the authorized individual who should be in physical control of a network-aware Mobile and Portable Device that is not a laptop computer and that is storing AT&T's Information promptly initiates deletion of all AT&T's Information when the device becomes lost or stolen.
- c. Have documented policies, procedures and standards in place to ensure that Mobile and Portable Devices that are not laptop computers and are not network aware, will automatically delete all stored copies of AT&T's Information after no more than three times the number of consecutive failed login attempts documented within Security Requirement 31.

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59. Have documented policies, procedures and standards in place which ensure that any Mobile and Portable Devices used to access and/or store AT&T's Information:
 - a. Are in the physical possession of authorized individuals;
 - b. Are physically secured when not in the physical possession of authorized individuals; or
 - c. Have their data storage promptly and securely deleted when not in the physical possession of authorized individuals nor physically secured.
60. Prior to allowing access to AT&T's Information stored on or through the use of Mobile and Portable Devices, Supplier shall have and use a process to ensure that:
 - a. The user is authorized for such access; and
 - b. The identity of the user has been authenticated.
61. Implement a policy that prohibits the use of any Mobile and Portable Devices that are not administered and/or managed by Supplier or AT&T to access and/or store AT&T's Information.
62. Review, [**], the use of, and controls for, all Supplier-administered or -managed Mobile and Portable Devices to ensure that the Mobile and Portable Devices can meet the applicable Security Requirements.

Security Gateways

63. Require Strong Authentication for administrative and/or management access to Security Gateways, including, but not limited to, any access for the purpose of reviewing log files.
64. Have and use documented controls, policies, processes and procedures to ensure that unauthorized users do not have administrative and/or management access to Security Gateways, and that user authorization levels to administer and manage Security Gateways are appropriate.
65. At least [**], ensure that Security Gateway configurations are hardened by selecting a sample of Security Gateways and verifying that each default rule set and set of configuration parameters ensures the following:
 - a. Internet Protocol (IP) source routing is disabled,
 - b. The loopback address is prohibited from entering the internal network,
 - c. Anti-spoofing filters are implemented,
 - d. Broadcast packets are disallowed from entering the network,

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- e. Internet Control Message Protocol (ICMP) redirects are disabled,
 - f. All rule sets end with a “DENY ALL” statement, and
 - g. Each rule is traceable to a specific business request.
66. Ensure that monitoring tools are used to validate that all aspects of Security Gateways (e.g., hardware, firmware, and software) are continuously operational.
67. Ensure that all Security Gateways are configured and implemented such that all non-operational Security Gateways shall deny all access.

Wireless Networking

68. When using radio frequency (RF) based wireless networking technologies to perform or support Services for AT&T, ensure that all of AT&T’s Information transmitted is protected by the use of appropriate encryption technologies sufficient to protect the confidentiality of AT&T’s Information; provided, however, that in any event such encryption shall use no less than key lengths of 256-bits for symmetric encryption and 256-bits for asymmetric encryption. Exception: The use of RF-based wireless headsets, keyboards, microphones, and pointing devices, such as mice, touch pads, and digital drawing tablets, is excluded from this requirement.

Connectivity Requirements

69. In the event that a data connection agreement, such as a “Master Data Connection Agreement,” “Data Connection Agreement,” and/or “Connection Supplement” (“DCA”) exists between the Parties, and incorporates the Agreement by reference, or is otherwise integrated with, or used to govern the Parties’ connectivity obligations under, this Agreement, agree that any information security requirements incorporated within such DCA are hereby superseded by the terms of these Security Requirements, effective as of the date these Security Requirements become effective under the Agreement, and the terms of such DCA are amended to require that the Security Requirements and not the information security requirements incorporated within the DCA are controlling in the Agreement (as well as any agreements subordinate to the Agreement). Notwithstanding the foregoing, the DCA remains in full force and effect for all other agreements between the Parties to which it applies.

Proprietary Information

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70. In the event that Supplier has, or will be provided, connectivity to AT&T's or AT&T's customers' Nonpublic Information Resources in conjunction with this Agreement, then in addition to the foregoing:
- a. Use only the mutually agreed upon facilities and connection methodologies to interconnect AT&T's and AT&T's customers' Nonpublic Information Resources with Supplier's Information Resources.
 - b. NOT establish interconnection to AT&T's and AT&T's customers' Nonpublic Information Resources without the prior consent of AT&T.
 - c. Provide AT&T access to any applicable Supplier facilities during normal business hours for the maintenance and support of any equipment (e.g., router) provided by AT&T under the Agreement for connectivity to AT&T's and AT&T's customers' Nonpublic Information Resources.
 - d. Use any equipment provided by AT&T under this Agreement for connectivity to AT&T's and AT&T's customers' Nonpublic Information Resources only for the furnishing of those Services or functions explicitly defined in the Agreement.
 - e. If the agreed upon connectivity methodology requires that Supplier implement a Security Gateway, maintain logs of all sessions using such Security Gateway. These session logs must include sufficiently detailed information to identify the end user or application, origination IP address, destination IP address, ports/service protocols used and duration of access. These session logs must be retained for a [**]
71. In the event that Supplier has, or will be provided, connectivity to AT&T's or AT&T's customers' Nonpublic Information Resources in conjunction with this Agreement, in addition to other rights set forth herein, permit AT&T to:
- a. Gather information relating to access, including Supplier's access to, AT&T's and AT&T's customers' Nonpublic Information Resources. This information may be collected, retained and analyzed by AT&T to identify potential security risks without further notice. This information may include trace files, statistics, network addresses, and the actual data or screens accessed or transferred.
 - b. Immediately suspend or terminate any interconnection to AT&T's and AT&T's customers' Nonpublic Information Resources if AT&T, in its sole discretion, believes there has been a breach of security or unauthorized access to or misuse of AT&T data facilities or Information.

Proprietary Information

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3.3 Offshore Information Technology Services Requirements

In the event Supplier currently provides or will be providing Offshore Information Technology Services in conjunction with this Agreement, then, in addition to the foregoing, the following requirements shall apply to Supplier:

- 1 Strong authentication controls must be established for firewalls, firewall management servers, and firewall hop boxes. Options for strong authentication may include two-factor authentication methods such as tokens, smart-cards and/or one-time passwords.
- 2 Supplier must ensure that firewall configurations are hardened by selecting a sample of firewalls and verifying that the default rule set ensures the following:
 - a. IP source routing is disabled.
 - b. Loopback address is prohibited from entering the internal network,
 - c. Anti-spoofing filters are implemented.
 - d. Broadcast packets are disallowed from entering the network,
 - e. ICMP redirects are disabled.
 - f. Fragmented packets are dropped.
 - g. Ruleset ends with a DENY ALL statement
- 3 Screen savers or connection timeouts are required to prevent unauthorized access to unattended workstations.
- 4 Perform [**] revalidations on the user account list on firewalls, firewall management servers, and firewall hop boxes to ensure that only those users authorized for access to manage these devices have an account. This includes the need to revalidate the authorization level of each user account to ensure appropriate permission levels are maintained.
- 5 Production support personnel and development personnel must have enough separation and auditable controls to ensure that standard change management procedures are always consistently followed.
- 6 Developers cannot access production platforms "at will". For some trouble-shooting situations, developers may be provided access to production platforms but only on an "as needed basis" and for a limited duration. All temporary access should be documented (who, what, when, where and why).
- 7 Track and approve changes to firewall rules is required and must be [**]. Inappropriate firewall rules must be removed immediately.
- 8 Require a clean desk policy at the end of the day.
- 9A Effective October 1, 2010, all portable or removable media (such as CD, floppy and USB drives) will be removed or disabled to ensure that AT&T Data cannot be downloaded and taken offsite.

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- 9B Wireless networking technologies must not be used for communicating unless the following steps are taken by Amdocs to maintain the confidentiality and integrity of the communication and to prevent unauthorized access to the transmitting device and/or receiving device. When wireless networking technologies are used:
- (i) All communications over wireless networks must be transmitted via Virtual Private Network (VPN) session(s) using Strong Encryption.
 - (ii) Strong authentication (e.g., two factor token or digital certificates) must be used for authenticating VPN access.
 - (iii) Wireless hardware (with the exception of wireless network cards and access points) must be located in a physically secure area (e.g., in a locked wiring closet or locked machine room).
 - (iv) All services not being used on the access point, router, and VPN concentrator must be disabled.
 - (v) Enable Media Access Control (MAC)-based filtering so that only specified wireless cards can communicate to the access point.
- 10 Supplier must implement procedures to ensure that AT&T Data is not downloaded and removed by Supplier, including at a minimum, searches of persons and their belongings when exiting AT&T restricted areas and Supplier's premises.
- 11 Notify individuals that removal of AT&T Data from the work area or Supplier's premises is not allowed, to include signage that communicates this policy and that people and personal property including, without limitation, packages, briefcases, and purses are subject to inspection prior to exiting AT&T restricted areas and Supplier's premises.
- 12 Verify that all printed media containing AT&T Data (any information obtained from or provided by AT&T, including information about AT&T Systems, its employees and its customers) is securely stored, and that a mechanism is in place to protect the security and privacy of AT&T Data. Procedures are required to restrict access to AT&T Data to authorized Supplier personnel only, and to ensure that all media containing AT&T Data is accounted for and reconciled on a [**] basis to ensure that the information is not removed from Supplier's premises.
- 13 All access to electronic documentation of AT&T Data retained locally must be password protected and restricted to the very minimum number of Supplier personnel. Supplier must implement procedures to ensure that AT&T Data is not downloaded and removed by Supplier personnel, including, at a minimum, searches of persons and their belongings when exiting AT&T restricted areas and Supplier's premises.
- 14 All electronically stored or printed AT&T Data no longer needed must be shredded onsite or destroyed onsite by authorized Supplier personnel assigned to AT&T projects. Shred bins must be located in AT&T restricted areas and locked until the shredding takes place.

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15 A [**] Metric Report of Perimeter Security on the Supplier's system should be reported to AT&T that consists of:

- Location
- Date
- # of Intrusions
- Type of Intrusions
- Source
- Destination
- Detail
- Actions

Security IDS audit logs must be retained [**] and offline for a period of at least [**].

- 16 Remote access to AT&T Networks or AT&T Data is prohibited. All work on AT&T projects must be performed within the AT&T restricted area on Supplier's premises. Prior written exception to this prohibition must be obtained from the [**]Supplier's use of laptops offsite must have written approval from the [**]
- 17 Randomly check Supplier-based email and internet-based email so that AT&T Data is not sent to an unauthorized recipient. [**], Amdocs must check for the AT&T Proprietary – Restricted and AT&T Proprietary – Sensitive Personal Information markings in emails and attachments sent from Amdocs to non-AT&T personnel outside. Any unauthorized transmissions must be reported by Amdocs in an email to the [**]
- 18 B2B VPN connections to AT&T are required to be secured from other remote connections.
- 19 Device-specific monitoring tools must be used to assure that firewall hardware is operational.
- 20 To minimize the risk exposure to visiting AT&T employees in locations that are of medium-high risk of terrorist attacks, adequate security measures are required to include (at a minimum) an enclosed property perimeter with controlled access at entrances, inspection program for people and cars, including delivery vehicles at the entrance, Supplier security personnel trained in surveillance and explosives detection, Supplier mailroom personnel trained in package screening procedures, deployment of security cameras connected to a central monitoring control room, random patrols of property, and restricted vehicle parking near buildings. The security plan should increase security measures as the threat level increases.
- 21 All access points into the Supplier's building(s) where AT&T work is being performed must be locked by either physical keys or a card key system, or controlled by a guard service to restrict access only to authorized individuals. These mechanisms must be in working order and utilized at all times. Proper identification must be worn by all persons inside the Supplier's building and a procedure in place to challenge those not wearing appropriate identification in the Supplier's building. The cable vault, electrical and telephone areas should be secured to give access only to those authorized.

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- 22 Card key access lists and event logs must be reviewed by Supplier at a minimum of [**] to validate that building card key access is limited to only those individuals with a need to be in the Supplier's building and restricted area where AT&T work is being performed. Ensure that all keys are accounted for and limited to those individuals with a need to be in the Supplier's building and restricted areas and all locks are changed on a regular interval (at a minimum [**]). Ensure that Supplier personnel surrender company identification, keys and access cards before leaving the premises when access to an area is no longer required or upon voluntarily or involuntarily ceasing to work for Supplier and that the access cards are deactivated. [**] should include employee, contractor and supplier termination records and any associated unauthorized access attempts in the event logs.
- 23 Alarmed doors and monitored electronic systems are required to detect unauthorized access or access attempts with a plan to respond to and document incidents. 24/7 recorded video surveillance is required of the area where work on AT&T projects is performed, including entry and exit points.
- 24 Prior to permitting any person access to an AT&T project source or origin code (for example, software development), and at [**] intervals thereafter, Supplier must ensure that such person (employee, contractor, subcontractor) is not on the Denied Persons List or the Specially Designated Nationals List of the US Department of Commerce – Bureau of Industry and Security. – Those lists are located at <http://www.bis.doc.gov/ComplianceAndEnforcement/ListsToCheck.htm>.
- Prior to permitting any person direct or indirect access, whether physical, virtual, or otherwise, to any of AT&T's company, employee, or customer information, or any of AT&T's or AT&T's customers' premises, systems, software, or networks, Supplier must have a reputable security company perform a criminal background check and verification of the identity of such person (employee, contractor, or subcontractor including onsite security guards responsible for physical security of Supplier's premises and AT&T restricted areas, and unescorted cleaning/maintenance personnel).
- 25 A security plan must be in place to include training of Supplier personnel to report suspicious activity/security incidents and complaints that did or could affect AT&T, to include documentation, follow-up and reporting to the **AT&T IT:OFFSHORE** organization and, as necessary, law enforcement. Information to be reported to the Executive Director of the IT:OFFSHORE organization would consist of at least:
- Date of Incident
 - Who - Identify those involved and be descriptive (suspects, vehicles, property, license plate numbers, ...)
 - What - What happened and how?
 - When - When did the incident occur?
 - Where - Where did the incident take place?
 - Action Taken – What action was taken? Was law enforcement notified?

Proprietary Information

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- 26 An exercise of Supplier's recovery strategy must be conducted [**] from the completion of a disaster recovery exercise by Amdocs, Amdocs will produce a documented conclusion with a corrective action plan and proposed committed timeframes for corrective action upon which the Parties will agree [**] from receipt of the action plan.
- 27 Failover processes and procedures are required to support AT&T applications and these failover processes and procedures are exercised [**] (at a minimum).
- 28 Business continuity communication documents, processes, and procedures must be readily available and current.
- 29 As soon as reasonably possible after the execution of this Agreement and on [**] basis thereafter, Supplier will, at no charge to AT&T, perform a security audit utilizing a reputable independent auditor, as agreed by the Parties. Such security audit shall ensure that Supplier will strictly follow these AT&T Supplier Information Security Requirements.

3.4 Requirements for Offshore Information Technology Services Requiring Elevated Rights

In the event Supplier currently provides or will be providing system, database, and or network administrator/root (or privileged, super user, or the like) access to host operating systems located on AT&T non-public networks in conjunction with this Agreement from an Offshore Location, then, in addition to the foregoing, the following requirements shall apply to Supplier:

- 1 Access for privileged offshore users will be via a front-end Citrix farm that requires SecurID authentication, with front end Citrix servers located in a DMZ segment. An alternative to this is an AT&T-provided Client VPN with a SecurID token used over a **secure connection** (NOT the public Internet) as reviewed and approved by AT&T's Chief Security Office (CSO).
- 2 Auditing options must be enabled on any Supplier perimeter equipment which controls access to the Supplier equipment used to do AT&T work. To ensure integrity of audit log entries, all Supplier system clocks must be synchronized to the same time source. Synchronization to AT&T clocks is not required. At a minimum, security audit log(s) must be automatically updated for the following system events:
 - a. Successful and unsuccessful login attempts.
 - b. Successful and unsuccessful attempts to switch to another user's account (where applicable).
 - c. Logoffs.
 - d. User attempts to access files or resources outside their privilege level.

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- e. User access to all privileged files and/or processes.
- f. Operating system configuration changes.
- g. Operating system program changes.
- h. All changes that can feasibly be captured, to system hardware and software.
- i. All security-related changes, including adding users.
- j. Failures for computer, program, communications, and operations.
- k. Starting and stopping of audit logging.

Security audit logs must be maintained [**] and offline for a period of [**]

- 3 AT&T reserves the right to perform vulnerability scans and review the scanning results of Supplier systems in a pre-announced, scheduled manner on Supplier's equipment on an AT&T isolated LAN segment and Supplier Network equipment used to access AT&T Networks, systems, and data or Supplier agrees to reveal to the [**] the detailed scanning findings and closure activities related to vulnerabilities found [**].

Information to be reported to the AT&T-IT OCE would consist of at least:

- Date of discovery of vulnerability
- How it was remediated
- What was remediated
- What are the plans to remediate
- Estimated Date of closure

- 4 An Intrusion Prevention System (IPS) is required on Supplier's data network to prevent unauthorized access.

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The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Bryson Stucki
Name: Bryson Stucki
Title: Director of Finance
Date: 5/31/14

AT&T Services, Inc.

By: /s/ Deidre D. Byer
Name: Deidre D. Byer
Title: Sr. Contract Manager – Global Business & Operations Sourcing
Date: 5/31/2014

Proprietary Information

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Amendment

No. 02026713.A.031

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

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AMENDMENT NO. 31**AGREEMENT NO. 02026713**

This Amendment No. 31, effective on the date when signed by the last Party (“Effective Date”), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation (“Supplier” or “Amdocs”), and AT&T Services, Inc., a Delaware corporation (“AT&T”), each of which may be referred to in the singular as a “Party” or in the plural as the “Parties”.

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, as amended by Amendment No. 16 effective February 24, 2011, as amended by Amendment 17 effective May 24, 2011; as amended by Amendment No. 18 effective July 25, 2011; as amended by Amendment No. 19 effective November 14, 2011; as amended by Amendment No. 20 effective June 28, 2012; as amended by Amendment No. 21 effective July 23, 2012; as amended by Amendment No. 22 effective August 28, 2012; as amended by Amendment No. 23 effective October 31, 2012; as amended by Amendment No. 24 effective January 28, 2013; as amended by Amendment No. 25 effective March 22, 2013; as amended by Amendment No. 26 effective April 10, 2013; as amended by Amendment No. 27 effective July 19, 2013; as amended by Amendment No. 28 effective September 30, 2013; and as amended by Amendment No. 29 effective February 28, 2014; and as amended by Amendment No. 30 effective May 31, 2014 (collectively, the “Agreement”) and

WHEREAS, AT&T and Supplier now desire to further amend the Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. **Section 6.6, “Confidentiality and Invention Agreement and Non-Disclosure Agreement”**, is deleted in its entirety and replaced with, **Section 6.6, “Non-Disclosure Agreement”** as follows:

6.6 Non-Disclosure Agreement

- a. Prior to any employee or agent of Supplier or Supplier’s Sub-suppliers accessing any AT&T Software or Third Party Software provided by AT&T to Supplier, said employee or agent shall execute a Non-disclosure Agreement (“NDA”).

Proprietary Information

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e. **Compliance with Export/Import Law and Foreign Trade Controls**

- 1.1 Each Party shall comply with all export control, import and foreign trade sanctions laws, rules and regulations, in its performance of this Agreement. Without prejudice to the generality of the foregoing, Supplier understands and acknowledges that certain AT&T applications and Materials and Services (including technical assistance and technical data) to be provided hereunder may be subject to export controls under the laws and regulations of the United States, the European Union and other foreign trade control laws, rules and regulations restricting their transfer to certain countries and parties including but not limited to the US Export Administration Regulations and trade sanctions programs administered by the US Department of the Treasury. Supplier shall comply with all applicable export control and other foreign trade laws, rules and regulations in performance of its obligations hereunder, and shall not use, resell, export, transfer, distribute, dispose or otherwise deal with the AT&T applications or any technical data related thereto, directly or indirectly, except in full compliance with such laws, rules and regulations.
- 1.2 Neither Party shall use, sell, export, re-export, distribute, transfer, dispose or otherwise deal with any such Material or any direct product thereof nor undertake any transaction or Service without first obtaining all necessary written consents, permits and authorizations and completing such formalities as may be required by any such laws or regulations.
- 1.3 Supplier shall be solely responsible for arranging export clearance, including applying for and obtaining any permits, licenses or other authorizations and complying with export clearance formalities, for all exports of Materials and Services made hereunder, including but not limited to exports by Supplier to its affiliates or subcontractors and exports from such affiliates or subcontractors to Supplier or to AT&T in the United States. AT&T agrees to use reasonable efforts to obtain and provide to Supplier in a timely manner any end-user, end-use and other documentation and certifications as may reasonably be requested by Supplier in support of any applications made to relevant government authorities in connection with such exports.
- 1.4 AT&T shall not be responsible or otherwise assume any responsibility for the importation of articles into any country (including the United States). Supplier expressly agrees to be responsible for any and all importations.

Proprietary Information

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- 1.5. Supplier specifically represents and warrants that it shall not export/re-export or otherwise transfer the AT&T applications, Materials or Services to any country that is subject to US trade sanctions imposed from time to time (currently, Cuba, Iran, North Korea, Sudan and Syria), to any persons or entities located in or organized under the laws of such country, or who are owned or controlled by or acting on behalf of the governments of such countries, as well as to citizens of such countries, or to persons identified from time to time on applicable US government restricted party lists (the US Department of Commerce's Denied Party List, Entity List, Unverified List; the US Department of the Treasury's List of Specially Designated Nationals and Other Blocked Persons; the US Department of State's various non-proliferation lists).
 - 1.6. Supplier represents and warrants that it has in place compliance mechanisms sufficient to assure compliance with applicable export control and foreign trade control laws, rules and regulations. Supplier shall not do anything which would cause AT&T to be in breach of applicable export control or foreign trade control laws, rules and regulations, and shall protect, indemnify and hold harmless AT&T from any claim, damages, liability costs, fees and expenses incurred by AT&T as a result of the failure of omission of Supplier to comply with such laws, rules and regulations.
 - 1.7. Failure by Supplier to comply with applicable export control and foreign trade control laws, rules and regulations shall constitute a material breach of this Agreement.
2. **Exhibit F, "Confidentiality and Invention Agreement"**, is hereby deleted in its entirety.
 3. **Section 3.3, "Offshore Information Technology Services Requirements"**, and **Section 3.4, "Requirements for Offshore Information Technology Services Requiring Elevated Rights"**, are hereby deleted in their entirety and replaced with the following:

3.3 Offshore Information Technology Services Requirements

In the event Supplier currently provides or will be providing Offshore Information Technology Services in conjunction with this Agreement, then, in addition to the foregoing, the following requirements shall apply to Supplier:

1. Strong authentication controls must be established for firewalls, firewall management servers, and firewall hop boxes. Options for strong authentication may include two-factor authentication methods such as tokens, smart-cards and/or one-time passwords.

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- 2 Supplier must ensure that firewall configurations are hardened by selecting a sample of firewalls and verifying that the default rule set ensures the following:
 - a. IP source routing is disabled.
 - b. Loopback address is prohibited from entering the internal network,
 - c. Anti-spoofing filters are implemented.
 - d. Broadcast packets are disallowed from entering the network,
 - e. ICMP redirects are disabled.
 - f. Fragmented packets are dropped.
 - g. Ruleset ends with a DENY ALL statement
- 3 Screen savers or connection timeouts are required to prevent unauthorized access to unattended workstations.
- 4 Perform [**] revalidations on the user account list on firewalls, firewall management servers, and firewall hop boxes to ensure that only those users authorized for access to manage these devices have an account. This includes the need to revalidate the authorization level of each user account to ensure appropriate permission levels are maintained.
- 5 Production support personnel and development personnel must have enough separation and auditable controls to ensure that standard change management procedures are always consistently followed.
- 6 Developers cannot access production platforms “at will”. For some trouble-shooting situations, developers may be provided access to production platforms but only on an “as needed basis” and for a limited duration. All temporary access should be documented (who, what, when, where and why).
- 7 Track and approve changes to firewall rules is required and must be validated [**]. Inappropriate firewall rules must be removed immediately.
- 8 Require a clean desk policy at the end of the day.
- 9A Supplier resources shall be notified of the restriction that AT&T Data may not be downloaded and taken offsite.
- 9B Wireless networking technologies must not be used for communicating unless the following steps are taken by Amdocs to maintain the confidentiality and integrity of the communication and to prevent unauthorized access to the transmitting device and/or receiving device. When wireless networking technologies are used:
 - (i) All communications over wireless networks must be transmitted via Virtual Private Network (VPN) session(s) using Strong Encryption.
 - (ii) Strong authentication (e.g., two factor token or digital certificates) must be used for authenticating VPN access.
 - (iii) Wireless hardware (with the exception of wireless network cards and access points) must be located in a physically secure area (e.g., in a locked wiring closet or locked machine room).
 - (iv) All services not being used on the access point, router, and VPN concentrator must be disabled.
 - (v) Enable Media Access Control (MAC)-based filtering so that only specified wireless cards can communicate to the access point.

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- 10 Supplier must implement procedures to ensure that AT&T Data is not downloaded and removed by Supplier. To the extent Supplier suspects that AT&T Data may have been removed, Supplier agrees to conduct searches of suspected persons and their belongings when exiting AT&T restricted areas and Supplier's premises to the extent such searches are permissible by local law.
- 11 Notify individuals that removal of AT&T Data from the work area or Supplier's premises is not allowed, to include signage that communicates this policy and that people and personal property including, without limitation, packages, briefcases, and purses are subject to inspection prior to exiting AT&T restricted areas and Supplier's premises.
- 12 Verify that all printed media containing AT&T Data (any information obtained from or provided by AT&T, including information about AT&T Systems, its employees and its customers) is securely stored, and that a mechanism is in place to protect the security and privacy of AT&T Data. Procedures are required to restrict access to AT&T Data to authorized Supplier personnel only, and to ensure that all media containing AT&T Data is accounted for and reconciled on [**] to ensure that the information is not removed from Supplier's premises.
- 13 All access to electronic documentation of AT&T Data retained locally must be password protected and restricted to the very minimum number of Supplier personnel. Supplier must implement procedures to ensure that AT&T Data is not downloaded and removed by Supplier personnel, including, at a minimum, searches. To the extent Supplier suspects that AT&T Data may have been removed, Supplier agrees to conduct searches of persons and their belongings when exiting AT&T restricted areas and Supplier's premises to the extent searches are permissible under local law.
- 14 All electronically stored or printed AT&T Data no longer needed must be shredded onsite or destroyed onsite by authorized Supplier personnel assigned to AT&T projects. Shred bins must be located in AT&T restricted areas and locked until the shredding takes place.
- 15 A [**] Metric Report of Perimeter Security on the Supplier's system should be reported to AT&T that consists of:
 - Location
 - Date
 - # of Intrusions
 - Type of Intrusions
 - Source
 - Destination
 - Detail
 - Actions

Security IDS audit logs must be retained [**] and offline for a period of at least [**].

- 16 Remote access to AT&T Networks or AT&T Data is prohibited. All work on AT&T projects must be performed within the AT&T restricted area on Supplier's premises and any exceptions must be in accordance with the Limited Offshore Remote Access in this Appendix 8. Prior written exception to this prohibition must be obtained from the [**] Supplier's use of laptops offsite must have written approval from the [**]

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- 17 Randomly check Supplier-based email and internet-based email so that AT&T Data is not sent to an unauthorized recipient. [**], Amdocs must check for the AT&T Proprietary – Restricted and AT&T Proprietary – Sensitive Personal Information markings in emails and attachments sent from Amdocs to non-AT&T personnel outside. Any unauthorized transmissions must be reported by Amdocs in an email to the [**]
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- 19 Device-specific monitoring tools must be used to assure that firewall hardware is operational.
- 20 To minimize the risk exposure to visiting AT&T employees in locations that are of medium-high risk of terrorist attacks, Supplier shall take necessary security measures customary for the location.
- 21 All access points into the Supplier's building(s) where AT&T work is being performed must be locked by either physical keys or a card key system, or controlled by a guard service to restrict access only to authorized individuals. These mechanisms must be in working order and utilized at all times. Proper identification must be worn by all persons inside the Supplier's building and a procedure in place to challenge those not wearing appropriate identification in the Supplier's building. The cable vault, electrical and telephone areas should be secured to give access only to those authorized.
- 22 Card key access lists and event logs must be reviewed by Supplier [**] to validate that building card key access is limited to only those individuals with a need to be in the Supplier's building and restricted area where AT&T work is being performed. Ensure that all keys are accounted for and limited to those individuals with a need to be in the Supplier's building and restricted areas and all locks are changed on a regular interval (at a minimum [**]). Ensure that Supplier personnel surrender company identification, keys and access cards before leaving the premises when access to an area is no longer required or upon voluntarily or involuntarily ceasing to work for Supplier and that the access cards are deactivated. [**] should include employee, contractor and supplier termination records and any associated unauthorized access attempts in the event logs.
- 23 Alarmed doors and monitored electronic systems are required to detect unauthorized access or access attempts with a plan to respond to and document incidents. [**] recorded video surveillance is required of the area where work on AT&T projects is performed, including entry and exit points.
- 24 Prior to permitting any person access to an AT&T project source or origin code (for example, software development), and at [**] intervals thereafter, Supplier must ensure that such person (employee, contractor, subcontractor) is not on the Denied Persons List or the Specially Designated Nationals List of the US Department of Commerce – Bureau of Industry and Security. – Those lists are located at <http://www.bis.doc.gov/ComplianceAndEnforcement/ListsToCheck.htm>.
- Prior to permitting any person direct or indirect access, whether physical, virtual, or otherwise, to any of AT&T's company, employee, or customer information, or any of AT&T's or AT&T's customers' premises, systems, software, or networks, Supplier must have a reputable security company perform a criminal background check and verification of the identity of such person (employee, contractor, or subcontractor including onsite security guards responsible for physical security of Supplier's premises and AT&T restricted areas, and unescorted cleaning/maintenance personnel).

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

- 25 A security plan must be in place to include training of Supplier personnel to report suspicious activity/security incidents and complaints that did or could affect AT&T, to include documentation, follow-up and reporting to the **AT&T IT:OFFSHORE** organization and, as necessary, law enforcement. Information to be reported to the Executive Director of the IT:OFFSHORE organization would consist of at least:
- Date of Incident
 - Who - Identify those involved and be descriptive (suspects, vehicles, property, license plate numbers, ...)
 - What - What happened and how?
 - When - When did the incident occur?
 - Where - Where did the incident take place?
 - Action Taken – What action was taken? Was law enforcement notified?
- 26 An exercise of Supplier's recovery strategy must be conducted [**] from the completion of a disaster recovery exercise by Amdocs, Amdocs will produce a documented conclusion with a corrective action plan and proposed committed timeframes for corrective action upon which the Parties will agree [**] from receipt of the action plan.
- 27 Failover processes and procedures are required to support AT&T applications and these failover processes and procedures are exercised [**].
- 28 Business continuity communication documents, processes, and procedures must be readily available and current.
- 29 As soon as reasonably possible after the execution of this Agreement and on an annual basis thereafter, Supplier will, at no charge to AT&T, perform a security audit utilizing a reputable independent auditor, as agreed by the Parties. Such security audit shall ensure that Supplier will strictly follow these AT&T Supplier Information Security Requirements.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

3.4 Requirements for Offshore Information Technology Services Requiring Elevated Rights

In the event Supplier currently provides or will be providing system, database, and or network administrator/root (or privileged, super user, or the like) access to host operating systems located on AT&T non-public networks in conjunction with this Agreement from an Offshore Location, then, in addition to the foregoing, the following requirements shall apply to Supplier:

- 1 Access for privileged offshore users will be via a front-end Citrix farm that requires SecurID authentication, with front end Citrix servers located in a DMZ segment. An alternative to this is an AT&T-provided Client VPN with a SecurID token used over a **secure connection** (NOT the public Internet) as reviewed and approved by AT&T's Chief Security Office (CSO).
- 2 Auditing options must be enabled on any Supplier perimeter equipment which controls access to the Supplier equipment used to do AT&T work. To ensure integrity of audit log entries, all Supplier system clocks must be synchronized to the same time source. Synchronization to AT&T clocks is not required. At a minimum, security audit log(s) must be automatically updated for the following system events:
 - a. Successful and unsuccessful login attempts.
 - b. Successful and unsuccessful attempts to switch to another user's account (where applicable).
 - c. Logoffs.
 - d. User attempts to access files or resources outside their privilege level.
 - e. User access to all privileged files and/or processes.
 - f. Operating system configuration changes.
 - g. Operating system program changes.
 - h. All changes, that can feasibly be captured, to system hardware and software.
 - i. All security-related changes, including adding users.
 - j. Failures for computer, program, communications, and operations.
 - k. Starting and stopping of audit logging.

Security audit logs must be maintained [**] and offline for a period of [**]

- 3 AT&T reserves the right to perform vulnerability scans and review the scanning results of Supplier systems in a pre-announced, scheduled manner on Supplier's equipment on an AT&T isolated LAN segment and Supplier Network equipment used to access AT&T Networks, systems, and data or Supplier agrees to reveal to the [**] the detailed scanning findings and closure activities related to vulnerabilities found [**]

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Information to be reported to the AT&T-IT OCE would consist of at least:

- Date of discovery of vulnerability
- How it was remediated
- What was remediated
- What are the plans to remediate
- Estimated Date of closure

4 An Intrusion Prevention System (IPS) is required on Supplier’s data network to prevent unauthorized access.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Michael Saeger
 Name: Michael Saeger
 Title: Treasurer
 Date: 8-28-2014

AT&T Services, Inc.

By: /s/ Deidre D. Byer
 Name: Deidre D. Byer
 Title: Sr. Contract Manager – Global Business & Operations Sourcing
 Date: 8/27/2014

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Amendment

No. 02026713.A.032

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

AMENDMENT NO. 32

AGREEMENT NO. 02026713

This Amendment No. 32, effective on the date when signed by the last Party (“Effective Date”), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation (“Supplier” or “Amdocs”), and AT&T Services, Inc., a Delaware corporation (“AT&T”), each of which may be referred to in the singular as a “Party” or in the plural as the “Parties”.

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, as amended by Amendment No. 1 effective December 19, 2003, as amended by Amendment No. 2 effective January 10, 2005, as amended by Amendment No. 3 effective December 15, 2005, as amended by Amendment No. 4 effective September 27, 2006, as amended by Amendment No. 5 effective September 27, 2007, as amended by Amendment No. 6 effective September 2, 2008, as amended by Amendment No. 7 effective December 8, 2008, as amended by Amendment No. 8 effective February 4, 2009, as amended by Amendment No. 9 effective March 28, 2009, as amended by Amendment No. 10 effective August 7, 2009, as amended by Amendment No. 11 effective March, 15, 2010, as amended by Amendment No. 12 effective May 28, 2010, as further amended by Amendment No. 13 effective August 30, 2010, as amended by Amendment 14 effective November 22, 2010, as amended by Amendment No. 15 effective December 3, 2010, as amended by Amendment No. 16 effective February 24, 2011, as amended by Amendment 17 effective May 24, 2011; as amended by Amendment No. 18 effective July 25, 2011; as amended by Amendment No. 19 effective November 14, 2011; as amended by Amendment No. 20 effective June 28, 2012; as amended by Amendment No. 21 effective July 23, 2012; as amended by Amendment No. 22 effective August 28, 2012; as amended by Amendment No. 23 effective October 31, 2012; as amended by Amendment No. 24 effective January 28, 2013; as amended by Amendment No. 25 effective March 22, 2013; as amended by Amendment No. 26 effective April 10, 2013; as amended by Amendment No. 27 effective July 19, 2013; as amended by Amendment No. 28 effective September 30, 2013; and as amended by Amendment No. 29 effective February 28, 2014, as amended by Amendment No. 30 effective May 31, 2014; and as amended by Amendment No. 31 effective August 28, 2014 (collectively, the “Agreement”) and

WHEREAS, AT&T and Supplier now desire to further amend the Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to Agreement 02026713 as follows:

1. For purposes of extending the term of the Agreement, **Section 3.32, “Term of Agreement”**, is deleted in its entirety and replaced with the following:

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

3.32. Term of Agreement

This Agreement with an Effective Date of August 7, 2003, shall remain in effect for a term ending on March 31, 2015, unless earlier Terminated or Canceled as provided in this Agreement. The Parties may extend the term of this Agreement by agreement in writing.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Steven Pennington
Name: Steven Pennington
Title: Director of Operations
Date: 9-30-2014

AT&T Services, Inc.

By: /s/ Deidre D. Byer
Name: Deidre D. Byer
Title: Sr. Contract Manager – Global Supply Chain
Date: 9/30/2014

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Amendment

No. 02026713.A.033

Between

Amdocs, Inc.

And

AT&T Services, Inc.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written agreement by the contracting Parties.

AMENDMENT NO. 33
AGREEMENT NO. 02026713

This Amendment No. 33, effective on the date when signed by the last Party (“Effective Date”), and amending Agreement No. 02026713, is by and between Amdocs, Inc., a Delaware corporation (“Supplier” or “Amdocs”), and AT&T Services, Inc., a Delaware corporation (“AT&T”), each of which may be referred to in the singular as a “Party” or in the plural as the “Parties”.

WITNESSETH

WHEREAS, AT&T and Amdocs are parties to that certain Agreement No. 02026713 for Software and Professional Services, dated as of August 7, 2003, (as previously amended, the “Agreement”) and

WHEREAS, AT&T and Supplier now desire to further amend the Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, the Parties hereto agree to changes to the Agreement as follows:

1. **Section 3.3, “Termination”**, is hereby deleted and replaced in its entirety as follows:

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 AT&T to Terminate an Order for cause or convenience, such Termination may, at AT&T’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, AT&T may accept a portion of the Software or Services covered by an Order, but AT&T 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), AT&T 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

Proprietary Information

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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 AT&T's payment in relation to a partial Termination for Cause or Convenience, Amdocs shall deliver to AT&T 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 [**] prior written notice to the other party 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. AT&T 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 AT&T, 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 AT&T's payment, Amdocs shall deliver to AT&T 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. AT&T 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 AT&T, cease performing any OnGoing Support Services as of the effective date of such Termination. [**] all 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 AT&T's payment, Amdocs shall deliver to AT&T all Work relating to the Software or Services which has been prepared pursuant to such Terminated Order, if applicable.
- F. In exercising its Termination rights under subsections 3.3(D) and 3.3(E) above, [**] provided, however, that if AT&T determines in good faith that an Order for such Custom Software Development or Ongoing Support Services requires immediate Termination due to budget restrictions, AT&T shall be permitted to exercise such rights immediately upon notice.
- G. Insolvency.
- (a) Right to Terminate.** In the event that any Party (a) files for bankruptcy, (b) becomes or is declared insolvent, or is the subject of any proceedings related to its liquidation, insolvency or the appointment of a receiver or similar officer for it, (c) makes an assignment for the benefit of all or substantially all of its creditors or (d) enters into an agreement for the composition, extension, or readjustment of substantially all of its obligations, then the other Party may terminate this Agreement as of a date specified in a termination notice; provided, however, that Amdocs will not have the right to exercise such termination under this **Section 3.3(G)**.

Proprietary Information

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so long as AT&T pays for the Services to be received hereunder in advance on a month-to-month basis. If any Party elects to terminate this Agreement due to the insolvency of the other Party, such termination will be deemed to be a termination for cause hereunder.

(b) Section 365(n). Notwithstanding any other provision of this Agreement to the contrary, in the event that Amdocs becomes a debtor under the Bankruptcy Code and rejects this Agreement pursuant to Section 365 of the Bankruptcy Code (a “**Bankruptcy Rejection**”), (i) any and all of the licensee and sublicensee rights of AT&T arising under or otherwise set forth in this Agreement shall be deemed fully retained by and vested in AT&T as protected intellectual property rights under Section 365(n)(1)(B) of the Bankruptcy Code and further shall be deemed to exist immediately before the commencement of the bankruptcy case in which Amdocs is the debtor; (ii) AT&T shall have all of the rights afforded to non-debtor licensees and sublicensees under Section 365(n) of the Bankruptcy Code; and (iii) to the extent any rights of AT&T under this Agreement which arise after the termination or expiration of this Agreement are determined by a bankruptcy court to not be “intellectual property rights” for purposes of Section 365(n), all of such rights shall remain vested in and fully retained by AT&T after any Bankruptcy Rejection as though this Agreement were terminated or expired. AT&T shall under no circumstances be required to terminate this Agreement after a Bankruptcy Rejection in order to enjoy or acquire any of its rights under this Agreement.

(c) AT&T Rights Upon Amdocs’ Bankruptcy. In the event of Amdocs’ bankruptcy or of the filing of any petition under the federal bankruptcy laws affecting the rights of Amdocs which is not stayed or dismissed within thirty (30) days of filing, in addition to the other rights and remedies set forth herein, to the maximum extent permitted by Law, AT&T will have the immediate right to retain and take possession for safekeeping all AT&T Information, AT&T Proprietary Information, AT&T licensed Third Party Software, AT&T owned Equipment, AT&T owned Materials, AT&T owned Custom Software, and all other Software, Equipment, Systems or Materials to which AT&T is or would be entitled during the term of this Agreement or upon the expiration or termination of this Agreement. Amdocs shall cooperate fully with AT&T and assist AT&T in identifying and taking possession of the items listed in the preceding sentence. AT&T will have the right to hold such AT&T Information, Proprietary Information, Software, Equipment, Systems and Materials until such time as the trustee or receiver in bankruptcy or other appropriate court officer can provide adequate assurances and evidence to AT&T that they will be protected from sale, release, inspection, publication or inclusion in any publicly accessible record, document, material or filing. Amdocs and AT&T agree that without this material provision, AT&T would not have entered into this Agreement or provided any right to the possession or use of AT&T Information, AT&T Proprietary Information or AT&T Software covered by this Agreement.

(d) Rights To Assume In Bankruptcy. In the event of commencement of bankruptcy proceedings by or against AT&T, AT&T or its trustee in bankruptcy shall be entitled to assume this Agreement and shall be entitled to retain all of AT&T’s license rights hereunder.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

H. **Termination Upon Amdocs' Change of Control**, which shall apply to all agreements between any AT&T Entity and any Amdocs Entity:

1. In the event of a change in Control of Amdocs (or that portion of Amdocs providing Services under this Agreement) or the Entity that Controls Amdocs (if any), where such Control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of Amdocs are acquired by any Entity, or Amdocs is merged with or into another Entity to form a new Entity, AT&T may at its option terminate this Agreement by giving Amdocs at least ninety (90) days prior notice and designating a date upon which such termination shall be effective; provided, however, AT&T shall not have this right if Amdocs Limited, (a Guernsey corporation as of the Effective Date) retains Control of Amdocs after such transaction, acquisition, merger; provided, further, however, if such change in Control of Amdocs involves an AT&T competitor, AT&T may terminate this Agreement by giving Amdocs at least ten (10) days prior notice, and the AT&T competitor shall be prohibited from any contact with AT&T Data, AT&T Information and any and all other information about the AT&T account, including discussions with Amdocs personnel regarding specifics relating to the Services. Amdocs shall not be entitled to any termination charges in connection with a termination pursuant to this **Section 3.3 H**. For purposes of this Section, "**Control**" and its derivatives mean: (a) the legal, beneficial or equitable ownership, directly or indirectly, of (i) [**] or (ii) equity interests having the right to at least [**] or, in the event of dissolution, to at least [**]; (b) the right to appoint, directly or indirectly, a majority of the board of directors; (c) the right to control, directly or indirectly, the management or direction of the Entity by contract or corporate governance document; or (d) in the case of a partnership, the holding by an Entity (or one of its Affiliates) of the position of sole general partner; and "**Entity**" means a corporation, partnership, joint venture, trust, limited liability company, association or other organization or entity.
2. Subject to any legal obligation of confidentiality or applicable securities laws, Amdocs will provide AT&T with notice at the earliest permissible time of Amdocs' intention to make such a change of Control and facilitate AT&T's receipt of sufficient information about the Entity acquiring Control for AT&T to choose to exercise its termination rights described in **Section 3.3 H 1**.
3. Any permitted assignee or successor in interest under this **Section 3.3 H** shall agree in writing to be bound by the terms and conditions of this Agreement.
4. Regardless of AT&T's consent or refusal to consent to an assignment under this **Section 3.3 H**, Amdocs, or its successor in interest, shall continue to perform under the terms of the Agreement until such time as the Agreement terminates or expires.

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

The terms and conditions of Agreement No. 02026713 as previously amended in all other respects remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to Agreement No. 02026713 to be executed, which may be in duplicate counterparts, each of which will be deemed to be an original but all of which together shall constitute only one instrument, as of the date the last Party signs.

Amdocs, Inc.

By: /s/ Steven Pennington
Name: Steven Pennington
Title: Director of Operations
Date: 11-12-2014

AT&T Services, Inc.

By: /s/ Deidre D. Byer
Name: Deidre D. Byer
Title: Sr. Contract Manager – Global Supply Chain
Date: 11/11/2014

Proprietary Information

The information contained in this Agreement is not for use or disclosure outside AT&T, Supplier, their Affiliates and their third party representatives, except under written Agreement by the contracting Parties.

Significant Subsidiaries of Amdocs Limited

<u>List of the Subsidiaries*</u>	<u>Jurisdiction of Incorporation or Organization</u>	<u>Business Name</u>
Amdocs Astrum Limited	Ireland	Amdocs Astrum Limited
Amdocs Development Centre India Private Limited	India	Amdocs Development Centre India Private Limited
Amdocs Development Limited	Republic of Cyprus	Amdocs Development Limited
Amdocs, Inc.	State of Delaware, USA	Amdocs, Inc.
Amdocs Holdings ULC	Canada	Amdocs Holdings ULC
Amdocs International GmbH	Switzerland	Amdocs International GmbH
Amdocs (Israel) Limited	Israel	Amdocs (Israel) Limited
Amdocs Management Limited	United Kingdom	Amdocs Management Limited
Amdocs Software Solutions Limited Liability Company	Hungary	Amdocs Software Solutions Limited Liability Company
Amdocs Software Systems Ltd.	Ireland	Amdocs Software Systems Ltd.
Amdocs (UK) Limited	United Kingdom	Amdocs (UK) Limited
European Software Marketing Ltd.	Island of Guernsey, Channel Islands	European Software Marketing Ltd.
Sypress, Inc.	State of Delaware, USA	Sypress, Inc.

* Each subsidiary listed is directly or indirectly wholly-owned by Amdocs Limited.

CERTIFICATIONS

I, Eli Gelman, certify that:

1. I have reviewed this annual report on Form 20-F of Amdocs Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

/s/ Eli Gelman

President and Chief Executive Officer

Amdocs Management Limited

Date: December 8, 2014

CERTIFICATIONS

I, Tamar Rapaport-Dagim, certify that:

1. I have reviewed this annual report on Form 20-F of Amdocs Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

/s/ Tamar Rapaport-Dagim
Chief Financial Officer
Amdocs Management Limited

Date: December 8, 2014

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

In connection with the annual report on Form 20-F of Amdocs Limited (the "Company") for the period ended September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Eli Gelman, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to the best of his knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Eli Gelman

Eli Gelman

President and Chief Executive Officer
Amdocs Management Limited

Dated: December 8, 2014

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

In connection with the annual report on Form 20-F of Amdocs Limited (the "Company") for the period ended September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Tamar Rapaport-Dagim, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to the best of her knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Tamar Rapaport-Dagim

Tamar Rapaport-Dagim
Chief Financial Officer
Amdocs Management Limited

Dated: December 8, 2014

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm in the head note to Item 3. Key Information — Selected Financial Data included in this Annual Report (Form 20-F) of Amdocs Limited and to the incorporation by reference in the following Registration Statements:

Form S-8, No. 333-91847
Form S-8, No. 333-92705
Form S-8, No. 333-31506
Form S-8, No. 333-34104
Form S-8, No. 333-58454
Form S-8, No. 333-114077
Form S-8, No. 333-132968
Form S-8, No. 333-135320
Form S-8, No. 333-137617
Form S-8, No. 333-139310
Form S-8, No. 333-140728
Form S-8, No. 333-159163
Form S-8, No. 333-193659

of our reports dated December 8, 2014, with respect to the consolidated financial statements and schedule of Amdocs Limited and the effectiveness of internal control over financial reporting of Amdocs Limited, included in this Annual Report (Form 20-F) of Amdocs Limited for the year ended September 30, 2014.

/s/ Ernst & Young LLP

New York, New York

December 8, 2014