

May, 2007

Dear Employee,

Amdocs' good name and reputation are the cumulative product of the conduct, dedication and competence of the people who are Amdocs – the employees.

As you know, Amdocs Limited ("Amdocs"), our parent company, is a publicly traded company and its securities are listed on the New York Stock Exchange. Being a publicly traded company offers us greater opportunity and imposes on all of us certain additional responsibilities. We set forth a policy adopted by Amdocs that is designed to help all of us comply with legal requirements regarding inside information and compliance with rules relating to resale of Amdocs' securities. These policies do not propose to provide answers to all questions that might arise; for that we must ultimately rely on each person's good sense of what is right. However, the policy provides guidance for compliance, and in certain instances, sets forth when each of us has to consult with the appropriate officer in Amdocs prior to taking any action.

The enclosed guidelines provide, among other things, for a prohibition on trading in Amdocs securities by any person who is aware of material non public information, a procedure for pre-clearing proposed transactions in Amdocs securities by directors, executive officers, and certain employees, and guidelines with respect to "black-out" periods in which certain transactions in Amdocs securities are prohibited.

Please read the policy carefully and make sure you understand it and the consequences of non-compliance. Should you have any further questions, please refer them to [codeofconduct@amdocs.com](mailto:codeofconduct@amdocs.com).

Very truly yours,

Michael Bricker  
General Counsel and Compliance Officer

To: All Directors, Officers and Employees

Re: **Statement of Amdocs Policy Regarding Inside Information and Securities Trading by Amdocs Directors and Personnel**

## 1. **Background**

Law enforcement officials in the United States have been vigorously pursuing violations of the United States insider trading laws, which in general prohibit the purchase or the sale of a company's securities while aware of any material non-public information (as described below in Section 2.B.) and the disclosure to any other person of any material non-public information if it is reasonably foreseeable that such person may use that information in purchasing or selling securities. The United States Congress has encouraged such prosecutions by adopting laws, which, among other things, dramatically increase the penalties for "controlling persons" for violations by company directors and personnel. If companies like Amdocs do not take active steps to prevent insider trading by company directors and personnel, the consequences could be severe for both the individuals involved as well as for the company.

This Statement of Amdocs Policy Regarding Inside Information and Securities Trading by Amdocs Directors and Personnel (the "Policy") sets forth standards for employees, officers, and directors of Amdocs Limited, its subsidiaries, and other business entities controlled by it worldwide ("Amdocs") with regard to trades in Amdocs securities. It amends and restates the Statement of Amdocs Policy Regarding Inside Information and Securities Trading by Amdocs Personnel issued on August 18, 1998. In addition to responding to the directives of the insider trading legislation, Amdocs adopts this Policy to:

- prevent inadvertent violations of the insider trading laws;
- assist its employees, officers, and directors in complying with insider trading laws so as to avoid personal liability;
- protect Amdocs from controlling person liability; and
- avoid even the appearance of impropriety on the part of those employed by, or associated with, Amdocs.

In addition to insider trading laws, holders of Amdocs securities may be subject to additional U.S. or other securities laws restrictions. Shares of Amdocs that were not registered pursuant to the Securities Act of 1933 (the "Securities Act") and are held by directors, certain officers, and affiliates of Amdocs may be "restricted securities". Shares of Amdocs held by directors and certain officers of Amdocs may also be deemed "control securities". Holders of restricted securities and/or control securities cannot sell their shares unless they satisfy certain conditions and follow certain procedures under the securities laws, which may include a filing with the U.S. Securities and Exchanges Commission (the "SEC"). While such shares may generally be sold pursuant to the "safe harbor" provisions contained in Rule 144 under the Securities Act, directors, officers and employees holding such shares should consult with their stockbroker and legal counsel to ensure compliance with the procedural requirements of the Securities Act and Rule 144.

## **2. Insider Trading**

### **A. The Consequences of Insider Trading**

The consequences of insider trading violations can be staggering:

**For Individuals** who trade on the basis of inside information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to ten years.

**For a company** (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- A civil penalty of the greater of \$1 million or three times the profit gained or loss avoided as a result of the employees violation; and
- A criminal penalty of up to \$2.5 million.

Moreover, if an employee violates Amdocs' insider trading policy, Amdocs could impose sanctions, including dismissal for cause, resulting from a failure to comply with Amdocs' policies or procedures. Needless to say, any of the above consequences would be severe. An investigation by the SEC, even one that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

## **B. Amdocs Policy**

If a director, officer or any employee is aware of material non-public information relating to Amdocs, it is Amdocs' policy that neither that person, nor any related person or entity may buy or sell securities of Amdocs or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to trading securities or disclosing information of another company, including Amdocs customers or suppliers, while aware of relevant non-public information obtained in the course of employment.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve Amdocs' reputation for adhering to the highest standards of conduct.

The prohibition on purchases and sales of Amdocs securities while aware of material non-public information concerning Amdocs does not apply to a transaction pursuant to a Rule 10b5-1 trading plan. Such "10b5-1 sales plans" are discussed further in Section 2.C. of this Policy regarding "Black-Out Periods".

**What is Material Information?** Material information is information that a reasonable investor would consider important in a decision to buy, hold or sell stock. In short, any information that could reasonably affect the price of the stock may be considered material.

Examples – Common examples of information that will frequently be regarded as material are: new customers, contracts, or significant sales; annual or quarterly financial results; projections of future earnings or losses; news of a pending or proposed merger, acquisition or tender offer; major management changes; significant new products or discoveries; financial liquidity problems; the gain or loss of a substantial customer or supplier news of a significant sale of assets or the disposition of a subsidiary; and changes in dividend policies or the declaration of a stock split or the offering of additional securities. Either positive or negative information may be material.

**When is Information Considered “Non-Public”?** Information concerning Amdocs is considered non-public if it has not been disseminated in a manner making it available to investors generally, typically through a press release issued by Amdocs or a public filing with the SEC. Because it is important to Amdocs that the investing public be afforded an opportunity to receive such publicly announced information and to act upon it, Amdocs also prohibits officers, directors and certain other employees, as designated from time to time by the Board, CEO or CFO (the “Designated Employees”) from trading in Amdocs securities immediately following a public announcement of material information. Each of the Designated Employees will be notified by Amdocs and the list of the Designated Employees may change from time to time. Accordingly, as a general rule directors, officers, and Designated Employees should not engage in any transactions until the second business day after a formal announcement is made to the public via a press release disseminated by Amdocs or a filing with the SEC.

**Twenty – Twenty Hindsight.** There is no bright-line rule as to what constitutes material non-public information. If certain securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction directors, officers, and employees should carefully consider how regulators and others might view the transaction in hindsight.

**Transactions by Family Members or Related Entities.** The restrictions that apply to directors, officers, and employees also apply to their family members and others living in their households. They also apply to all corporations, partnerships, trusts, or other entities they own or control. All Amdocs directors and personnel are expected to be responsible for the compliance of their immediate family, household members, and controlled business interests.

**Tipping Information to Others.** Each individual who has access to material non-public information must exercise great caution in preserving the confidentiality of that information within Amdocs. The communication of such information on other than a “need to know” basis to third parties, or recommending, suggesting or discussing the purchase or sale of Amdocs stock while in possession of such information, is a violation of Amdocs policy and can be unlawful, whether or not the individual derives any benefit from another’s actions. In fact, the SEC has imposed a \$470,000 penalty on a tipper even though he did not profit from his tippees’ trading.

**Other Prohibited Trading Activities.** Directors, officers, and Designated Employees, and their families and controlled business entities may not engage in any short sales of Amdocs securities or purchases of puts or calls on Amdocs securities for speculative purposes.

### **C. “Black-Out” Periods**

Because certain Amdocs directors and personnel may be more likely to have advance access to periodic financial and other material information, Amdocs has established regular “black-out” periods further restricting trading by Amdocs directors and personnel. All directors, executive officers, and Designated Employees, are subject to such “black-outs”. During a black-out period, trading in Amdocs securities by such individuals is prohibited, except as set forth below. Regular black-out periods coincide with the release of Amdocs quarterly and annual financial information. Regular quarterly black-out periods are imposed one week prior to the end of a fiscal quarter and last until the second business day after Amdocs has put out an earnings press release for that fiscal quarter. Similarly, the same persons must refrain from trading in Amdocs securities from one week prior to the end of a fiscal year until the second business day after Amdocs has put out a year-end earnings press release. These periods are established to help protect directors, officers, employees, and Amdocs from any appearance of insider trading. Immediate family household members and controlled business interests of these persons must also refrain from trading during black-out periods.

From time to time, Amdocs may initiate additional “special” black-out periods as follows:

- at the beginning of any public earnings-related or significant corporate transaction announcement that will end upon the completion of the first full trading day after such announcement; and
- during such other periods as may be established by the Board, CEO, or CFO in light of particular events or developments affecting Amdocs.

In addition, no person prohibited from trading under a special black-out may inform a person not subject to such black-out of the existence of the black-out or of the particular events or developments in effect giving rise to such black-out.

The prohibitions on purchases and sales of Amdocs securities during corporate black-out periods do not apply to:

- purchases or sales made pursuant to a binding contract, written plan or specific instruction (a “trading plan”) that is adopted and operated in compliance with Rule 10b5-1; provided such trading plan: (1) is in writing; (2) was submitted to Amdocs for review by Amdocs prior to its adoption; and (3) was not adopted during a corporate blackout period or while having knowledge of material non-public information; and
- exercises of stock options or the surrender of shares to Amdocs in payment of the exercise price or in satisfaction of any tax withholding obligations, in each case in a manner permitted by the applicable stock option; provided, however, that the securities so acquired may not be sold (either outright or in connection with a “cashless” exercise transaction through a broker) during a corporate black-out period.

#### **D. Amdocs Assistance**

Amdocs shall take reasonable steps designed to ensure that all directors, officers, and employees of Amdocs are educated about, and periodically reminded of, the U.S. securities law restrictions and Amdocs policies regarding insider trading. Directors, officers and employees shall be required to certify their understanding of, and intent to comply with the Policy. For any questions about a specific transaction, employees may obtain additional guidance from the CFO, and are strongly encouraged to do so. However, the ultimate responsibility for adhering to the Policy and avoiding improper transactions rests with the employee. In this regard, it is imperative that employees use their best judgment.

#### **E. Pre-Clearance of All Trades by Directors, Executive Officers, and Designated Employees**

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), Amdocs is implementing the following procedure:

All transactions in Amdocs securities, including acquisitions, dispositions, transfers, exercise of stock options, etc. by directors, executive officers, and Designated Employees must be pre-cleared by the CFO. This also includes transactions by immediate family household members and controlled business interests of those persons. If a person subject to this section wishes to engage in a transaction in Amdocs securities, he or she must first contact the CFO and obtain clearance in advance. If the CFO indicates that such a transaction would be considered improper, such person must not engage in the transaction. No transactions in Amdocs securities will be approved during a black-out period. The purpose of the pre-clearance procedure is to prevent transactions that are improper, not to definitively state whether a transaction is proper. If the CFO gives clearance to an individual regarding a transaction, it is ultimately the responsibility of such individual to comply with the insider trading laws. Only the individual can know whether he or she is aware of material non-public information.