

#### REVISION HISTORY

Revision	Description of Change	Writer/Reviser	Effective Date
A.01	New Document Release	Alex Paz-Goldman	February 25, 2014

#### APPROVERS

Name	Title	Department
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## ABOUT magicJack Vocaltec

[magicJack](#) VocalTec Ltd. (Nasdaq: CALL), the inventor of the magicJack and the industry's original VoIP (voice over IP) service in 2008, is a leading cloud communications company. With its easy-to-use, low cost solution to telecommunications, the Company has sold more than 10 million award-winning magicJack devices, now in its third generation, and has the use of more than 30 technology patents. It is the largest-reaching CLEC (Competitive Local Exchange Carrier) in the United States in terms of area codes available and certification in number of states..

## **1. BACKGROUND/INTRODUCTION**

### **1.0 Conflict Material**

The United Nations Group of Experts on the Democratic Republic of the Congo (DRC) found that the trade of certain minerals, Columbite-Tantalite (Coltan/Tantalum), Cassiterite (Tin), Wolframite (Tungsten) and Gold, called Conflict Minerals (3TG), is helping to finance the civil conflict in the DRC characterized by extreme levels of violence, particularly sexual-and gender-based violence.

### **1.1 SEC rule**

On August 22, 2012, the SEC adopted Exchange Act Rule 13p-1, which requires disclosures mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act). The new rule requires companies to determine and publicly disclose on an annual basis whether their products were manufactured using certain minerals, designated as “conflict minerals,” that originated in the Democratic Republic of the Congo (DRC) or adjoining countries (collectively, the “covered countries”). If so, an issuer is required to provide a report describing the measures taken to determine whether the minerals financed or benefited armed groups in the region and its conclusions. The report is required to be audited. The SEC’s press release announcing this rulemaking can be accessed [here](#), and the adopting release can be accessed [here](#).

## **2. PURPOSE**

This document contains magicJack Vocaltec’s policy regarding Conflict Minerals in our supply chain.

## **3. SCOPE**

This document defines magicJack Vocaltec’s due diligence requirement and expectation of our supply chain.

## **4. magicJack Vocaltec Conflict Minerals Policy**

- 1) “Conflict Minerals” refers to minerals or other derivatives mined in the Democratic Republic of the Congo (“DRC”) and in the adjoining countries where revenues may be directly or indirectly financing armed groups engaged in civil war, resulting in serious social and environmental abuses. In July 2010,

the United States passed the Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 1502(b) of this law requires all companies required to file reports with the SEC to disclose the usage of Conflict Minerals (Columbite-tantalite (coltan), cassiterite, gold, wolframite, and their derivatives, which are limited to tantalum, tin, and tungsten) ("3TG").

- 2) magicJack Vocaltec fully supports this legislation and the Electronic Industry Citizenship Coalition ("EICC")/Global e-Sustainability Initiative ("GeSI") position to assure that specified minerals are not being sourced from mines in the "Conflict Region", which are controlled by non-government military groups. Consistent with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas," magicJack Vocaltec has adopted the EICC Due Diligence reporting process and will require declarations from all magicJack Vocaltec suppliers, ensuring transparency in our supply chain.
- 3) magicJack Vocaltec will work towards processes that will help assure us that we do not knowingly procure or use conflict minerals the extraction or sale of which finances or benefits armed groups in the DRC or adjoining countries.
- 4) magicJack Vocaltec expects our suppliers to source from socially responsible suppliers. This means we not only source from suppliers using sources from other regions but will work towards processes where we source with suppliers who have confirmed non-conflict sources, even if those sources do come from the DRC or adjoining countries.
- 5) Suppliers are expected to have policies and procedures in place to ensure that products and parts supplied to magicJack Vocaltec are "DRC Conflict-free".
- 6) Suppliers are expected to provide all necessary due diligence information to confirm that all 3TG supplied to magicJack Vocaltec is "DRC Conflict-free".
- 7) magicJack Vocaltec expects suppliers to pass these requirements on to their supply chain.
- 8) If magicJack Vocaltec discovers the use of conflict minerals considered to be "not DRC Conflict-free", in any material, parts or components we procure or produce, we expect our suppliers to work toward processes, and to take appropriate actions, to transition such material, parts or components to "DRC Conflict-free" status. We reserve the right to terminate our relationship with suppliers that do not meet this expectation.
- 9) Compliance with these requirements will be taken into consideration when selecting and retaining suppliers.
- 10) This Conflict Minerals policy is in line with the Global Business Initiatives on Human Rights and the framework of the United Nations Principles of Human

Rights encouraging governments and businesses to respect, protect and remedy human rights.

## 5. Conflict Minerals Due Diligence Process Flow

- 1) Send request to the suppliers telling them that magicJack adopts EICC conflict minerals Due Diligence Reporting tool. (TBD)
- 2) Attach the following documents with the request:
  - a. EICCGeSIDDtemplate
  - b. [EICCGeSIDD xls file](#)
  - c. Supplier letter policy (TBD)
- 3) Supplier are requested to:
  - a. Understand conflict Minerals (3TG) information from their lower tier suppliers
  - b. Determine whether their products or components contain 3TG
  - c. Determine the source of smelter and mine used
- 4) Conflict Minerals Processing Team validates the report:
  - a. Suppliers are required to return a signed copy of the completed report to:  
[\(cmr@vocaltec.com\)](mailto:cmr@vocaltec.com)
  - b. Conflict Minerals Processing Team reviews the report.
- 5) Publishing on magicJack VocalTec website
  - a. All completed report submitted by suppliers should be stored on website under section “suppliers/ConflictMineralsReports.