

ITURAN LOCATION AND CONTROL LTD.

Conflict Minerals Compliance Policy

The U.S. Securities and Exchange Commission (SEC) has approved the final rule regarding the sourcing of “conflict minerals” under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Under this rule, publicly traded companies, such as Ituran Location and Control Ltd. must report to the SEC whether “conflict minerals” (tantalum, tin, tungsten and gold) ("**Conflict Minerals**") originating in the Democratic Republic of Congo (DRC) or adjoining “covered countries” (Angola, Burundi, The Central African Republic, The Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia) ("**DRC**") are present in the products the reporting companies manufacture or contract to manufacture, if the Conflict Minerals are necessary to the functionality or production of a product.

The sale of Conflict Minerals mined in the DRC and other covered countries have funded armed conflicts in that region, and those conflicts have led to numerous human rights abuses and atrocities. (For further information, see also link to the U.S. Securities and Exchange Commission final rule, <http://www.sec.gov/rules/final/2012/34-67716.pdf>) See also the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict – Affected and High Risk Areas (the “**OECD Guidelines**”) <http://www.oecd.org/fr/daf/inv/mne/mining.htm>.

Ituran's policy is to use “conflict-free” minerals in our products and systems, and we support recent government and industry actions to increase supply chain transparency to facilitate the ability of companies to source conflict-free minerals. Therefore, we are taking measures, consistent with the SEC and OECD Guidelines, to meet the applicable reporting obligations, including enhancing our supply chain due diligence and internal controls relating to Conflict Minerals. We are committed to sourcing materials from companies that share our values with respect to human rights, ethics and environmental responsibility as reflected in Code of conduct of Ituran's Suppliers and Agents, which can be found on our website: www.ituran.com.

Our policy relating to Conflict Minerals is an important part of our overall policy regarding responsible supply chain management. As part of our Conflict Minerals compliance policy, we are requesting that all of our current and potential suppliers of components or products which may contain Conflict Minerals, to complete a Conflict Minerals Supplier Due Diligence Questionnaire, using the standardized EICC/GeSI Conflict Minerals Reporting Template that traces the metals back through the supply chain.