

ITURAN LOCATION AND CONTROL LTD.

Code of conduct of Ituran's Suppliers and Agents

Introduction

This document is Ituran location and Control ("**Ituran**"), Code of conduct of Suppliers and Agents ("**Code**"). We place business ethics and Corporate Social Responsibility ("**CSR**") at the forefront of all our business dealings, including those with our Suppliers, both direct and indirect, recognizing that they are key stakeholders in the success of our business. Conducting business honestly, ethically and properly is critical to our mutual continued success. Our supplier selection standards are very high; we expect our suppliers to be innovative and efficient and quality driven. However, we choose suppliers who share our commitment for best ethical practices, who meet our standards in respect of human rights, health & safety and environmental stewardship. This Code sets out these CSR requirements and how we want to ensure your compliance with them. In return, we aspire to conduct business with you as fair and honest partner. We believe that relationships built on trust and integrity, and mutual understanding of the importance of CSR values, will be sustainable and beneficial for all.

CSR REQUIREMENTS FOR ALL SUPPLIERS/AGENTS

Our suppliers must comply with all relevant laws relating to human rights, health, safety, environment and anti-bribery & corruption (including US Foreign Corrupt Practices Act ("**FCPA**"), the latest version of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and section 1502 of the Dodd-Frank Act, if applicable).

Suppliers must also adhere to good ethical practices and especially undertake:

1. To support and to respect the protection of human rights within their areas of influence, and to promote this in their supply chain.
2. To prohibit all forms of forced, compulsory and child labor.
3. To support the principles of equal opportunity in respect of the recruitment and selection of employees.

4. To comply, as a minimum, with all applicable health & safety legislation and continually improve stewardship towards best industry practice.
5. To comply, as a minimum, with all applicable environmental legislation and support a proactive approach to environmental challenges.
6. To comply with all relevant anti-bribery and anticorruption legislation (including FCPA) in respect of their dealings with Ituran.
7. To comply with the OECD guidance as well as Section 1502 of the Dodd-Frank Act which aims to prevent the use of minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or in adjoining countries (“**conflict minerals**”).

The above requirements where relevant and practical will be incorporated into new or renewed supply contracts which may include additional clauses and reference other specific laws and regulations as required.

ADDITIONAL ASSURANCE PROCEDURES

Higher Risk Suppliers

Suppliers who we deem to have a higher potential CSR risk because of the value of their contract with Ituran, the type of supply or some other risk factor, may be required to certify compliance with this Code (see Appendix I) and to complete a self-assessment CSR questionnaire (see Appendix II). They may also be asked to provide additional information on their CSR. If such enquiries are satisfactory, the Supplier may be engaged. If the requirements are not met, a remediation plan should be put in place over an agreed time frame and the progress shall be monitored. If the supplier may not be able to continue dealing with Ituran. We will offer as much help in such circumstances as is practical.

Conflict Mineral Suppliers

Due to the proceeds from Conflict Minerals (Tantalum, Tin, Tungsten and Gold) from Democratic Republic of the Congo or adjoining country (DRC), may be used to violate human rights, and finance armed groups who operate in such areas, and companies which use products which contain DRC minerals may indirectly finance such activities. Ituran has designed its conflict minerals reporting efforts to align and comply with Dodd-Frank’s conflict minerals reporting rules and expects suppliers to

do the same and to work with their supply chain to improve its conflict minerals due diligence efforts in accordance with applicable OECD guidance and to make efforts towards making their supply chain DRC Conflict Minerals Free. We require that all suppliers (who provide products or components to Ituran that may contain Conflict Minerals) to complete annual surveys regarding the country of origin of any conflict minerals contained in such products or components. We require that all suppliers agree to cooperate with Ituran in connection with any due diligence that Ituran chooses to perform with respect to its country of origin inquiries. In addition, we require suppliers, to provide reasonable proof of the due diligence performed to support the country of origin certification to Ituran using the standardized EICC/GeSI Conflict Minerals Reporting Template that traces the metals back through the supply chain. Conflict Minerals suppliers will be required to certify the compliance with this Code (see Appendix I) and to complete a self-assessment Conflict Minerals questionnaire (see Appendix III).

Other Suppliers

We expect all other suppliers to adhere to the principles set out in this Code. For key suppliers we would also expect that they would have similar requirements in place for their upstream supply chains and to exercise diligence in verifying their suppliers' compliance. We may ask them to demonstrate that this is the case (using the format set out in Appendix IV) and may be asked to provide additional information on their CSR in order to provide required levels of assurance with the standards prescribed.

CODE VIOLATIONS, REPORTING AND REVIEW

Please note that Ituran may terminate a contract with a Supplier who violates this Code or refuses, if asked, to take part in a remediation plan. Likewise Ituran will also exclude from any tendering process Suppliers who do not show high ethical and Ituran standards or compliance with relevant laws. We strongly encourage any ethical or legal misconduct or violations of this code to be reported by either the relevant Ituran business or the Supplier by notifying our CFO by email: Eli_k@ituran.com . Only if we uphold these high ethical and CSR standards, can we safeguard our excellent reputation and ensure our shared, continued success. We will constantly

monitor the operation of this Code and make further improvements where we believe this can lead to even better practice. We look forward to doing business with you and together leading an ethical and responsible supply chain.

Eyal Sheratzky, Co-Chief Executive Officer

Ituran Location and Control LTD

Appendix I Code of conduct of Ituran's Suppliers and Agents:

Higher Risk Suppliers/Agents

To: Ran Shviro (ran_s@ituran.com)

We confirm our understanding of and compliance with the requirements set out in this Code of conduct of Ituran's Suppliers and Agents.

We have completed and attached the supporting CSR questionnaire in Appendix II. We understand we may be asked to provide additional information on our CSR.

_____ (Name of Supplier/Agent Company)

_____ (Name of Supplier/Agent Signatory)

_____ (Job title of Supplier/Agent Signatory)

_____ (Signature)

_____ (Supplier/Agent Company Address)

_____ (Date (DD/MM/YY))

Appendix II Code of conduct of Ituran's Suppliers and Agents:

Higher Risk Suppliers/Agents

COMPANY DETAILS

1. Company Name: _____

2. Address:

3. CEO/Managing Director: _____

4. Type of Business:

5. Telephone: _____

6. Fax: _____

7. E-mail: _____

8. Website: _____

CSR POLICY

1. Does the company have a CSR policy? If so, please attach a copy.

2. Does the company have any relevant certifications in relation to CSR? If so, please attach a copy.

ANTI-BRIBERY & CORRUPTION

1. Does the company have an anti-bribery & corruption policy? If so, please attach a copy.

2. Does the company comply with all relevant local and international anti-bribery & anti-corruption legislation?

3. Has the company ever been sanctioned for any bribery or corruption offence? If so, please give details.

Appendix III Code of conduct of Ituran's Suppliers and Agents:

Conflict Mineral Suppliers/Agents

COMPANY DETAILS

9. Company Name: _____

10. Address:

11. CEO/Managing Director: _____

12. Type of Business:

13. Telephone: _____

14. Fax: _____

15. E-mail: _____

16. Website: _____

CONFLICT MINERALS

1. Does your company has a Conflict Minerals policy? If so, please attach a copy.
2. Please 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.

Appendix IV Code of conduct of Ituran's Suppliers and Agents:
Other Suppliers/Agents

To: Ran Shviro (ran_s@ituran.com)

We confirm our understanding of and compliance with the requirements set out in this Code of conduct of Ituran's Suppliers and Agents

We understand we may be asked to provide additional information on our CSR.

_____ (Name of Supplier/Agent Company)
_____ (Name of Supplier/Agent Signatory)
_____ (Job title of Supplier/Agent Signatory)
_____ (Signature)
_____ (Supplier/Agent Company Address)

_____ (Date (DD/MM/YY))