

RAVAL Group Code of Ethics

November 2018

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1. Words from the CEO

RAVAL Group is a global organization, which develops, manufactures and supplies systems and accessories for the Automotive Industry worldwide, in two areas of expertise:

- Automotive Systems Division: Fuel Tank Venting, Washing accessories for headlamps, cameras and scanners and Brake Valves.
- Automotive Light weighting Components Division: plastic based products as replacement for heavier / metal parts to reduce overall car weight

The company's products provide an appropriate response to the world's growing regulatory demands for protecting the earth while increasing passenger safety.

As a multi-national organization active globally, the company conducts its business according to ethical values, culture and local laws.

The **Code of Ethics** expresses the company's commitment to behavioral standards expected of its employees, managers and directors and Raval downstreams this commitment to its suppliers.

The managers are responsible for implementing and preserving the Code of Ethics as a guiding tool among all employees.

Nir Elimelech,
CEO

November 2018

2. Vision

Raval will lead its people to develop products and technologies for its core business in the Automotive Industry.

We aim to produce our products in a qualitative and efficient manner while increasing our share in the global market.

Guarding and optimizing the value of our business while taking into account the needs and expectations of interested parties are our Moto.

As derived from our values, we will maintain a company, which preserves excellent interpersonal relations, and dedicates itself to being a united team striving for fairness and excellence.

Raval is determined to be a company that focuses in contributing a higher quality of the air we breathe, and higher passenger safety.

3. Raval Group Values

The integrity of Raval is comprised of our innermost beliefs – our inner values. Through the following values, we wish to express our commitment to positive results, to stability, to creativity and innovation, and our full commitment to honesty and reliability in our commercial activity and in our work with people.

Our values are the lighthouse towards which we set our course in order to reach our destination.

Our values are our organizational compass, towards which we adjust our behavior and our resolutions as individuals and as a company in order to reach our goals.

Nowadays, more than ever, Raval wishes to strengthen, by these values, its ethical declaration as part of the establishment of a stable and proactive organizational culture. Starting as a small, yet strong and focused company, which evolved in a kibbutz environment, Raval conducted its activity based on unwritten, yet lucid, values.

Nowadays, when the size and the worldwide distribution of Raval can create a physical distance between the company and its employees, we are required to define, clarify, and implement our values so that we can transmit a message of integrity for the entire group.

HONESTY AND RELIABILITY

We base our organizational and commercial activity on honest and reliable cooperation – a shared goal arising from our internal interfaces. Cooperation based on honesty and reliability enables us to achieve our daily objectives: positive results gained by applying professionalism and commitment. We aim to sustain an honest and reliable environment for the benefit of our employees, our customers, our suppliers and our shareholders.

STRIVING for PERFECTION

Professionalism and perfection are core qualities in an environment committed to continuous improvement. Our commitment encourages excellence in our daily being and doing. We therefore respect diversities and differences amongst us, as qualities that nurture excellence. We are committed to a high quality of products at each stage of development: design, production and marketing. This quality can meet the highest indicators of performance in order to keep Raval's sustainable competitive advantage in the market.

Striving for perfection has a direct impact on our organizational culture as it creates deep commitment to and among our major partners: our employees, our customers, our suppliers.

TEAMWORK

As an honest and reliable organization striving for perfection, we aim for prosperous teamwork with our customers and suppliers. As such we are committed to showing the genuine team spirit reflected in support, serviceability, and open communication. Moreover, we are committed to allowing constructive criticism whilst accepting and respecting the other in order to achieve our company's goals.

CREATIVITY

Creativity is the core value of Raval; it is reflected in our innovative developments, and in the advanced production techniques we use. Thus we aim for continuous improvement and the challenge of asking the right question whilst searching for the next horizon.

The organization accepted the responsibility to work and instruct according to ethical values. Therefore we will act according to them, become role models to our employees, and implement the values as the foundation stones of our operation

4. Code of Ethics

4.1 From Values to Actions

Transforming RAVAL's vision and values into a sustainable reality is a daily goal for us. Recognizing the company's values as part of the organizational compass, and as a significant part of our being, we find it important to define the following objectives, which are essential for RAVAL's corporate responsibility:

1. To maintain high standards of management by operating at the optimal levels of honesty, transparency, personal and organizational commitment, compliance with laws and regulations which are applicable to the company, whilst supporting a constant learning process, constant improvement, and becoming a personal example to employees, customers and suppliers.
2. To comprehend the ethical code thoroughly, by creating a commitment to its wording, implementing it in a direct and personal manner, assimilating the code among company employees, and distributing the code's spirit among customers and suppliers.
3. To establish a process of implementation and integration of the Code of Ethics among all Group employees.

4.2 Records and Reports Management

- A. RAVAL maintains full transparency with its partners: the employees, the customers, the suppliers and the shareholders. Therefore RAVAL manages its records and reports according to the most stringent industry standards and thus enforces an organizational culture of transparency, integrity, obedience to the corporate laws of the State of Israel, subordination to international quality standards and/or any other issue, personal or standardized, which is significant to its partners.
- B. Our daily work exposes us to information from different sources, some of which are confidential. We demand of RAVAL employees not to use organizational information of any kind and from any source, other than for work purposes. They must not transfer information to an unauthorized source, and no internal information shall be used for personal benefit. They shall not disclose processes, technology, programs, and / or any other information that may harm the company's performance, to any person, contractor or sub-contractor who is not authorized by the company to receive this information.
- C. RAVAL has developed and accumulated a considerable extent of engineering knowledge and know-how, which has a technological added value to its customers worldwide. We are committed to keeping this knowledge to ourselves, and not to transfer it to any foreign entity for any reason. Each employee must commit to this by signing the company's confidentiality documents.

4.3 Working at RAVAL

A. Essential Conditions for Human Working Relations:

Company values define our fundamental principles for human working relations:

- **Mutual Respect** – Our organizational culture is based on relations of mutual respect among individuals. Raval allows no discrimination, harassment, or any kind of intolerance, seeing as these are all expressions of a basic lack of respect for the other. This condition is a binding fundamental condition, and it must be observed at all levels and under all circumstances.
- **Trust** – We value the basis of trust as a behavior that elevates the intra-organizational working relations from random to commitment, thus fostering personal and professional reliability and organizational loyalty, developing direct and open relations, and enabling an efficient and effective working environment.
- **Transparency and Honesty** – We consider organizational transparency and honesty as elemental conditions for efficient and effective communication. Communication, which is based on facts as well as open and honest dialogue ensures constant improvement, encourages creative and effective collaboration, allows effective delegation of responsibilities and improves our know-how and Information management
- **Collaboration** – We encourage collaboration between employees, colleagues and managers as a basic condition of mutual fertilization, to establish a shared responsibility, and to create a synergetic environment. Working from a concept of cooperation improves processes, identifies agreed-upon applicable solutions, and leverages work procedures and communication channels.

B. Raval Commitment

We are committed, in the spirit of our business guidelines, to uphold and observe international principles and conventions with regard to human and employees' rights. We are fully compliant with the Dodd–Frank Wall Street Reform and Consumer Protection Act as regarding Conflict Minerals and demand the same from our suppliers.

The guiding principles of our commitment to our members and to each other are:

- Raval will provide its employees with a work environment that protects their health and wellbeing according to safety, hygiene, and environmental codes. We are fully certified for OHSAS 18001.
- Raval will not discriminate against its employees on any grounds of religion, race, citizenship, gender, or ethnicity. This holds true for avoiding discrimination of candidates for employment.
- Raval will not condone any sexual or moral harassment and will follow the regulations of the relevant State, according to local legislature.
- Raval strives to establish work relations based on mutual respect, trust, transparency, honesty, and collaboration on all levels.

- Raval values long-term employment in order to develop and preserve know-how, professionalism, and collaboration.
- RAVAL activates a fair competitive reward and remuneration system. RAVAL offers its employees a fair salary, pension, benefits and other social benefits, in accordance with the performed job.
- RAVAL sustains professional development processes and nurtures the empowerment of its employees, all of which are implemented by means of professional and interpersonal training, performance appraisal, and programs oriented to performance improvement and personal development.

4.4 Working with RAVAL: customers, suppliers, competitors

We, in RAVAL, see our customers, suppliers and even competitors, as partners in professional development and business action. As such, we are committed to them in our integrity, and our inner values: honesty and reliability, striving for perfection, teamwork, and creativity. These values will be reflected in our partnership as providers and demanders, in order to establish a safe, proactive, and developing work environment.

A. Customers

Customers are a major asset for RAVAL, and we strive to maintain high levels of customer satisfaction. We regard our customers' needs as a major factor, and hence, we are committed to providing them with professional teams, and suitable working processes and outcomes. Our contact people are available for our customers to provide them with a reliable, professional and courteous service. RAVAL will not tolerate any misconduct by its employees towards customers. RAVAL is constantly aiming to strengthen cooperation with its customers, and considers this partnership as an essential tool in its ability to maintain and strengthen a sustainable competitive advantage.

The basic principles for fruitful cooperation with customers are: maintaining confidentiality, paying attention to customer needs, assisting in the achievement of the optimal solution, and providing an accurate and reliable service throughout the interface with the customer over time.

B. Suppliers

RAVAL purchases materials, equipment and services, emphasizing quality, service and price. Decision-making processes regarding the relationship with suppliers and purchasing is conducted according to law and Raval internal procedures. Raval chooses its suppliers fairly while taking into consideration all the relevant information.

RAVAL considers its suppliers as partners, and collaborates with them on a partnership basis, maintaining mutual trust, quality and reliability.

RAVAL expects its suppliers to act under the relevant laws and customary ethical rules. Our suppliers are required to follow all applicable laws that prohibit giving of anything of value to any person or entity in order to get an unfair business advantage.

The suppliers must follow anti-bribery and anti-corruption laws. In this context, RAVAL and its employees are committed not to accept or give favors or gifts, and not to show preferences to related persons and/or colleagues, either personally or professionally.

C. Competitors

RAVAL manages its activities and business operations in an honest and fair manner, while preserving the rights of other parties. RAVAL respects fair competition in line with our ethics code, and encourages cooperation in accordance with antitrust regulations.

4.5 Preserving and maintaining assets

RAVAL is the owner of properties and assets all over the world, which include equipment, materials, know-how and internal information, as well as valuable Intellectual Properties. RAVAL invests considerable effort in keeping its assets from misuse. RAVAL's assets are used by its employees for the business purposes of RAVAL only. RAVAL prohibits the use of its assets for profit or personal benefits or activities which are **not** directly related to RAVAL.

Use and Management of Internal Information

Internal information is: information concerning the development of the company, changes in its business environment, results, development, forecasted changes or any other internal information that is unknown to the public and would such information be known, it could considerably influence the stock value of the company or any other stock value on which the company's stock is based (securities law section 52a).

Raval Group employees are obliged to follow procedure RVG2.11 – "*Prohibition on Use of Inside Information*".

Securities law strictly prohibits the use of internal information either by an inside person or a related person who received, directly or indirectly, the information from an inside person.

Internal information is characterized by the following:

- Information about the company or related to the company. The information may concern the company internally (such as: profits, R&D new projects etc.) or externally (such as bids)

The information was not presented to the public, is unknown to investors, and concerns information that was not yet reported to the Securities and Exchange Commission and to the stock exchange.

- Essential information which if published may considerably influence (negatively or positively)

- 1) stock price
- 2) company's value
- 3) company's future (may influence decision making in regard with the acquisition or the sale of company's stocks)

Examples of internal information:

- Proposals of merging and acquisitions
- Acquisition or sale of essential assets
- Development concerning essential legal proceedings
- Re-organizations in the company

Equipment and Tangible Assets

Property of tangible assets and equipment within the company, including property owned by RAVAL or owned by others, was established either by purchase, by self-production, by leasing or lender. In order to maintain effective management, supervision and control according to procedures, RAVAL maintains computerized records of the equipment and of tangible assets of the whole group, and at each site separately. Each item of property / equipment, received in the company, shall be registered in the assets recording book of that company, according to its kind.

Using computer systems

- A. RAVAL uses its computer systems properly, according to IT systems procedures. This is mainly to avoid business risks, as well as avoid any harm to individual rights, or the rights of third parties, by uploading inappropriate content, and/or misuse of the Internet or any relevant system. All these are done to ensure that the user does not infringe in any way RAVAL rules and codes of ethics, or damage its image, its clients, partners, suppliers or any person or entity connected to it.
- B. RAVAL operates a series of backup procedures to prevent any data and information loss.
- C. RAVAL operates a security system to prevent leaks of data and information, and maintain rights of privacy.

Intellectual property

- A. RAVAL has accumulated and gained, throughout the years, intellectual property that reflects know-how and information in several fields: technical, engineering, commercial, business, administrative and other. RAVAL is attentive to properly maintain and protect the company's intellectual rights regarding developments and inventions of its employees, in part, by the registration of these inventions as patents and / or trademarks and other such means. We instruct and compel our employees to also protect these rights.
- B. RAVAL requires its employees to sign a "Confidentiality Agreement" and renunciation of property rights, as part of the necessary protection of its intellectual property. The employees are requested to act in accordance with procedures, guidelines and instructions, which detail the provisions that should be taken in order to maintain supervision and control on the use of know-how and information while being in contact with people outside RAVAL.

- C. RAVAL agrees to sign "Confidentiality Agreements" with external factors related to business activities, and respects and fulfills its commitments as set out in these confidentiality agreements.
- D. RAVAL is rigorous in respecting the copyrights of others.

Properties of customers and suppliers

RAVAL is meticulous about proper use of assets associated with its customers and suppliers in the same manner it does in relation to its own assets. The use of these assets is made in a fully responsible manner and, in each case, according to the agreed needs and targets set and agreed upon with the customers and suppliers, while securing against leakage of engineering, technical and business information.

Intangible assets

RAVAL's core business includes, inter alia, development processes which are carried out in the framework of its projects. Development processes constitute, in financial terms, an investment that is capitalized in the company financial statements. The capitalization reflects the equalization of development expenditures with future revenues of the project. RAVAL is obliged to conduct a strict, proper and careful supervision of the process by law.

4.6 Environment

RAVAL's core business is engaged directly in reducing air pollution, in every environment where our products are used.

RAVAL provides its employees with a protective work environment regarding health and welfare, according to the OHSAS 18001 safety and risk standard for which we are accredited. In addition, RAVAL conducts internal audits to manage risks to the safety and health of its employees during work-time.

RAVAL's Environmental policy is applied to a variety of its activities, and is aimed to prevent any environmental damage while maintaining full relevant environmental requirements, regulations and laws in order to reduce the usage of natural resources. We are fully accredited for ISO 14001.

4.7 The Community

RAVAL ascribes a great importance to integrate its employees' activities for the benefits of the community in general.

RAVAL chooses, once a year, at least one community objective to implement this principle, for the welfare and wellbeing of the community.

4.8 Code of Ethics application

The Process of implementing the Code of Ethics in the company and its transfer into immediate action is a significant stage in the formulation and development of the company organizational culture, which combines integrity and technical and business excellence.

To ensure the implementation of the process, RAVAL acts at several levels:

- All of the RAVAL Group employees receive an overview of the detailed Code of Ethics.
- New employees are required to read, comprehend and commit to act upon the Code of Ethics.
- The Code of Ethics is available to all, whether by displaying it in the company or distributing it through the company's IT system.
- In each of the group's sites, the management appoints a person of trust to be responsible for the keeping and the implementing of the Code of Ethics.
- An Escalation Policy and Compliance for Business Ethics Policies are in place – Raval's policies about business ethics and procedures for all our employees are detailed in Raval Procedures RVG2.15 and RVG2.16.

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I hereby declare that I read the document, understand and agree to it:

Name:

Date:

Signature:

Revision control

Revision	Nature of change
December 2014	<ul style="list-style-type: none"> - Add Raviv & Arkal logo - Updates: words of the CEO, vision, section 4.5 (using inside information) - Add employee confirmation
March 2016	<ul style="list-style-type: none"> - Changes in words from CEO - Delete "mission Statement" - Update vision
January 2018	<ul style="list-style-type: none"> - Periodical linguistic editing - Adding references for: anti-bribery and anti-corruption & escalation policy.
November 2019	<ul style="list-style-type: none"> - Updates in "Words from the CEO" & "Vision"