

UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

**POST-EFFECTIVE AMENDMENT NO. 1**  
**TO**  
**FORM S-1**  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**MICRONET ENERTEC TECHNOLOGIES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

<b>Delaware</b> (State or Other Jurisdiction of Incorporation or Organization)	<b>3670</b> (Primary Standard Industrial Classification Code Number)	<b>27-0016420</b> (I.R.S. Employer Identification Number)
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**Micronet Enertec Technologies, Inc.**  
**28 West Grand Avenue, Suite 3**  
**Montvale, NJ 07645**  
**201-225-0190**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**David Lucatz**  
**President and Chief Executive Officer**  
**Micronet Enertec Technologies, Inc.**  
**28 West Grand Avenue, Suite 3**  
**Montvale, NJ 07645**  
**201-225-0190**

(Name, Address Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

**Guy Eyal, Adv.**  
**Hermann, Makov & Co., Advocates**  
**7 Begin Street, 21<sup>st</sup> Floor**  
**Ramat Gan 52521, Israel**  
**Telephone: (972)-3-6114210**  
**Facsimile: (972)-3-6114220**

**Oded Har-Even, Esq.**  
**Shy S. Baranov, Esq.**  
**Zysman, Aharoni, Gayer and**  
**Sullivan & Worcester LLP**  
**1633 Broadway**  
**New York, New York 10019**  
**Telephone: (212) 660-5000**  
**Facsimile: (212) 660-3001**

Approximate Date of Commencement of Proposed Sale to the Public: **As soon as practicable after the effective date of this registration statement**

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If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting  
company)

Smaller reporting company

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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#### EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to the registration statement on Form S-1 (File No. 333-185470) (the "Registration Statement") of Micronet Enertec Technologies, Inc. ("us" or the "Company") is being filed pursuant to the undertakings in Item 17 of the Registration Statement to update and supplement the information contained in the Registration Statement to include the information contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 that was filed with the Securities and Exchange Commission (the "SEC") on March 19, 2014. The Registration Statement was originally declared effective by the SEC on April 23, 2013. The Registration Statement originally covered (i) a primary offering (the "Offering") of 1,620,000 shares of common stock, \$0.001 par value per share ("Common Stock") and warrants to purchase 931,500 shares of Common Stock at an exercise price of \$6.25 per share, including warrants purchased pursuant to the underwriters' over-allotment option, and (ii) the offering of warrants to purchase 81,000 shares of Common Stock at an exercise price of \$6.25 that were issued to the underwriters in the Offering. The Registration Statement now covers the sale of the shares of our Common Stock issuable from time to time upon exercise of such warrants that remain unexercised.

All applicable registration fees were paid at the time of the original filing of the Registration Statement.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION

DATED JUNE 12, 2014

PROSPECTUS

## 1,012,500 Shares of Common Stock Issuable Upon the Exercise of Warrants



We are offering up to an aggregate of 1,012,500 shares of common stock, \$0.001 par value per share, issuable upon exercise of warrants with a per share exercise price of \$6.25. Warrants exercisable for 931,500 shares were issued on April 23, 2013 as part of a public offering of common stock and warrants. Such warrants were exercisable immediately and will expire April 23, 2018. Warrants exercisable for 81,000 shares of Common Stock were issued on April 23, 2013 to the underwriter in the public offering. Such warrants were immediately exercisable and expire on April 23, 2017.

Our common stock and the warrants issued to purchasers in the offering described above are currently listed on The NASDAQ Capital Market under the symbols "MICT" and "MICTW", respectively. On June 3, 2014, the last reported sale price for our common stock was \$3.85 per share.

**Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 3 of this prospectus and beginning on page 17 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, or our Annual Report, for a discussion of information that should be considered in connection with an investment in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2014

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**You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.**

*For investors outside the United States:* We have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

We obtained statistical data, market data and other industry data and forecasts used throughout this prospectus from market research, publicly available information and industry publications. While we believe that the statistical data, industry data and forecasts and market research are reliable, we have not independently verified the data, and we do not make any representation as to the accuracy of the information.

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## PROSPECTUS SUMMARY

*This summary highlights material information contained elsewhere in this prospectus or incorporated by reference herein and does not contain all of the information that you should consider in making an investment decision. We urge you to read this entire prospectus carefully, together with the documents incorporated herein by reference, including the "Risk Factors" section and condensed consolidated financial statements and related notes appearing in our Annual Report, before making an investment decision. Unless the context provides otherwise, all references in this prospectus to "Micronet Enertec," "we," "us," "our," the "Company," the "Registrant" or similar terms, refer to Micronet Enertec Technologies, Inc. and our wholly-owned subsidiaries and Micronet (as defined below). Unless otherwise noted, all references to "dollars" or "\$" are to United States dollars and all references to "NIS" are to New Israeli shekels.*

### OUR COMPANY

We operate through two Israeli-based subsidiaries, Enertec Systems 2001 Ltd, or Enertec, our wholly-owned subsidiary, and Micronet Ltd, or Micronet, in which we have a controlling interest. Enertec and Micronet develop, manufacture, integrate and globally market rugged computers, tablets and computer-based systems and instruments for the commercial, defense and aerospace markets. Our products, solutions and services are designed to perform in severe environments and battlefield conditions.

Micronet operates in the commercial Mobile Resource Management, or MRM, market. It designs, develops, manufactures and sells rugged mobile computing devices that provide fleet operators and field workforces with computing solutions in challenging work environments. Micronet's vehicle cabin installed and portable tablets are designed to increase workforce productivity, enhance corporate efficiency and customer service by offering computing power and communication capabilities. Its products provide fleet operators with visibility into vehicle location, fuel usage, speed and mileage and allow the installation of software applications and communication integration enabling the users to manage the drivers in various aspects such as: driver identification, hours working report, customer/organization working procedures and protocols, route management and navigation based on tasks and time schedule. End users may also receive real time messages for various services such as pickup and delivery, repair and maintenance, status reports, alerts, notices relating to start and ending of work, digital forms, issuing and printing of invoices and payments.

Micronet's customers consist primarily of Application Service Providers and Solution providers specializing in the MRM market. These companies sell Micronet's products as part of their MRM systems and solutions. Currently, Micronet does not sell directly to end-users. Micronet customers are generally MRM solution and service providers, such as Trimble Navigation Limited (Trimble) that is its largest customer. Micronet products are used by customers in 20 countries; however, most of its sales are in the United States.

We acquired control of Micronet in September 2012. Pursuant to our current strategy and business plans, it is our intention to continue to control at least a majority of the outstanding Micronet ordinary shares. On June 11, 2014, the Company, via its wholly owned subsidiary Enertec Electronics Ltd., purchased an additional 1.2 million shares of Micronet constituting 6.3% of the issued and outstanding shares of Micronet, pursuant to the call option granted to it under the agreement signed on September 7, 2012. The Company paid consideration for the purchased shares of \$925,500, increasing Micronet Enertec's ownership of Micronet to 58.3% of the issued and outstanding shares of Micronet.

Enertec operates in the Defense and Aerospace markets and designs, develops, manufactures and supplies various customized military computer-based systems, simulators, automatic test equipment and electronic instruments. Enertec's solutions and systems are designed according to major aerospace integrators' requirements and market technological needs and are integrated by them into critical systems such as command and control, missile fire control, maintenance of military aircraft and missiles for use by the Israeli Air Force, Israeli Navy and by non-Israeli defense entities. Enertec's largest two customers in 2013 and 2012 were the Israeli Aerospace Industries Ltd. and Rafael Advanced Defense Systems Ltd., both of which are Israeli state-owned major defense developers and integrators of critical weapon systems. The system integrators that are our primary customers market their solutions throughout the world and across the full spectrum of military applications (land, sea and air).

We are a Delaware corporation that was formed on January 31, 2002. On March 14, 2013, we changed our corporate name from Lapis Technologies, Inc. to Micronet Enertec Technologies, Inc. On April 29, 2013, we closed an underwritten public offering of 1,863,000 shares of common stock, including 243,000 shares of common stock issued pursuant to the exercise of the underwriter's over allotment option, and issued warrants to purchase 1,012,500 shares of common stock (including 121,500 over allotment warrants), at an offering price of \$5.00 per share and \$0.01 per warrant. The warrants have a per share exercise price of \$6.25, are exercisable and expire in 2018. Our shares of common stock have been traded on NASDAQ since April 29, 2013.

### Our Corporate Information

Our executive offices in the United States are located at 28 West Grand Avenue, Suite 3, Montvale, NJ 07645. Our telephone number is (201) 225-0190. Our executive offices in Israel are located at 16 Hacharoshet Street, Or Yehuda 60375, Israel, P.O. Box 1144, 60200. Our telephone number in Israel is 972(3) 533-5126.

## THE OFFERING

<b>Securities offered by us</b>	Up to 1,012,500 shares of common stock issuable upon exercise of warrants, or the Warrants, including Warrants exercisable for 931,500 shares issued as part of a public offering of common stock and warrants, or the Investor Warrants, and Warrants exercisable for 81,000 shares of Common Stock issued the underwriter in the public offering, or the Representative's Warrants.
<b>Common stock to be outstanding after this offering</b>	6,843,746 shares of common stock if all Warrants are exercised in full.
<b>Description of the Investor Warrants</b>	The Investor Warrants have a per share exercise price of \$6.25. The Investor Warrants were exercisable immediately upon issuance and will expire on April 23, 2018.
<b>Description of the Representative's Warrants</b>	The Representative's Warrants have a per share exercise price of \$6.25. The Representative's Warrants were exercisable immediately upon issuance and will expire on April 23, 2017.
<b>Anti-dilution</b>	The exercise price and the number of shares of common stock purchasable upon the exercise of the Warrants are subject to adjustment upon the occurrence of specific events, including stock dividends, stock splits, combinations and reclassifications of our common stock.
<b>Use of proceeds</b>	The proceeds in this offering consist solely of the exercise price to be paid by the Warrant holders upon exercise of the Warrants. We intend to use the proceeds from the exercise of the Warrants for working capital and general corporate purposes, which may include expanding our sales and marketing efforts and increasing our product offerings, including through potential acquisitions or purchases of relevant licenses.
<b>The NASDAQ Capital Market listing symbol</b>	MICT
<b>Risk Factors</b>	Investing in our securities involves a high degree of risk. As an investor, you should be able to bear a complete loss of your investment. You should carefully consider the information set forth in the "Risk Factors" section beginning on page 4 of this prospectus and page 17 of our Annual Report.

Unless otherwise specified, the information in this prospectus, including the number of shares of common stock that will be outstanding after this offering set forth above, is based on 5,831,246 shares of common stock outstanding as of June 3, 2014 and excludes the following:

- 500,000 shares of common stock reserved for issuance under our 2012 Stock Incentive Plan;
- 20,000 shares of common stock issuable upon exercise of options granted pursuant to our 2012 Stock Incentive Plan at an exercise price of \$4.30 per share; and
- 1,012,500 shares of common stock underlying the Warrants at an exercise price of \$6.25 per share.

## **RISK FACTORS**

Investing in our securities involves a high degree of risk. You should carefully consider the risks described under the heading “Risk Factors” in our Annual Report which is incorporated by reference into this prospectus, as well as the other information in this prospectus or incorporated by reference into this prospectus (including our financial statements and the related notes), before deciding whether to invest in our securities. Investment risks can be market-wide as well as unique to a specific industry or company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. The occurrence of any of the risks described in our Annual Report could harm our business, financial condition, results of operations or growth prospects. In that case, the trading price of our securities could decline, and you may lose all or part of your investment.

## **USE OF PROCEEDS**

We received gross proceeds from the sale of the common stock and Investor Warrants of \$8,109,315. As of June 3, 2014, we have not received any additional proceeds from the exercise of Warrants. In the event of full exercise for cash of all of the Warrants that remain outstanding, we will receive additional gross proceeds of approximately \$6,328,125.

The principal reason of this offering is to provide shares of common stock issuable upon exercise of the Warrants. We intend to use the proceeds from the exercise of the Warrants for working capital and general corporate purposes, which may include expanding our sales and marketing efforts and increasing our product offerings, including through potential acquisitions or purchases of relevant licenses. Pending use of the net proceeds, we intend to invest in a combination of short-term bank deposits, interest-bearing, investment-grade securities.

## **DIVIDEND POLICY**

We did not declare or pay cash dividends in either 2013 or 2012 and currently do not plan to declare dividends on shares of our common stock in the foreseeable future. We have no dividends policy and will consider distributing dividends on a year by year basis. We expect to retain our future earnings, if any, for use in the operation and expansion of our business. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of our board of directors and will depend upon such factors as earnings levels, capital requirements, our overall financial condition and any other factors deemed relevant by our board of directors.



## DILUTION

Our net tangible book value as of December 31, 2013 was \$25,598,000, or \$4.39 per share of common stock. Net tangible book value per share represents total tangible assets less total liabilities, divided by the number of shares of common stock outstanding. After giving effect to the issuance of 1,012,500 shares of common stock upon exercise of Warrants for cash in this offering, our net tangible book value as of December 31, 2013 would have been \$31,926,125, or \$4.67 per share. This represents an immediate increase in net tangible book value of \$0.28 per share to existing stockholders and an immediate dilution in net tangible book value of \$1.58 to holders of the Warrants, in this offering. The following table illustrates this calculation.

Exercise price of the Warrants	\$	6.25
Net tangible book value per share as of December 31, 2013	\$	4.39
Increase in net tangible book value per share attributable to this offering	\$	0.28
As adjusted net tangible book value per share as of December 31, 2013, after giving effect to this offering	\$	4.67
Dilution in net tangible book value per share to new investors	\$	1.58

The number of shares of common stock outstanding used for existing stockholders in the table and calculations above is based on 5,831,246 shares of common stock outstanding as of June 3, 2014 and excludes the following:

- 500,000 shares of common stock reserved for issuance under our 2012 Stock Incentive Plan;
- 20,000 shares of common stock issuable upon exercise of options granted pursuant to our 2012 Stock Incentive Plan at an exercise price of \$4.30 per share; and
- 1,012,500 shares of common stock underlying the Warrants at an exercise price of \$6.25 per share.

## DESCRIPTION OF CAPITAL STOCK

### General

As of the date of this prospectus, our authorized capital stock consisted of 100,000,000 shares of common stock, \$0.001 par value per share, and 5,000,000 shares of preferred stock, \$0.001 par value per share. Our board of directors may establish the rights and preferences of the preferred stock from time to time, none of which is currently outstanding. As of the date of this prospectus, there were 5,831,246 shares of our common stock issued and outstanding and approximately 28 holders of record of our shares of common stock.

### Common Stock

Holders of our common stock are entitled to one vote per share. Our certificate of incorporation, as amended, does not provide for cumulative voting. Holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared by our board of directors out of legally available funds. Upon liquidation, dissolution or winding-up, the holders of our common stock are entitled to share ratably in all of our assets which are legally available for distribution, after payment of or provision for all liabilities and the liquidation preference of any outstanding preferred stock. The holders of our common stock have no preemptive, subscription, redemption or conversion rights.

### Investor Warrants

*The following summary of certain terms and provisions of the Investor Warrants offered hereby is not complete and is subject to, and qualified in its entirety by the provisions of the form of the Investor Warrant, which is filed as an exhibit to the registration statement of which this prospectus is a part. Prospective investors should carefully review the terms and provisions set forth in the form of warrant agreement, which is an exhibit to the registration statement of which this prospectus forms a part.*

*Exercisability.* The Investor Warrants are exercisable immediately and at any time up to the date that is five years from the closing of the original offering. The Investor Warrants are exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice accompanied by payment in full for the number of shares of our common stock purchased upon such exercise (except in the case of a cashless exercise as discussed below). Unless otherwise specified in the Investor Warrant, the holder does not have the right to exercise any portion of the Investor Warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Investor Warrants.

*Cashless Exercise.* In the event that a registration statement covering shares of common stock underlying the Investor Warrants, or an exemption from registration, is not available for the resale of such shares of common stock underlying the Investor Warrants, the holder may, in its sole discretion, exercise the Investor Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, elect instead to receive upon such exercise the net number of shares of common stock determined according to the formula set forth in the Investor Warrant. In no event shall we be required to make any cash payments or net cash settlement to the registered holder in lieu of issuance of common stock underlying the Investor Warrants.

*Exercise Price.* The initial exercise price per share of common stock purchasable upon exercise of the Investor Warrants is \$6.25. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock and also upon any distributions of assets, including cash, stock or other property to our stockholders.

*Certain Adjustments.* The exercise price and the number of shares of common stock purchasable upon the exercise of the Investor Warrants are subject to adjustment upon the occurrence of specific events, including stock dividends, stock splits, combinations and reclassifications of our common stock.

*Transferability.* Subject to applicable laws, the Investor Warrants may be transferred at the option of the holders upon surrender of the Investor Warrants to us together with the appropriate instruments of transfer.

*Warrant Agent and Exchange Listing.* The Investor Warrants were issued in registered form under a warrant agency agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us.

*Fundamental Transaction.* If, at any time while the Investor Warrants are outstanding, (1) we consolidate or merge with or into another corporation and we are not the surviving corporation, (2) we sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of our assets, (3) any purchase offer, tender offer or exchange offer (whether by us or another individual or entity) is completed pursuant to which holders of our shares of common stock are permitted to sell, tender or exchange their shares of common stock for other securities, cash or property and has been accepted by the holders of 50% or more of our outstanding shares of common stock, (4) we effect any reclassification or recapitalization of our shares of common stock or any compulsory share exchange pursuant to which our shares of common stock are converted into or exchanged for other securities, cash or property, or (5) we consummate a stock or share purchase agreement or other business combination with another person or entity whereby such other person or entity acquires more than 50% of our outstanding shares of common stock, each, a Fundamental Transaction, then upon any subsequent exercise of the Investor Warrants, the holders thereof will have the right to receive the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of warrant shares then issuable upon exercise of the Investor Warrant, and any additional consideration payable as part of the Fundamental Transaction.

*Rights as a Stockholder.* Except as otherwise provided in the Investor Warrants or by virtue of such holder's ownership of shares of our common stock, the holder of a warrant does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises the Investor Warrant.

### **Representative's Warrants**

*The following summary of certain terms and provisions of the Representative's Warrants is not complete and is subject to, and qualified in its entirety by the provisions of the form of the Representative's Warrant, which is filed as an exhibit to the registration statement of which this prospectus is a part. Prospective investors should carefully review the terms and provisions set forth in the form of representative's warrant, which is an exhibit to the registration statement of which this prospectus forms a part.*

*Exercisability.* The Representative's Warrants are exercisable immediately and at any time up to the date that is four years from the closing of this offering. The Representative's Warrants are exercisable, at the option of the holder, in whole or in part by delivering to us a duly executed exercise notice accompanied by payment in full for the number of shares of our common stock purchased upon such exercise (except in the case of a cashless exercise as discussed below).

*Cashless Exercise.* In the event that a registration statement covering shares of common stock underlying the Representative's Warrants, or an exemption from registration, is not available for the resale of such shares of common stock underlying the Representative's Warrants, the holder may, in its sole discretion, exercise the Representative's Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, elect instead to receive upon such exercise the net number of shares of common stock determined according to the formula set forth in the Representative's Warrant. In no event shall we be required to make any cash payments or net cash settlement to the registered holder in lieu of issuance of common stock underlying the Representative's Warrants.

*Exercise Price.* The initial exercise price per share of common stock purchasable upon exercise of the Representative's Warrants is \$6.25. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock and also upon any distributions of assets, including cash, stock or other property to our stockholders.

*Certain Adjustments.* The exercise price and the number of shares of common stock purchasable upon the exercise of the Representative's Warrants are subject to adjustment upon the occurrence of specific events, including stock dividends, stock splits, combinations and reclassifications of our common stock.

*Transferability.* Subject to applicable laws, the Representative's Warrants may be transferred at the option of the holder upon surrender of the Representative's Warrants to us together with the appropriate instruments of transfer.

*Registration Rights.* The Representative's Warrants provide for demand and piggyback registration rights upon request, in certain cases. We will bear all fees and expenses attendant to registering the securities issuable on exercise of the Representative's Warrants other than underwriting commissions incurred and payable by the holder.

## **Preferred Stock**

Our certificate of incorporation, as amended, provides that our board of directors is authorized to provide for the issuance of shares of preferred stock in one or more series and, by filing a certificate of designations pursuant to the applicable law of the State of Delaware, to establish from time to time for each such series the number of shares to be included in each such series and to fix the designations, powers, rights and preferences of the shares of each such series, and the qualifications, limitations and restrictions thereof. The authority of the board of directors with respect to each series of preferred stock includes, but is not limited to, determination of the following:

- the distinctive designation of such class or series and the number of shares to constitute such class or series;
- the rate at which dividends on the shares of such class or series shall be declared and paid or set aside for payment, whether dividends at the rate so determined shall be cumulative or accruing, and whether the shares of such class or series shall be entitled to any participating or other dividends in addition to dividends at the rate so determined, and if so, on what terms;
- the right or obligation, if any, of the Company to redeem shares of the particular class or series of preferred stock and, if redeemable, the price, terms and manner of such redemption;
- the special and relative rights and preferences, if any, and the amount or amounts per share, which the shares of such class or series of preferred stock shall be entitled to receive upon any voluntary or involuntary liquidation, dissolution or winding up of the Company;
- the terms and conditions, if any, upon which shares of such class or series shall be convertible into, or exchangeable for, shares of capital stock of any other class or series, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;
- the obligation, if any, of the Company to retire, redeem or purchase shares of such class or series pursuant to a sinking fund or fund of a similar nature or otherwise, and the terms and conditions of such obligations;
- voting rights, if any, on the issuance of additional shares of such class or series or any shares of any other class or series of preferred stock;
- limitations, if any, on the issuance of additional shares of such class or series or any shares of any other class or series of preferred stock;
- such other preferences, powers, qualifications, special or relative rights and privileges as the board of directors may deem advisable and are not inconsistent with the law and the provisions of our certificate of incorporation, as amended.

## **Stock Options**

As of the date of this prospectus, we had no stock options issued and outstanding.

## **Other Warrants**

As of the date of this prospectus, other than the Warrants, we had no warrants issued and outstanding.

## **Anti-Takeover Provisions**

### ***Delaware Law***

We are subject to Section 203 of the General Corporation Law of the State of Delaware, or DGCL. This provision generally prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date the stockholder became an interested stockholder, unless:

- prior to such date, the board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned by persons who are directors and also officers and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to such date, the business combination is approved by the board of directors and authorized at an annual meeting or special meeting of stockholders and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an “interested stockholder” as any entity or person beneficially owning 15% or more of the outstanding voting stock of a corporation, or an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of a corporation at any time within three years prior to the time of determination of interested stockholder status; and any entity or person affiliated with or controlling or controlled by such entity or person.

Section 214 of the DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless our certificate of incorporation, as amended, provides otherwise. Our certificate of incorporation, as amended, does not provide for cumulative voting. These statutory provisions could delay or frustrate the removal of incumbent directors or a change in control of our company. They could also discourage, impede, or prevent a merger, tender offer, or proxy contest, even if such event would be favorable to the interests of stockholders.

### ***Authorized but Unissued Shares***

Our authorized but unissued shares of common stock will be available for future issuance without stockholder approval. We may use additional shares of common stock for a variety of purposes, including future offerings to raise additional capital or as compensation to third party service providers. The existence of authorized but unissued shares of common stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

### ***Certificate of Incorporation and Amended and Restated Bylaw Provisions***

Our certificate of incorporation, as amended, and amended and restated bylaws contain provisions that could have the effect of discouraging potential acquisition proposals or making a tender offer or delaying or preventing a change in control, including changes a stockholder might consider favorable. In particular, the certificate of incorporation, as amended, and amended and restated bylaws, as applicable, among other things:

- provide our board of directors with the ability to issue up to 5,000,000 shares of undesignated preferred stock and to determine the rights, preferences and privileges of such shares, without stockholder approval;
- provide our board of directors with the ability, in certain circumstances, to alter our bylaws without stockholder approval;
- provide our board of directors with the exclusive authority to fix the number of directors constituting the whole board; and
- provide that vacancies on our board of directors may be filled by a majority of directors in office, although less than a quorum.

Such provisions may have the effect of discouraging a third-party from acquiring us, even if doing so would be beneficial to our stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by them, and to discourage some types of transactions that may involve an actual or threatened change in control of our company. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage some tactics that may be used in proxy fights. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure our company outweigh the disadvantages of discouraging such proposals because, among other things, negotiation of such proposals could result in an improvement of their terms. However, these provisions could have the effect of discouraging others from making tender offers for our shares that could result from actual or rumored takeover attempts. These provisions also may have the effect of preventing changes in our management.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Transfer Online LLC and the Warrants is Continental Stock Transfer & Trust Company.

### **Listing**

Our common stock and the Investor Warrants are currently listed on The NASDAQ Capital Market under the symbols "MICT" and "MICTW", respectively.

## PLAN OF DISTRIBUTION

We will deliver shares of our common stock upon exercise of the Warrants. As of June 3, 2014, the Warrants were exercisable for a total of 1,012,500 shares of our common stock. The shares of common stock will be issued in accordance with the terms of the Investor Warrants and Representative's Warrants, as applicable. For more information about the Investor Warrants and the Representative's Warrants, please see the sections above titled "Description of Capital Stock — Investor Warrants" and "Description of Capital Stock — Representative's Warrants," respectively.

## LEGAL MATTERS

The validity of the common stock offered hereby was passed upon for us by Zysman, Aharoni, Gayer and Sullivan & Worcester LLP, New York, New York.

## EXPERTS

The consolidated financial statements of Micronet as of and for the year ended December 31, 2013, incorporated in this prospectus by reference to our Annual Report, have been audited by BDO Ziv Haft, an independent registered public accounting firm, as stated in their report incorporated by reference herein, and have been so incorporated in reliance upon such reports and upon the authority of such firm as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission, or SEC, a registration statement on Form S-1, of which this prospectus forms a part, including exhibits and schedules, under the Securities Act of 1933, as amended, or the Securities Act, with respect to the securities to be sold in this offering. This prospectus does not contain all the information contained in the registration statement. For further information with respect to us and the securities to be sold in this offering, we refer you to the registration statement and the exhibits and schedules attached to the registration statement. Statements contained in this prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. When we make such statements, we refer you to the copies of the contracts or documents that are filed as exhibits to the registration statement because those statements are qualified in all respects by reference to those exhibits.

You can read our SEC filings, including the registration statement, at the SEC's website at [www.sec.gov](http://www.sec.gov). You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Washington, D.C. 20549, on official business days during the hours of 10:00 am to 3:00 pm.

You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility.

### INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to “incorporate by reference” information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this document, except for any information superseded by information that is included directly in this document.

This prospectus incorporates by reference the documents listed below:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed with the SEC on March 19, 2014;
- Our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2014 filed with the SEC on May 15, 2014;
- Our Current Reports on Form 8-K filed with the SEC on January 6, 2014, May 7, 2014, June 6, 2014 and June 11, 2014; and
- The description of our common stock contained in our Registration Statement on Form 8-A filed with the SEC on March 27, 2013, including any amendments and reports filed for the purpose of updating such description.



**1,012,500 Shares of Common Stock  
Issuable Upon the Exercise of Warrants**



**PROSPECTUS**

, 2014

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**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth the various expenses which will be paid by the Registrant in connection with the issuance and distribution of the securities being registered.

	Amount
SEC registration fee	\$ 0
Printing expenses	2,000
Legal fees and expenses	7,500
Accounting fees and expenses	2,000
Miscellaneous	500
Total	\$ 12,000

**Item 14. Indemnification of Directors and Officers.**

Delaware law generally permits the Registrant to indemnify its directors, officers, employees and agents. A Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. With respect to actions by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit is brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. To the extent that a former or present director or officer is successful, on the merits or otherwise, in defense of any action, suit, or proceeding subject to the Delaware corporate statute's indemnification provisions, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Delaware law provides that expenses incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the corporation. A Delaware corporation has the discretion to decide whether or not to advance expenses, unless provided otherwise in its certificate of incorporation or by-laws.

The Registrant's Amended and Restated Bylaws provide that it shall indemnify its directors and officers to the fullest extent authorized under Delaware law, and that the Registrant will advance expenses to any officer or director in advance of the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the Registrant.

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### Item 15. Recent Sales of Unregistered Securities

During the past three years, the following securities were sold by the Registrant without registration under the Securities Act. All certificates representing the securities described herein and currently outstanding have been appropriately legended. The securities described below were exempt from registration under the Securities Act in reliance upon Section 4(a)(2), Regulation D of the Securities Act. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

- On September 1, 2011, we issued to UTA Capital LLC, or UTA, a secured promissory note in the principal amount of \$3.0 million that matured on March 1, 2014. In addition, also on September 1, 2011, in connection with the issuance of such note, we issued to UTA a warrant to purchase up to 476,113 shares of our common stock, which warrant was exercised in full on March 8, 2013.
- On September 7, 2012, we issued to UTA a secured promissory note in the principal amount of \$3.0 million that matures on April 1, 2014. In addition, also on September 7, 2012, in connection with the issuance of such note, we issued to UTA a warrant to purchase up to 300,000 shares of our common stock, which warrant was exercised in full on March 8, 2013.

### Item 16. Exhibits and Financial Statements Schedules.

(a) Exhibits:

<b>Number</b>	<b>Description of Exhibits</b>
2.1*	Asset Purchase Agreement, dated May 6, 2014 between Micronet Ltd and Beijer Electronics Inc.
3.1*	Composite Copy of the Certificate of Incorporation of the Registrant, as amended to date
3.2	Amended and Restated Bylaws of the Registrant (Incorporated by reference to Exhibit 3.5 of Amendment No. 2 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on March 18, 2013)
4.1	Form of Representative's Warrant (Incorporated by reference to Exhibit 4.2 of Amendment No. 4 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on April 22, 2013)
4.2	Form of Warrant Agreement by and between the Registrant and Continental Stock Transfer & Trust Company and Form of Warrant Certificate (Incorporated by reference to Exhibit 4.3 of Amendment No. 4 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on April 22, 2013)
5.1*	Opinion of Zysman, Aharoni, Gayer and Sullivan & Worcester LLP
10.1	Employment Agreement, dated August 12, 2009, between Harry Mund and Enertec Systems 2001 Ltd. (Incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed with the Securities and Exchange Commission on March 31, 2010)
10.2	Consulting Agreement, dated August 12, 2009, between D.L. Capital Ltd. and Enertec Systems 2001 Ltd. (Incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed with the Securities and Exchange Commission on March 31, 2010)

<b>Number</b>	<b>Description</b>
10.3	First Amendment to Consulting Agreement, dated as of October 1, 2011, between D.L. Capital and Enertec Systems 2001 Ltd. (Incorporated by reference to our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 29, 2012)
10.4	Management and Consulting Services Agreement, dated November 26, 2012, between D.L. Capital Ltd. and the Registrant (Incorporated by reference to Exhibit 10.3 of Amendment No. 1 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on February 8, 2013)
10.5	Management and Consulting Services Agreement, dated February 8, 2013, between Micronet Ltd. and D.L. Consulting Group (1998) Ltd. (English Translation) (Incorporated by reference to Exhibit 10.4 of Amendment No. 1 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on February 8, 2013)
10.6	Amended and Restated Note and Warrant Purchase Agreement, dated as of September 7, 2012, by and between the Registrant and UTA Capital LLC (Incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012, filed with the Securities and Exchange Commission on November 19, 2012)
10.7	Letter Agreement, dated November 6, 2012, by and between the Registrant and UTA Capital LLC (Incorporated by reference to Exhibit 10.10 of Amendment No. 1 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on February 8, 2013)
10.8	First Amendment to the Amended and Restated Note and Warrant Purchase Agreement, dated as of January 28, 2013, by and between the Registrant and UTA Capital LLC (Incorporated by reference to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 1, 2013)
10.9	Secured Promissory Note, dated September 1, 2011, issued to UTA Capital LLC (Incorporated by reference to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 7, 2011)
10.10	Secured Promissory Note, dated September 7, 2012, issued to UTA Capital LLC (Incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012, filed with the Securities and Exchange Commission on November 19, 2012)
10.11	Company Pledge and Security Agreement, dated as of September 1, 2011, by and between the Registrant and UTA Capital LLC (Incorporated by reference to our Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 7, 2011)
10.12	2012 Stock Incentive Plan (Incorporated by reference to Exhibit 10.16 of Amendment No. 1 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on February 8, 2013)
10.13	Agreement, dated August 31, 2012, by and among Yehezkel Kaplan, Eli Nachum, Yoav Ben-Zvi and D.L. Capital Ltd. (English translation) (Incorporated by reference to Exhibit 10.14 of our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on December 14, 2012)
10.14	Special Personal Employment Agreement, dated November 7, 2012, between Micronet Ltd. and Tali Dinar (English Translation) (Incorporated by reference to Exhibit 10.18 of Amendment No. 2 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on March 18, 2013)

<b>Number</b>	<b>Description</b>
10.15	Personal Employment Agreement, dated October 1, 2011, between Tali Dinar and Enertec Electronics Ltd. (English Translation) (Incorporated by reference to Exhibit 10.19 of Amendment No. 2 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on March 18, 2013)
10.16	Summary of material terms of a December 17, 2012 bank loan to Enertec Electronics Ltd. (Incorporated by reference to Exhibit 10.20 of Amendment No. 2 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on March 18, 2013)
10.17	Shareholder Agreement, dated March 17, 2013, between Enertec Electronics Ltd. and Shlomo Shalev (English Translation) (Incorporated by reference to Exhibit 10.21 of Amendment No. 2 to our registration statement on Form S-1 (File No. 333-185470), filed with the Securities and Exchange Commission on March 18, 2013)
10.18*	Summary of Loan Undertaking, dated May 29, 2014, by and between Micronet Ltd. and First International Bank of Israel.
21.1	List of Subsidiaries (Incorporated by reference to our Annual Report on Form 10-K, for the fiscal year ended December 31, 2013 and filed with the Securities and Exchange Commission on March 19, 2014)
23.1*	Consent of Zysman, Aharoni, Gayer and Sullivan & Worcester LLP (included in Exhibit 5.1)
23.2*	Consent of BDO Ziv Haft
101	The following materials from the Registrant, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2012 and December 31, 2013, (ii) Consolidated Statements of Income for Years Ended December 31, 2012 and 2013, (iii) Consolidated Statements of Comprehensive Income for Years Ended December 31, 2012 and 2013, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements (Incorporated by reference to our Annual Report on Form 10-K, for the fiscal year ended December 31, 2013 and filed with the Securities and Exchange Commission on March 19, 2014)

\*Filed herewith.

#### **Item 17. Undertakings.**

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- i. To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
- ii. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.
- iii. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(5) Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(6) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- i. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- ii. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- iii. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- iv. Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(7) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(8) For the purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(9) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York on the 12<sup>th</sup> day of June 2014.

MICRONET ENERTEC TECHNOLOGIES, INC.

By: /s/ David Lucatz  
Name: David Lucatz  
Title: Chairman, President and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints David Lucatz and Tali Dinar as his true and lawful attorney-in-fact, each acting alone, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments to this registration statement, and any related registration statement filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact or their substitutes, each acting along, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ David Lucatz</u> David Lucatz	Chairman, President and Chief Executive Officer and Director (Principal Executive Officer)	June 12, 2014
<u>/s/ Tali Dinar</u> Tali Dinar	Secretary and Chief Financial Officer (Principal Financial and Accounting Officer)	June 12, 2014
<u>/s/ Miki Balin</u> Miki Balin	Director	June 12, 2014
<u>/s/ Jacob Berman</u> Jacob Berman	Director	June 12, 2014
<u>/s/ Jeffrey P. Bialos</u> Jeffrey P. Bialos	Director	June 12, 2014
<u>/s/ Chezy Ofir</u> Chezy Ofir	Director	June 12 2014

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10.18*	Summary of Loan Undertaking, dated May 29, 2014, by and between Micronet Ltd. and First International Bank of Israel
21.1	List of Subsidiaries (Incorporated by reference to our Annual Report on Form 10-K, for the fiscal year ended December 31, 2013 and filed with the Securities and Exchange Commission on March 19, 2014)
23.1*	Consent of Zysman, Aharoni, Gayer and Sullivan & Worcester LLP (included in Exhibit 5.1)
23.2*	Consent of BDO Ziv Haft
101	The following materials from the Registrant, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2012 and December 31, 2013, (ii) Consolidated Statements of Income for Years Ended December 31, 2012 and 2013, (iii) Consolidated Statements of Comprehensive Income for Years Ended December 31, 2012 and 2013, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements (Incorporated by reference to our Annual Report on Form 10-K, for the fiscal year ended December 31, 2013 and filed with the Securities and Exchange Commission on March 19, 2014)

\* Filed herewith.

**ASSET PURCHASE AGREEMENT**

among

**BEIJER ELECTRONICS INC.,**

**and**

**MICRONET LTD.**

dated as of

May 6, 2014

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## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of May 6, 2014, is entered into between Beijer Electronics Inc., an Utah corporation ("**Seller**"), and Micronet Ltd, a publicly traded company organized and existing under the laws of Israel ("**Buyer**").

### RECITALS

WHEREAS, Seller is engaged in the business of production, development, product management, sales and customer service of human machine interfaces for industrial applications and mobile data terminals for the mobile resource management industry (the "**Beijer Business**");

WHEREAS, as part of the Beijer Business, Seller is engaged in the business of production, development, product management, sales and customer service of electronic products and solutions for the mobile resource management market, including the TREQ product family (the "**Target Business**");

WHEREAS, upon the terms and subject to the conditions set forth herein Seller wishes to sell, transfer and assign to Buyer, and Buyer wishes to purchase and assume from Seller, substantially all the assets, and certain specified liabilities, of the Target Business,;

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and upon the terms and subject to the conditions hereinafter set forth, the parties hereto, intending to be legally bound hereby, agree as follows:

### ARTICLE I Definitions

The following terms have the meanings specified or referred to in this **Article I**:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble.

"**Assigned Contracts**" has the meaning set forth in **Section 2.01(e)**.

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"**Assignment and Assumption Agreement**" has the meaning set forth in **Section 3.02(a)(ii)**.

"**Assumed Liabilities**" has the meaning set forth in **Section 2.03**.

"**Backlog**" means all non-fulfilled orders for products of the Target Business held by the Seller as of the Closing Date.

"**Backlog Inventory**" has the meaning set forth in **Section 2.01(c)**.

"**Backlog Inventory Value**" means an amount equal to the book value of the Backlog Inventory minus Five Hundred Thousand Dollars (\$500,000), however never less than Zero Dollar (\$0), such book value to be determined in accordance with GAAP as consistently applied by Seller.

"**Base Purchase Price**" has the meaning set forth in **Section 2.05(a)**.

"**Beijer Business**" has the meaning set forth in the recitals.

"**Benefit Plans**" means any "employee benefit plans" as defined in Section 3(3) of ERISA, and any other retirement, profit sharing, bonus, stock, stock option, equity-based, profits interest, employment, change in control, health, life, disability, group insurance, savings, deferred compensation, incentive compensation, paid time off, severance, salary continuation and other fringe benefit arrangements, plans, programs, contracts, policies, or practices maintained, contributed to, or required to be contributed to by Seller (or any ERISA Affiliate, if Seller would be liable therefor) for the benefit of any current or former employee, officer, director, member, partner or independent contractor of Seller or with respect to which Seller or any ERISA Affiliate may have any liability.

"**Bill of Sale**" has the meaning set forth in **Section 3.02(a)(i)**.

"**Books and Records**" has the meaning set forth in **Section 2.01(h)**.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York or Stockholm are authorized or required by Law to be closed for business.

"**Buyer**" has the meaning set forth in the preamble.

"**Buyer's Closing Certificate**" has the meaning set forth in **Section 7.03(d)**.

"**Buyer's Indemnities**" has the meaning set forth in **Section 8.02**.

"**Buyer's Restricted Business**" means the Beijer Business excluding the Target Business.

"**Cap**" has the meaning set forth in **Section 8.04(a)**.

"**Closing**" has the meaning set forth in **Section 3.01**.

"**Closing Date**" has the meaning set forth in **Section 3.01**.

"**Closing Inventory Value**" has the meaning set forth in **Section 2.06(b)**.

"**Closing Inventory Value Statement**" has the meaning set forth in **Section 2.06(b)**.

"**Closing Payment**" has the meaning set forth in **Section 2.05(b)**.

"**Contracts**" means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures, purchase and sale orders, and all other agreements, commitments and legally binding arrangements, whether written or oral, relating to the Target Business.

"**Debt**" means all principal, interest, premiums, penalties or other obligations related to (a) all indebtedness of Seller for borrowed money, (b) all obligations (contingent or otherwise) of any Seller for the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and consistent with past practice) (including notes payable to the sellers of such property or services), (c) all obligations of Seller as lessee or lessees under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (d) all obligations, contingent or otherwise, of Seller under acceptance, letter of credit or similar facilities, (e) all Debt of the type referred to in clauses (a) through (d) above guaranteed directly or indirectly in any manner by Seller.

"**Deductible**" has the meaning set forth in **Section 8.04(a)**.

"**Direct Claim**" has the meaning set forth in **Section 8.05(c)**.

"**Disclosure Schedule**" means the Disclosure Schedule delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement.

"**Disputed Amounts**" has the meaning set forth in **Section 2.06(d)**.

"**Dollars or \$**" means the lawful currency of the United States.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture or use of any hazardous materials.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**ERISA Affiliate**" means any person, entity, trade or business (whether or not incorporated) that is treated as a single employer with any Seller under Sections 105(h), 401(a) and 414(t) of the Internal Revenue Code of 1986, as amended.

"**Escrow Account**" has the meaning set forth in the Escrow Agreement.

"**Escrow Agent**" means Nordea Bank Finland Plc., New York Branch.

"**Escrow Agreement**" has the meaning set forth in **Section 7.01(c)**.

"**Escrow Amount**" has the meaning set forth in **Section 2.05(c)**.

"**Estimated Inventory Value**" has the meaning set forth in **Section 2.06(a)**.

"**Estimated Inventory Value Statement**" has the meaning set forth in **Section 2.06(a)**.

"**Excluded Assets**" has the meaning set forth in **Section 2.02**.

"**Excluded Liabilities**" has the meaning set forth in **Section 2.04**.

"**Forecast**" means Seller's good faith forecast of all future orders for products of the Target Business that are reasonably expected to be received during 2014, determined and recorded in accordance with the principles set forth in Schedule 1E, applied consistently with Seller's past business practices.

"**Forecast Inventory**" has the meaning set forth in **Section 2.01(d)**.

"**Forecast Inventory Value**" means an amount equal to the book value of the Forecast Inventory, such book value to be determined in accordance with GAAP as consistently applied by Seller, which according to Seller's good faith estimate on March 31, 2014 amounted to no more than \$1,300,000 as of such date.

"**GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority, or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Indemnified Party**" has the meaning set forth in **Section 8.05**.

"**Indemnifying Party**" has the meaning set forth in **Section 8.05**.

"**Independent Accountants**" has the meaning set forth in **Section 2.06(d)**.

"**Initial Purchase Price**" shall have the meaning set forth in **Section 2.05**.

"**Intellectual Property**" means all intellectual property and industrial property rights and assets, whether registered or unregistered, including any and all: (a) trademarks, service marks, trade names, brand names, logos, design rights and copyrights, and all registrations, applications and renewals for, any of the foregoing; (b) internet domain names, (c) inventions, trade secrets, business and technical information and know-how, databases and other confidential and proprietary information and all rights therein; (d) patents (including all reissues, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights; (e) royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and (f) all rights to any Actions of any nature to the extent related to the foregoing.



**"Intellectual Property Agreements"** means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to any Intellectual Property that is used in the Target Business as currently conducted to which Seller is a party, beneficiary or otherwise bound.

**"Intellectual Property Assets"** means all Intellectual Property that is owned by Seller and exclusively used in the Target Business as currently conducted.

**"Intellectual Property Assignment"** has the meaning set forth in **Section 3.02(a)(iii)**.

**"Inventory Value"** means the Backlog Inventory Value plus the Forecast Inventory Value.

**"Knowledge of Seller or Seller's Knowledge"** or any similar knowledge qualification, means the actual knowledge of Barry Hobbs and Ben Kemper and the knowledge that each such person would reasonably be expected to obtain after reasonable inquiry.

**"Law"** means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

**"Liabilities"** means liabilities, obligations or commitments of any nature whatsoever.

**"Losses"** means all losses, damages, liabilities, costs or expenses, including reasonable attorneys' fees, *provided, however*, that "Losses" shall not include punitive, special or indirect damages (including any damages based on any type of multiple), except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party.

**"Material Adverse Effect"** means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, financial condition or assets of the Target Business, or (b) the ability of Seller to consummate the transactions contemplated hereby; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Target Business operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer; (vi) with respect to the application of the term in Section 7.02(a) only, any matter which Buyer was aware of on the date hereof; (vii) changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (viii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Seller and the Target Business; (ix) any natural or man-made disaster or acts of God; or (x) any failure by the Target Business to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

**"Permits"** means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights, including, for the avoidance of doubt, environmental permits, obtained, or required to be obtained, from Governmental Authorities.

**"Permitted Encumbrances"** has the meaning set forth in **Section 4.07**.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"Post-Closing Adjustment" has the meaning set forth in Section 2.06(b).

"Post-Closing Forecast Inventory Payment" has the meaning set forth in Section 2.05(c).

"PTO Accrued Liabilities" has the meaning set forth in Section 2.041.1(a)(x).

"Purchase Price" has the meaning set forth in Section 2.05.

"Purchased Assets" has the meaning set forth in Section 2.01.

"Reference Date" means December 31, 2013.

"Remaining Business" means the remaining Beijer Business, without the Target Business.

"Representative" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"Resolution Period" has the meaning set forth in Section 2.06(d).

"Restricted Period" has the meaning set forth in Section 6.07(a).

"Review Period" has the meaning set forth in Section 2.06(d).

"Schedule Supplement" has the meaning set forth in Section 6.03.

"Seller" has the meaning set forth in the preamble.

"Seller Closing Certificate" has the meaning set forth in Section 7.02(j).

"Seller Indemnitees" has the meaning set forth in Section 8.03.

"Statement of Objections" has the meaning set forth in Section 2.06(d).

"Tangible Personal Property" has the meaning set forth in Section 2.01(b).

"Target Business" has the meaning set forth in the recitals.

"Taxes" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"Tax Return" means any domestic or foreign return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Territory" means the geographical areas in which either Seller or Buyer are currently conducting, or have planned to conduct, the Beijer Business or the Target Business, respectively.

"Third Party Claim" has the meaning set forth in Section 8.05(a).

"**Transaction Documents**" means this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Intellectual Property Assignment, the Escrow Agreement, the Transitional Services Agreement, the Sublease and the other agreements, instruments and documents required to be delivered at the Closing.

"**Transitional Services Agreement**" has the meaning set forth in Error! Reference source not found..

"**Union**" has the meaning set forth in **Section 4.15(b)**.

## **ARTICLE II Purchase and Sale**

**Section 2.01 Purchase and Sale of Assets.** Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and receive from Seller, free and clear of any Encumbrances other than Permitted Encumbrances, all of Seller's right, title and interest in and to all of the following assets, properties and rights of every kind, description and nature, whether real, personal or mixed, tangible and intangible, wherever located, whether or not any of such assets have any value for accounting purposes or are carried or reflected on or specifically referred to in Seller's books of account or financial statements, and whether now existing or hereafter acquired (collectively, the "**Purchased Assets**"):

- (a) all assets exclusively used in the Target Business;
- (b) all personal property and interests therein, wherever located, including all vehicles, tools, parts and supplies, machinery, equipment, appliances, fixtures and trade fixtures listed in **Section 2.01(b)** of the Disclosure Schedule (the "**Tangible Personal Property**"), in each case with any transferable warranty and service rights of Seller with respect to such property;
- (c) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories necessary to fulfil the Backlog (the "**Backlog Inventory**"), to be finally determined in accordance with **Section 2.06**;
- (d) all inventory, finished goods, raw materials, work in progress, packaging, supplies, parts and other inventories necessary to fulfil the Forecast (the "**Forecast Inventory**"), to be finally determined in accordance with **Section 2.06**;
- (e) all rights under Contracts (including renewal rights thereto), including Intellectual Property Agreements, set forth on **Section 2.01(e)** of the Disclosure Schedule (the "**Assigned Contracts**");
- (f) all Intellectual Property Assets and all business goodwill associated therewith;
- (g) all of Seller's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets including all claims, choses in action, causes of action and judgments;
- (h) to the extent possible to distinguish and separate from the Remaining Business, originals, or where not available, copies, of all books, books of account, records, manuals, documents, correspondence, sales and credit reports, customer lists, literature, brochures, advertising or promotional material and the like of the Target Business ("**Books and Records**"); and

(i) any Permits of the Target Business, to the extent possible to distinguish and separate from the Remaining Business and their transfer being permitted by applicable Law.

**Section 2.02 Excluded Assets.** Notwithstanding the foregoing or anything herein to the contrary, the Purchased Assets shall not include, and Seller shall retain all of its right, title and interest in and to, the following assets and properties (such retained assets and properties collectively, the "**Excluded Assets**"):

- (a) assets not exclusively used in the Target Business and not listed in **Section 2.01**;
- (b) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller;
- (c) all Seller's Benefit Plans and assets attributable thereto;
- (d) all trade, accounts or other notes receivable held by Seller relating to the Target Business, and any advance payments, deposits, prepaid items and expenses, deferred charges, rights of offset and credits and claims for refund security, claim, remedy or other right related to any of the foregoing;
- (e) all cash and cash equivalents; and
- (f) the rights which accrue or will accrue to Seller under the Transaction Documents.

**Section 2.03 Assumed Liabilities.** Subject to the terms and conditions set forth herein, at the Closing, Buyer shall assume and agrees to pay, perform and discharge only the following Liabilities, except in each case to the extent any such Liabilities (i) would have been performed, paid or otherwise discharged on or prior to the Closing Date, but for a breach or default by Seller or (ii) are Excluded Liabilities (collectively, the "**Assumed Liabilities**"):

- (a) all Liabilities of Seller in respect of the Assigned Contracts, to the extent such liabilities relate to events or occurrences that happened, or obligations that are to be performed, after the Closing Date;
- (b) any product liability or similar claims for injury to a Person or property and any Liability relating to or arising out of any product recall (voluntary or involuntary), design defect or similar, in each case relating to products manufactured, or services performed, by Buyer after the Closing Date; and
- (c) any Liability, or part of a Liability, that relates to an event or occurrence that happened, or obligation to be performed, before Closing, only if and to the extent such Liability is caused or aggravated by Buyer's negligence or wilful misconduct.

**Section 2.04 Excluded Liabilities.** The Excluded Liabilities shall not be assumed by Buyer, but instead shall be retained, performed, paid and discharged by Seller in due course. The term “**Excluded Liabilities**” as used herein means any and all liabilities or obligations of Seller or any of its Affiliates of any nature, whether due or to become due, whether accrued, absolute, contingent or otherwise, or arising out of any transactions entered into or any state of facts existing, or the use, ownership, possession or operation of the Purchased Assets or the conduct of the Target Business prior to the Closing Date, excepting only the Assumed Liabilities; provided however that without limiting the foregoing, the Excluded Liabilities shall include the following:

- (i) all accounts payable of Seller to third parties in connection with the Target Business;
- (ii) subject to **Section 6.13**, any obligation or liability for Taxes incurred by Seller, and any liability of Seller for the Taxes of another person under a contractual indemnity or covenant (other than under the Assigned Contracts), as a transferee or otherwise under applicable Tax Laws, regulations or administrative rules;
- (iii) any claim, obligation or liability in connection with or arising from or relating to any Excluded Asset, including any Taxes associated therewith;
- (iv) any Debt;
- (v) any and all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by Seller or its Affiliates in connection with the transactions contemplated by this Agreement, including all fees, costs and expenses incurred in connection with or by virtue of the negotiation, preparation and review of this Agreement (including the exhibits and Disclosure Schedule hereto) and all Transaction Documents, and the consummation of the transactions contemplated by this Agreement and the Transaction Documents, including any retention bonuses, “success” fees, change of control payments and any other payment obligations payable as a result of the consummation of the transactions contemplated by this Agreement and the Transaction Documents;
- (vi) any obligation or liability of Seller arising out of this Agreement and any Transaction Document;
- (vii) any obligation or liability arising out of or relating to any business or property formerly owned or operated by Seller, any affiliate or predecessor thereof, but not presently owned and operated by Seller;
- (viii) any liabilities or obligations under the Benefit Plans;
- (ix) any obligation or liability of Seller or its predecessors arising out of any contract, agreement, Permit, franchise or claim that is not transferred to Buyer as part of the Purchased Assets or, subject to **Section 2.07**, is not transferred to Buyer because of any failure to obtain any third-party or governmental consent required for such transfer;
- (x) any obligation or liability with respect to compensation, severance or benefits of any nature owed to any current or former employee, officer, director or independent contractor of Seller or any ERISA Affiliate (or any beneficiary or dependent of any such individual), whether or not employed by Buyer or any of its Affiliates after the Closing, that (A) arises out of or relates to the employment, service provider or other relationship between Seller or ERISA Affiliate and any such individual, including the termination of such relationship, (B) arises out of or relates to any Benefit Plan or (C) arises out of or relates to events or conditions occurring on or before the Closing Date, including accrued liabilities for vacation and holiday benefits payable to the Transferred Employees as of the Closing Date (the “**PTO Accrued Liabilities**”); and
- (xi) any intercompany liabilities or amounts due to Affiliates, whether current portion or otherwise.

**Section 2.05 Purchase Price; Payment Method.**

(a) In full consideration of the purchase of the Purchased Assets Buyer shall, in addition to the assumption of the Assumed Liabilities, pay and deliver an amount equal to Six Million Five Hundred Thousand Dollar (\$6,500,000) (the "**Base Purchase Price**") plus an amount equal to the Inventory Value (collectively the "**Purchase Price**").

(b) The Base Purchase Price, *plus* an amount equal to the Estimated Inventory Value, *minus* fifty percent (50%) of the Forecast Inventory Value set forth in the Estimated Inventory Value Statement, *minus* the Escrow Amount (the "**Closing Payment**") shall be paid by Buyer to Seller by wire transfer of immediately available funds to an account that has been designated in writing by Seller to Buyer no later than three (3) Business Days prior to the Closing Date.

(c) Six Hundred Fifty Thousand Dollars (\$650,000) (the "**Escrow Amount**") shall be paid by Buyer into the Escrow Account, by wire transfer of immediately available funds to an account that has been designated by the Escrow Agent, to be held in escrow by the Escrow Agent for a period of twelve (12) months subject to the terms of the Escrow Agreement. The Escrow Amount shall be available to satisfy any and all timely claims for indemnification made by any Buyer Indemnitee against Seller pursuant to Article VIII, as more specifically set forth in the Escrow Agreement.

(d) Within ninety (90) days after the Closing Date, Buyer shall pay to Seller an amount equal to fifty percent (50%) of the Forecast Inventory Value set forth in the Estimated Inventory Value Statement (the "**Post-Closing Forecast Inventory Payment**") by wire transfer of immediately available funds to an account that has been designated in writing by Seller.

**Section 2.06 Post-Closing Adjustment.**

(a) **Estimated Inventory Value.** At least three (3) Business Days before the Closing, Seller shall prepare and deliver to Buyer a statement (the "**Estimated Inventory Value Statement**") setting forth its good faith estimate of the Inventory Value (the "**Estimated Inventory Value**").

(b) **Closing Inventory Value.** Within 20 days after the Closing Date, Buyer shall prepare and deliver to Seller a statement (the "**Closing Inventory Value Statement**") setting forth its calculation of the Inventory Value (the "**Closing Inventory Value**").

(c) **Post-Closing Adjustment**

(i) Subject to the dispute resolution provisions of **Section 2.06(e)** below, the "**Post-Closing Adjustment**" shall be an amount equal to the Closing Inventory Value minus the Estimated Inventory Value. If the Post-Closing Adjustment is a positive number, Buyer shall pay to Seller an amount equal to the Post-Closing Adjustment. If the Post-Closing Adjustment is a negative number, Seller shall waive part of the Post-Closing Forecast Inventory Payment due from Buyer by an amount equal to the Post-Closing Adjustment, and, in the event the Post-Closing Adjustment exceeds the amount waived by Seller in relation to the Post-Closing Forecast Inventory Payment, pay to Buyer an amount equal to the difference between the amount waived in relation to the Post-Closing Forecast Inventory Payment and the amount of the Post-Closing Adjustment.

(ii) Except as otherwise provided herein, any payment of the Post-Closing Adjustment, together with interest calculated as set forth below, shall (A) be due within five (5) Business Days of Seller's acceptance of the Closing Inventory Value Statement or, if there are Disputed Amounts (defined below), then within five (5) Business Days of the resolution described in **Section 2.06(e)(ii)** or **Section 2.06(e)(v)** below; and (B) be paid by wire transfer of immediately available funds to such account as is directed by Seller or Buyer, as the case may be. The amount of any Post-Closing Adjustment shall bear interest from and including the Closing Date to and including the date of payment at a rate per annum equal to the prime rate published in the Wall Street Journal, plus 5%. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

(d) **Stock-take.** Promptly after the Closing Date, Buyer shall perform a physical stock-take to confirm the items in the Backlog Inventory and the Forecast Inventory. If Buyer wishes to request any adjustments to the items in the Backlog Inventory or the Forecast Inventory, Buyer shall include such request in the Closing Inventory Value Statement.

(e) **Examination, Review and Disputes.**

(i) Examination. After receipt of the Closing Inventory Value Statement, Seller shall have 20 days (the "**Review Period**") to review the Closing Inventory Value Statement.

(ii) Objection. On or prior to the last day of the Review Period, Seller may object to the Closing Inventory Value Statement by delivering to Buyer a written statement setting forth Seller's objections in reasonable detail, indicating each disputed item or amount and the basis for Seller's disagreement therewith (the "**Statement of Objections**"). If Seller does not deliver a Statement of Objections before the expiration of the Review Period, the Post-Closing Adjustment reflected in the Closing Inventory Value Statement shall be deemed to have been accepted by Seller. If Seller delivers the Statement of Objections before the expiration of the Review Period, Seller and Buyer shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Statement of Objections (the "**Resolution Period**") and, if the same are so resolved within the Resolution Period, the Closing Inventory Value Statement, with such changes as may have been previously agreed in writing by Buyer and Seller, shall be final and binding.

(iii) Resolution of Disputes. If Seller and Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("**Disputed Amounts**") shall be submitted for resolution to the office of KPMG or, if KPMG is unable to serve, Buyer and Seller shall appoint by mutual agreement the office of an impartial internationally recognized firm of independent certified public accountants other than Seller's accountants or Buyer's accountants (the "**Independent Accountants**") who, acting as experts and not arbitrators, shall resolve (based on U.S. GAAP) the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment reflected in the Closing Inventory Value Statement. The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountants shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Inventory Value Statement and the Statement of Objections, respectively.

(iv) Fees of the Independent Accountants. The fees and expenses of the Independent Accountants shall be borne equally by Seller and Buyer.

(v) Determination by Independent Accountants. The Independent Accountants shall make a determination as soon as practicable within 30 days (or such other time as the parties hereto shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Inventory Value Statement shall be conclusive and binding upon the parties hereto.

(f) **Adjustments for Tax Purposes.** Any payments made pursuant to this **Section 2.06** shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

**Section 2.07 Third Party Consents and Nonassignable Assets.** Nothing in this Agreement shall be construed as an attempt to assign, and Buyer shall not assume any liabilities or obligations with respect to, any Contract or Permit intended to be included in the Purchased Assets that by applicable Law is non-assignable. To the extent that Seller's rights under any Contract or Permit constituting a Purchased Asset, or any other Purchased Asset, may not be assigned to Buyer without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Seller, at its expense, shall use its reasonable best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by law and the Purchased Asset, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Law and the Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer. Notwithstanding any provision in this **Section 2.07** to the contrary, Buyer shall not be deemed to have waived its rights under this Agreement unless and until Buyer either provides written waivers thereof or elects to proceed to consummate the transactions contemplated by this Agreement at Closing.

### **ARTICLE III Closing**

**Section 3.01 Closing.** Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of Mannheimer Swartling Advokatbyrå LLP, 101 Park Avenue, New York, at 10:00 a.m. EST on June 2, 2014, or as soon as practicable after all of the conditions to Closing set forth in **Article VII** are either satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), or at such other time, date or place or by such other method, including by fax or other electronic transmission, as Seller and Buyer may mutually agree upon in writing. The date on which the Closing is to occur is herein referred to as the "**Closing Date**".



**Section 3.02 Closing Deliverables.**

- (a) Deliveries by Seller to Buyer. At the Closing, Seller shall deliver to Buyer, or cause to be delivered, the following to Buyer:
- (i) a bill of sale duly executed by Seller in the form of **Exhibit B** hereto (the "**Bill of Sale**"), transferring the tangible personal property included in the Purchased Assets;
  - (ii) an assignment and assumption agreement duly executed by Seller in the form of **Exhibit C** hereto (the "**Assignment and Assumption Agreement**") effecting the assignment to and assumption by Buyer of the Purchased Assets and the Assumed Liabilities;
  - (iii) an assignment duly executed by Seller in the form of **Exhibit D** hereto (the "**Intellectual Property Assignment**"), transferring all of Seller's right, title and interest in and to the Intellectual Property Assets to Buyer;
  - (iv) a sublease agreement duly executed Seller in a form to be mutually agreed upon by Buyer and Seller (the "**Sublease**") governing Buyer's sublease of space in Seller's facilities which shall be based upon the terms in **Exhibit E** hereto;
  - (v) the Seller Closing Certificate;
  - (vi) the consents from Governmental Authorities or third parties, if any, set forth on **Section 3.02(a)(vi)** of the Disclosure Schedule and any other material consents in forms reasonably acceptable to Buyer;
  - (vii) such lien releases or other written evidence reasonably satisfactory to Buyer, evidencing the release of all Encumbrances listed on **Section 3.02(a)(vii)** of the Disclosure Schedule; and
  - (viii) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement.
- (b) Deliveries by Buyer to Seller. At the Closing, Buyer shall deliver to Seller the following:
- (i) the Closing Payment;
  - (ii) the Escrow Amount (payable to the Escrow Account, held with the Escrow Agent in accordance with the Escrow Agreement);
  - (iii) the Assignment and Assumption Agreement duly executed by Buyer;
  - (iv) the Transitional Services Agreement duly executed by Buyer;
  - (v) the Sublease duly executed by Buyer;

- (vi) the Buyer's Closing Certificate; and
- (vii) a bank guaranty for the Post-Closing Forecast Inventory Payment.

**ARTICLE IV**  
**Representations and warranties of seller**

Except as set forth in the correspondingly numbered Section of the Disclosure Schedule, Seller represents and warrants to Buyer as follows:

**Section 4.01 Organization and Qualification of Seller.** Seller is a corporation duly organized, validly existing and in good standing under the Laws of the state of Utah and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on the Target Business as currently conducted. Seller is duly licensed and qualified to do business and is in good standing in each jurisdiction in which the ownership of the Purchased Assets or the operation of the Target Business as currently conducted makes such licensing or qualification necessary. True and complete copies of the articles of incorporation, bylaws, or other organizational or governance documents of Seller, all as amended to date, have been previously delivered to Buyer.

**Section 4.02 Authority of Seller.** Seller has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which Seller is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any other Transaction Document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms. When each other Transaction Document to which Seller is or will be a party has been duly executed and delivered by Seller (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Seller enforceable against it in accordance with its terms.

**Section 4.03 No Conflicts; Consents.** The execution, delivery and performance by Seller of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not, with or without the giving of notice or the lapse of time, or both: (a) conflict with or violate any provision of or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws, or other organizational or governance documents of Seller; (b) conflict with or violate or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller, the Target Business or the Purchased Assets; (c) except as set forth on **Section 4.03** of the Disclosure Schedule require the consent, notice or other action by any Person under any Contract or Permit to which Seller is a party or by which Seller or the Target Business is bound or to which any of the Purchased Assets are subject (including the assignment of any Assigned Contract); or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on the Purchased Assets.

**Section 4.04 Revenue and Gross Profit.** Section 4.04 of the Disclosure Schedule fairly presents the revenue and gross profit of the Target Business for the respective periods referred to therein.

**Section 4.05 Absence of Certain Changes, Events and Conditions.** Since the Reference Date, and other than in the ordinary course of business consistent with past practice, there has not been any:

- (a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (b) material change in any method of accounting or accounting practice for the Target Business, except as required by GAAP;
- (c) transfer, assignment, sale or other disposition of any assets that would otherwise be covered by the definitions of the "Purchased Assets", except for the sale of Inventory in the ordinary course of business;
- (d) transfer, assignment or grant of any license or sublicense of any material rights under or with respect to any Intellectual Property Assets or Intellectual Property Agreements;
- (e) material damage, destruction or loss, or any material interruption in use, of any Purchased Assets, whether or not covered by insurance;
- (f) imposition of any Encumbrance upon any of the Purchased Assets;
- (g) change or, to Seller's Knowledge, any threat of any change in any of the Target Business's relations with, or any loss or, to Seller's Knowledge, threat of loss of, any of the suppliers, customers or employees of the Target Business, including any loss or change which may result from the transactions contemplated by this Agreement, other than changes that do not have a Material Adverse Effect;
- (h) waiver or release of any right or claim of Seller or incurring of any modifications, amendments or terminations of any Contracts other than waivers, releases, modifications, amendments or terminations that do not have a Material Adverse Effect; or
- (i) any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

**Section 4.06 Contracts.**

(a) Section 4.06 of the Disclosure Schedule lists each Contract (x) by which any of the Purchased Assets are bound or affected or (y) to which Seller is a party or by which it is bound in connection with the Target Business or the Purchased Assets.

(b) Seller has provided Buyer with true and complete copies of all Contracts and there are no oral or written amendments or revisions to the Contracts, and the Seller is not bound by any additional obligations under or in relation to the Contracts, except as disclosed to Buyer in writing or set forth in the copies provided to Buyer.

(c) Each Contract is valid and binding on Seller in accordance with its terms and is in full force and effect. To Seller's Knowledge, none of Seller or any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Contract. To Seller's Knowledge, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder.

**Section 4.07 Title to Purchased Assets.** Seller has good and valid title to, or a valid leasehold interest in, all of the Purchased Assets. All such Purchased Assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as "**Permitted Encumbrances**"):

- (a) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures to the extent that such Taxes are timely discharged by Seller;
- (b) mechanics', carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business consistent with past practice or amounts that are not delinquent and which are not, individually or in the aggregate, material to the Target Business or the Purchased Assets;
- (c) liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business consistent with past practice which are set forth on **Section 4.07(c)** of the Disclosure Schedule.

**Section 4.08 Condition and Sufficiency of Assets.** The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property included in the Purchased Assets are in good operating order, except for ordinary wear and tear and routine maintenance. The Purchased Assets are sufficient for the continued conduct of the Target Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the Target Business as currently conducted. No other Person (including Seller's Affiliates) other than Seller owns any assets, properties or rights used in the Target Business.

**Section 4.09 Intellectual Property.**

(a) **Section 4.09(a)** of the Disclosure Schedule lists all Intellectual Property Assets. As applicable, all required filings and fees related to the Intellectual Property Assets have been timely filed with and paid to the relevant Governmental Authorities and authorized registrars, and all registered Intellectual Property Assets are in good standing.

(b) **Section 4.09(b)** of the Disclosure Schedule lists all Intellectual Property Agreements. To Seller's Knowledge, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any Intellectual Property Agreement or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder.

(c) Seller is the sole and exclusive legal and beneficial, and as applicable, record, owner of all right, title and interest in and to the Intellectual Property Assets. The Intellectual Property Assets are not subject to any license granted to a third party.

(d) The conduct of the Target Business does not, to Seller's Knowledge, infringe, misappropriate, dilute or conflict with, and has not conflicted with, any Intellectual Property of others. Neither Seller nor any of its Affiliates has received any notices alleging that the conduct of the Target Business, including the marketing, sale and distribution of the products and services of the Target Business, infringe, dilute, misappropriate or otherwise violate any other party's Intellectual Property (including, for the avoidance of doubt, any cease and desist letter or offer of license). To Seller's Knowledge, no current or former employee of Seller and no other person owns or has, any proprietary, financial or other interest, direct or indirect, in whole or in part, and including any rights to royalties or other compensation, in any of Intellectual Property owned or purported to be owned by Seller. There is no agreement or other contractual restriction affecting the use by Seller of any of the Intellectual Property owned or purported to be owned by Seller and used in the Target Business.

**Section 4.10 Inventory.** All Inventory consists of a quality and quantity usable and salable in the ordinary course of business consistent with past practice, except for obsolete, damaged, defective or slow-moving items that have been written off or written down (which were all made consistent with past practice). All Inventory is owned by Seller free and clear of all Encumbrances except Permitted Encumbrances, and no Inventory is held on a consignment basis.

**Section 4.11 Litigation.** There is no, and during the last five years there has not been any, dispute, claim, action, suit, proceeding, review, arbitration or investigation before any Governmental Authority ("**Litigation**") pending or, to Seller's Knowledge, threatened against Seller, with respect to or affecting the Purchased Assets, the Target Business or the Transferred Employees. Seller is not a party to or bound by any outstanding orders, rulings, judgments, settlements, arbitration awards or decrees with respect to or affecting the Purchased Assets.

**Section 4.12 Compliance with Laws; Permits.** Seller has been and is in compliance in all respects with all applicable Laws, except where the failure to be in compliance would not have Material Adverse Effect. No Permits are necessary for the conduct of the Target Business as presently conducted, except for those Permits where the failure of which to obtain would not have a Material Adverse Effect. Each such Permit is validly possessed by Seller, is in full force and effect, and is and will be included in the Purchased Assets and validly transferred to Buyer at the Closing. No notice, citation, summons or order has been issued, no complaint has been filed and served, no penalty has been assessed and notice thereof given, and no investigation or review is pending or, to the Knowledge of Seller, threatened with respect to Seller, by any Governmental Authority with respect to any alleged (a) violation in any material respect by Seller of any Law, or (b) failure by Seller to have any Permit required in connection with the conduct of the Target Business.

**Section 4.13 Environmental Matters.** The operations of Seller with respect to the Target Business and the Purchased Assets have not violated, are not violating, and Seller has not been threatened with or received a notice or charge asserting any violation of, any Environmental Law. The Target Business and the Purchased Assets are in material compliance with all Environmental Laws.

**Section 4.14 Employee Benefit Matters.** Section 4.14 of the Disclosure Schedule lists all “employee benefit plans,” as defined in Section 3(3) of ERISA, and all other retirement, profit sharing, bonus, stock, stock option, equity-based, profits interest, employment, change in control, health, life, disability, group insurance, savings, deferred compensation, incentive compensation, paid time off, severance, salary continuation and other fringe benefit arrangements, plans, programs, contracts, policies, or practices maintained, contributed to, or required to be contributed to by Seller (or any ERISA Affiliate, if Seller would be liable therefor) for the benefit of any current or former employee, officer, director, member, partner or independent contractor of Seller or with respect to which Seller or any ERISA Affiliate may have any liability, and Seller has delivered true and complete copies of all plan documents, summary plan descriptions (including summaries of material modifications), and IRS determination or opinion letters. To Seller’s Knowledge, Seller is in compliance in all material respects with the provisions of ERISA and all other Laws applicable to its Benefit Plans.

**Section 4.15 Employment Matters.**

(a) Section 4.15(a) of the Disclosure Schedule contains a list of all persons who are employees, independent contractors or consultants of the Target Business as of the date hereof, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate; (v) commission, bonus or other incentive-based compensation; and (vi) a description of the fringe benefits provided to each such individual as of the date hereof.

(b) Seller is not, and has not been for the past five years, a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (collectively, “**Union**”), and there is not, and has not been for the past five years, any Union representing or purporting to represent any employee of Seller.

**Section 4.16 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Seller.

**Section 4.17 Accounts Receivable; Customers.** Seller’s accounts receivable relating to the Target Business are bona fide payment obligations and arose in the ordinary course of business, and there are no formal disputes with customers relating to such accounts receivable. Seller has not received any notice that any of the customers of the Target Business have ceased, or intend to cease after the Closing, to use the goods or services of the Target Business.

**ARTICLE V**  
**Representations and warranties of Buyer**

Buyer represents and warrants to Seller as follows:

**Section 5.01 Organization of Buyer.** Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the state of Israel.

**Section 5.02 Authority of Buyer.** Buyer has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms. When each other Transaction Document to which Buyer is or will be a party has been duly executed and delivered by Buyer (assuming due authorization, execution and delivery by each other party thereto), such Transaction Document will constitute a legal and binding obligation of Buyer enforceable against Buyer in accordance with its terms.

**Section 5.03 No Conflicts; Consents.** The execution, delivery and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; or (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer.

**Section 5.04 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Buyer.

**Section 5.05 Sufficiency of Funds.** Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

**Section 5.06 Independent Investigation.** Buyer has conducted its own independent investigation, review and analysis of the Target Business and the Purchased Assets, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Seller for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in this Agreement (including related portions of the Disclosure Schedule); and (b) neither Seller nor any other Person has made any representation or warranty as to Seller, the Target Business, the Purchased Assets or this Agreement, except as expressly set forth in this Agreement (including the related portions of the Disclosure Schedule).

**ARTICLE VI**  
**Covenants**

**Section 6.01 Conduct of Target Business Prior to the Closing.** From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld or delayed), Seller shall (x) conduct the Target Business in the ordinary course of business consistent with past practice; and (y) use reasonable best efforts to maintain and preserve intact its current operations and franchise and to preserve the rights, franchises, goodwill and relationships of its employees, customers, suppliers, regulators and others having relationships with the Target Business. Without limiting the foregoing, from the date hereof until the Closing Date, Seller shall:

- (a) preserve and maintain all Permits required for the conduct of the Target Business as currently conducted or the ownership and use of the Purchased Assets;
- (b) pay the debts, Taxes and other obligations of the Target Business when due;
- (c) continue to collect accounts receivables in a manner consistent with past practice;
- (d) maintain the properties and assets included in the Purchased Assets in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;
- (e) perform all of its obligations under all Assigned Contracts;
- (f) maintain the Books and Records in accordance with past practice;
- (g) comply in all material respects with all Laws applicable to the conduct of the Target Business or the ownership and use of the Purchased Assets;
- (h) not take any action which Seller knows, or reasonably should know, would breach any covenant of Seller hereunder, or cause any representation or warranty of Seller hereunder to be untrue as of the Closing;
- (i) not increase the wages, salary, bonus or other compensation or benefits payable to any director, independent contractor, officer or employee; and
- (j) not take or permit any action that would cause any of the changes, events or conditions described in **Section 4.04** to occur.

The above notwithstanding, it has been agreed between Seller and Buyer that Seller shall not, without prior approval from Buyer, place any orders for PCBA Boards and Displays, or assume any obligations to third parties relating to the ordering of PCBA Boards and Displays. Before placing any such orders, Seller shall notify Buyer and give Buyer twenty four (24) hours to give its approval or rejection of such order(s). If Buyer has not responded to Seller within twenty four (24) hours, Seller may go ahead and place such order(s) as detailed in the notice to Buyer.



**Section 6.02 Notice of Certain Events.**

(a) From the date hereof until the Closing, Seller shall promptly notify Buyer in writing of:

(i) any fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in **Section 7.02** to be satisfied or (C) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Seller hereunder not being true and correct;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(iv) any Actions commenced or, to Seller's Knowledge, threatened against, relating to or involving or otherwise affecting the Target Business, the Purchased Assets or the Assumed Liabilities that relates to the consummation of the transactions contemplated by this Agreement.

**Section 6.03 Supplement to Disclosure Schedule.** From time to time prior to the Closing, Seller shall have the right (but not the obligation) to supplement or amend the Disclosure Schedule hereto with respect to any matter hereafter arising or of which it becomes aware after the date hereof (each a "**Schedule Supplement**"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in **Section 7.02(a)** have been satisfied; *provided, however,* that if Buyer has the right to, but does not elect to, terminate this Agreement within fifteen (15) Business Days of its receipt of such Schedule Supplement, then Buyer shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter and, further, shall have irrevocably waived its right to indemnification under **Section 8.02** with respect to such matter.

**Section 6.04 Employees.**

(a) On the Closing Date, Seller shall terminate all employees of the Target Business listed in **Section 6.04(a)** of the Disclosure Schedule, and Buyer (or its Affiliate) shall immediately offer them employment on substantially similar terms and conditions; such employees who accept employment with Buyer being referred to as the "**Transferred Employees**". Seller shall bear any and all obligations and liability under the Worker Adjustment and Retraining Notification Act and similar state and local laws resulting from employment losses under this **Section 6.04**, unless such obligations or liabilities would have been avoided if Buyer had offered the employees same terms and conditions substantially similar to those currently offered by Seller.

(b) Seller shall remain solely responsible for the satisfaction of all claims for medical, dental, life insurance, health accident or disability benefits brought by or in respect of current or former employees, officers, directors, independent contractors or consultants of the Target Business, which claims were presented on or prior to the Closing Date. Seller also shall remain solely responsible for all worker's compensation claims of any current or former employees, officers, directors, independent contractors or consultants of the Target Business which relate to events occurring on or prior to the Closing Date. Seller shall pay, or cause to be paid, all such amounts to the appropriate persons as and when due.

(c) As soon as reasonably practicable after the Closing Date, but in no event later than the next regularly scheduled payroll date, or earlier if required by Law, Seller shall cause a final payroll to be run as of the Closing Date and Seller will pay salaries and wages, including any bonuses, to all Transferred Employees as of the Closing Date. At such time, Seller shall also pay to all Transferred Employees all PTO Accrued Liabilities or any other "Paid Time Off" amounts accrued or accumulated on the books and records of Seller or to which such Transferred Employees are entitled. No such PTO Accrued Liabilities or other "Paid Time Off" amounts will be Assumed Liabilities for any purpose hereunder.

(d) With respect to any employee benefit plan maintained by Buyer or an Affiliate of Buyer for the benefit of any Transferred Employee, effective as of the Closing, Buyer shall recognize all service of the Transferred Employees with Seller, as if such service were with Buyer, for vesting, eligibility and accrual purposes; *provided, however*, such service shall not be recognized to the extent that (x) such recognition would result in a duplication of benefits or (y) such service was not recognized under the corresponding benefit plan.

**Section 6.05 Confidentiality.** From and after the Closing, Buyer and Seller shall, and shall cause their respective Affiliates to, hold, and shall use their reasonable best efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning the Target Business, except to the extent that Buyer or Seller can show that such information (a) is generally available to and known by the public through no fault of Buyer or Seller, any of their respective Affiliates or their respective Representatives; or (b) is lawfully acquired by Buyer or Seller, any of their respective Affiliates or their respective Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If Buyer or Seller or any of their respective Affiliates or their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, Buyer or Seller, as the case may be, shall promptly notify the other party in writing and shall disclose only that portion of such information which Buyer or Seller, as the case may be, is advised by its counsel in writing is legally required to be disclosed, *provided that* Buyer or Seller, as the case may be, shall use reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

### **Section 6.06 Exclusivity.**

(a) Seller shall not, and shall not authorize or permit any of its Affiliates or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Seller shall immediately cease and cause to be terminated, and shall cause its Affiliates and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "**Acquisition Proposal**" means any inquiry, proposal or offer from any Person (other than Buyer or any of its Affiliates) relating to the direct or indirect disposition, whether by sale, merger or otherwise, of all or any portion of the Target Business or the Purchased Assets.

(b) In addition to the other obligations under this Section 6.06, Seller shall promptly (and in any event within three Business Days after receipt thereof by Seller or its Representatives) advise Buyer orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

(c) Seller agrees that the rights and remedies for noncompliance with this Section 6.06 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Buyer and that money damages would not provide an adequate remedy to Buyer.

### **Section 6.07 Non-competition; Non-solicitation**

(a) **Seller's Undertaking.** For a period of two years commencing on the Closing Date (the "**Restricted Period**"), Seller shall not, and shall not permit any of its Affiliates to, directly or indirectly, (i) engage in or assist others in engaging in the Target Business in the Territory; (ii) have an interest in any Person that engages directly or indirectly in the Target Business in the Territory in any capacity, including as a partner, shareholder, member, employee, principal, agent, trustee or consultant; or (iii) cause, induce or encourage any actual or prospective client, customer, supplier or licensor of the Target Business (including any existing or former client or customer of Seller and any Person that becomes a client or customer of the Target Business after the Closing), or any other Person who has a material business relationship with the Target Business, to terminate or modify any such actual or prospective relationship. Notwithstanding the foregoing, Seller may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if Seller is not a controlling Person of, or a member of a group which controls, such Person and does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(b) During the Restricted Period, Seller shall not, and shall not permit any of its Affiliates to, directly or indirectly, hire or solicit any person who is offered employment by Buyer pursuant to **Section 6.04(a)** or is or was employed in the Target Business during the Restricted Period, or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; *provided, that* nothing in this **Section 6.07(b)** shall prevent Seller or any of its Affiliates from hiring (i) any employee whose employment has been terminated by Buyer or (ii) after 180 days from the date of termination of employment, any employee whose employment has been terminated by the employee.

(c) **Buyer's Undertaking.** During the Restricted Period, as long as Seller is not in material breach of any obligation under the Transaction Documents, Buyer shall not, and shall not permit any of its Affiliates to, directly or indirectly, (i) engage in or assist others in engaging in the Buyer's Restricted Business in the Territory; (ii) have an interest in any Person that engages directly or indirectly in the Buyer's Restricted Business in the Territory in any capacity, including as a partner, shareholder, member, employee, principal, agent, trustee or consultant; or (iii) cause, induce or encourage any material actual or prospective client, customer, supplier or licensor of the Buyer's Restricted Business (including any existing or former client or customer of Buyer and any Person that becomes a client or customer of the Buyer's Restricted Business after the Closing), or any other Person who has a material business relationship with the Buyer's Restricted Business, to terminate or modify any such actual or prospective relationship. Notwithstanding the foregoing, Buyer may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if Buyer is not a controlling Person of, or a member of a group which controls, such Person and does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(d) During the Restricted Period, Buyer shall not, and shall not permit any of its Affiliates to, directly or indirectly, hire or solicit any person who is or was employed in the Buyer's Restricted Business during the Restricted Period, or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; *provided, that* nothing in this **Section 6.06(d)** shall prevent Buyer or any of its Affiliates from hiring (i) any employee whose employment has been terminated by Seller or (ii) after 180 days from the date of termination of employment, any employee whose employment has been terminated by the employee.

(e) **Equitable remedies.** The parties acknowledges that a breach or threatened breach of this **Section 6.06** would give rise to irreparable harm to the other party, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by either party of any such obligations, the other party shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

(f) **Interpretation and Severability.** Both parties acknowledge that the restrictions contained in this **Section 6.06** are reasonable and necessary to protect the legitimate interests of the other party and constitute a material inducement to the parties to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this **Section 6.06** should ever be adjudicated to exceed the time, geographic, product or service or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service or other limitations permitted by applicable Law. The covenants contained in this **Section 6.06** and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

**Section 6.08 Financial Statement Assistance.** Seller shall use commercially reasonable efforts to assist Buyer in establishing auditable relevant financial statements to the extent required by the U.S. Securities and Exchange Commission. Seller's obligation under this Section 6.08 shall be limited to such assistance that can be offered without Seller having to dedicate significant management time and without interruption of the Beijer Business, and all costs and expenses associated with the establishment and auditing of financial statements under this Section 6.08 shall be borne by Buyer.

**Section 6.09 Closing Conditions** From the date hereof until the Closing, each party hereto shall use reasonable best efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in **Article VII** hereof.

**Section 6.10 Public Announcements.** Unless otherwise required by applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

**Section 6.11 Bulk Sales Laws.** The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer; it being understood that any Liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

**Section 6.12 Receivables.** From and after the Closing, if Seller or any of its Affiliates receives or collects any funds relating to any Purchased Asset, Seller or its Affiliate shall remit such funds to Buyer within five Business Days after its receipt thereof.

**Section 6.13 Transfer Taxes.** All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid equally by Buyer and Seller when due. Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

**Section 6.14 Further Assurances.** Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

**ARTICLE VII**  
**Conditions to closing**

**Section 7.01 Conditions to Obligations of All Parties.** The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

- (a) No Governmental Authority shall have enacted, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, or otherwise restraining or prohibiting consummation of such transactions.
- (b) Seller and Buyer shall have received all consents, authorizations, orders and approvals from Governmental Authorities necessary to complete the Closing, and no such consent, authorization, order and approval shall have been revoked.
- (c) Buyer, Seller and Escrow Agent shall have entered into an Escrow Agreement in substantially the form attached hereto as **Exhibit F** (the "**Escrow Agreement**").

**Section 7.02 Conditions to Obligations of Buyer.** The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

- (a) All of the representations and warranties of Seller set forth in Article IV hereof shall be true and correct in all material respects on the date of this Agreement and on and as of the Closing Date as if made on and as of the Closing Date (except for representations and warranties that expressly relate to a date earlier than the Closing Date which shall continue to be true and correct as of the specified date, and except for representations and warranties that contain Material Adverse Effect or other materiality qualifications and the representations and warranties set forth in Section 4.07, which shall be true and correct in all respects).
- (b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

(c) No Action shall have been commenced against Buyer or Seller, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.

(d) From the date of this Agreement, there shall not have occurred any Material Adverse Effect nor shall any event have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(e) All approvals, consents and waivers that are listed on **Section 4.03** of the Disclosure Schedule shall have been received, and executed counterparts thereof shall have been delivered to Buyer at or prior to the Closing.

(f) At least 80% of the employees listed in **Section 6.04(a)** of the Disclosure Schedule shall have accepted and executed offer letters provided by Buyer, provided that Buyer has offered all such employees offer letters in accordance with **Section 6.04**.

(g) Buyer shall have received all Permits listed on **Section 7.02(g)** of the Disclosure Schedule.

(h) All Encumbrances relating to the Purchased Assets (other than Permitted Encumbrances) that (A) are listed on Section 3.02(a)(vii) of the Disclosure Schedule or (B) were created after the date of this Agreement, shall have been released in full, and Seller shall have delivered to Buyer written evidence, in form satisfactory to Buyer in its sole discretion, of the release of such Encumbrances.

(i) Seller shall have delivered to Buyer duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in **Section 3.02(a)**.

(j) Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Seller, that the condition set forth in **Section 7.02(a) and (b)** has been satisfied (the "**Seller Closing Certificate**").

(k) Buyer shall have received a transitional services agreement duly executed by Seller covering the transitional services listed in **Exhibit G** hereto (the "**Transitional Services Agreement**").

(l) Seller shall have delivered to Buyer such other documents or instruments as Buyer reasonably request and are reasonably necessary to consummate the transactions contemplated by this Agreement.

**Section 7.03 Conditions to Obligations of Seller.** The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

(a) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date.

(b) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(c) Buyer shall have delivered to Seller duly executed counterparts to the Transaction Documents (other than this Agreement) and such other documents and deliveries set forth in **Section 3.02(b)**.

(d) Buyer shall have delivered to Seller a guaranty for the payment of the Post-Closing Forecast Inventory Payment, in form and substance reasonably acceptable by Seller, issued by a reputable national or international bank.

(e) Seller shall have received certificates, dated the Closing Date and signed by duly authorized officers of Buyer, that the condition set forth in **Section 7.03(a)** has been satisfied (the "**Buyer's Closing Certificate**").

(f) Buyer shall have delivered to Seller such other documents or instruments as Seller reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

## **ARTICLE VIII Indemnification**

### **Section 8.01 Survival.**

(a) Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date falling twelve (12) months after the Closing Date; *provided, that* the representations and warranties in **Section 4.13** shall survive for the full period of all applicable statute of limitations; and *provided further that* the representations and warranties in **Section 4.01, Section 4.02, Section 4.07, Section 5.01 and Section 5.02** shall survive indefinitely. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein.

(b) Any claim (excluding Third Party Claims) which may be made, which has not been previously satisfied, settled or withdrawn, shall be deemed to have been withdrawn twelve (12) months subsequent to when the claim was made, unless formal arbitration or legal proceedings in respect thereof have been initiated by then. Any indemnification claim which may be made for a Loss relating to a Third Party Claim, which has not been previously satisfied, settled or withdrawn, shall be deemed to have been withdrawn twelve (12) months subsequent to when such Third Party Claim was finally resolved and thus the amount of the actual Loss relating thereto became known, unless the Indemnified Party has initiated formal arbitration or legal proceedings against the Indemnifying Party by then.



**Section 8.02 Indemnification By Seller.** Subject to the other terms and conditions of this **Article VIII**, Seller shall indemnify and defend Buyer and its' Representatives (collectively, the "**Buyer's Indemnitees**") against, and shall hold each of them harmless from and against any and all Losses incurred or sustained by the Buyer's Indemnitees based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, the other Transaction Documents or in any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement, the other Transaction Documents or any certificate or instrument delivered by or on behalf of Seller pursuant to this Agreement; or
- (c) any Excluded Asset or any Excluded Liability.

**Section 8.03 Indemnification By Buyer.** Subject to the other terms and conditions of this **Article VIII**, Buyer shall indemnify and defend Seller and its Representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against any and all Losses incurred or sustained by the Seller Indemnitees based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or in any certificate or instrument delivered by or on behalf of Buyer pursuant to this Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement; or
- (c) any Assumed Liability.

**Section 8.04 Certain Limitations.** The indemnification provided for in **Section 8.02** and **Section 8.03** shall be subject to the following limitations:

- (a) Seller shall not be liable to the Buyer's Indemnitees for indemnification under **Section 8.02(a)** until the aggregate amount of all Losses in respect of indemnification under **Section 8.02(a)** exceeds \$100,000 (the "**Deductible**"), in which event Seller shall only be required to pay or be liable for all Losses in excess of the Deductible. The aggregate amount of all Losses for which Seller shall be liable pursuant to **Section 8.02** shall not exceed \$2,000,000 (the "**Cap**").
- (b) Buyer shall not be liable to the Seller Indemnitees for indemnification under **Section 8.03(a)** until the aggregate amount of all Losses in respect of indemnification under **Section 8.03(a)** exceeds the Deductible, in which event Buyer shall only be required to pay or be liable for all such Losses in excess of the Deductible. The aggregate amount of all Losses for which Buyer shall be liable pursuant to **Section 8.03(a)** shall not exceed the Cap.
- (c) Notwithstanding the foregoing, the limitations set forth in **Section 8.04(a)** and **Section 8.04(b)** shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any representation or warranty in **Section 4.01, Section 4.02, Section 4.07, Section 4.16, Section 5.01, Section 5.02** and **Section 5.04**.
- (d) If any Loss is a tax deductible item, the recoverable Loss shall be reduced by an amount equivalent to the Loss multiplied by a relevant corporate tax rate.

(e) Seller shall not be liable in respect of any Loss for breach of this Agreement to the extent any insurance proceeds may be recovered in respect thereof under any policy of insurance held by Buyer or its Affiliates.

(f) Subject to **Section 6.03**, Seller shall not be liable under this Article VIII for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Seller (i) proves that Buyer had knowledge of the inaccuracy or breach prior the Closing Date, or (ii) is able to persuade the court or arbitration tribunal (as applicable) that based on the due diligence and other investigations of the Target Business that Buyer has conducted, a reasonable buyer would have had knowledge of the inaccuracy or breach prior the Closing Date.

**Section 8.05 Indemnification Procedures.** The party making a claim under this **Article VIII** is referred to as the "**Indemnified Party**", and the party against whom such claims are asserted under this **Article VIII** is referred to as the "**Indemnifying Party**".

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to **Section 8.05(b)**, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to **Section 8.05(b)**, pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim.

(b) **Settlement of Third Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this **Section 8.05(b)**. If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within 20 days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to **Section 8.05(a)**, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) **Direct Claims.** Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a **Direct Claim**) shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 30 days after the Indemnified Party becomes aware of such Direct Claim. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. If the Indemnifying Party does not so respond within such 30 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

**Section 8.06 Payments.** Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this **Article VIII**, the Indemnifying Party shall satisfy its obligations within 30 Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds. The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such 30 Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to and including the date such payment has been made at a rate per annum equal to the prime rate published in the Wall Street Journal, plus 5%. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

**Section 8.07 Tax Treatment of Indemnification Payments.** All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

**Section 8.08 Exclusive Remedies.** Subject to **Section 6.07** and **Section 10.10(b)**, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or willful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein, shall be pursuant to the indemnification provisions set forth in this **Article VIII**. Nothing in this **Section 8.08** shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or intentional misconduct.

**ARTICLE IX**  
**Termination**

**Section 9.01 Termination.** This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by Buyer by written notice to Seller if:

(i) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VII** and such breach, inaccuracy or failure has not been cured by Seller within ten days of Seller's receipt of written notice of such breach from Buyer; or

(ii) any of the conditions set forth in **Section 7.01** or **Section 7.02** shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by June 16, 2014, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

- (c) by Seller by written notice to Buyer if:

(i) Seller is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VII** and such breach, inaccuracy or failure has not been cured by Buyer within ten days of Buyer's receipt of written notice of such breach from Seller; or

(ii) any of the conditions set forth in **Section 7.01** or **Section 7.03** shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by June 16, 2014, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by Buyer or Seller in the event that (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

**Section 9.02 Effect of Termination.** In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

- (a) as set forth in this **Article IX** and **Section 6.05** and **Article X** hereof; and
- (b) that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof.

**ARTICLE X**  
**Miscellaneous**

**Section 10.01 Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

**Section 10.02 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 10.02**):

If to Seller:                   Beijer Electronics AB  
Stora Varvgatan 13a, Box 426,  
SE-201 24 Malmö, Sweden.  
Email: [anna.belfrage@beijer.se](mailto:anna.belfrage@beijer.se)  
Attention: Anna Belfrage, CFO

with a copy to:               Mannheimer Swartling Advokatbyrå  
Södergatan 22, SE-211 34 Malmö, Sweden  
Facsimile: +46 40 698 58 01  
Email: [hpe@msa.se](mailto:hpe@msa.se)  
Attention: Advokat Hans Petersson

If to Buyer: Micronet Ltd.  
27, Hametzuda st.  
Azor 5800171, Israel  
Facsimile: +972 (3) 558-4885  
Email: [david@micronet-enertec.com](mailto:david@micronet-enertec.com)  
Attention: David Lucatz, Chairman

with a copy to: Guy Eyal, Adv.  
Hermann, Makov & Co., Advocates  
7 Begin St. (21st floor) Ramat Gan 52521, Israel  
Facsimile: (972)-3-6114220  
Email: [Guy@hmlaw.co.il](mailto:Guy@hmlaw.co.il)  
Attention: Guy Eyal, Adv.

**Section 10.03 Interpretation.** The parties to this Agreement have been represented by legal counsel and no party shall be regarded as the main drafter or presenter of this Agreement. Any ambiguity in this Agreement shall, to the extent possible, be construed with regard to available extrinsic evidence to determine the shared intent of the parties. The Disclosure Schedule and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

**Section 10.04 Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

**Section 10.05 Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Except as provided in **Section 6.07(f)**, upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

**Section 10.06 Entire Agreement.** This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits and Disclosure Schedule (other than an exception expressly set forth as such in the Disclosure Schedule), the statements in the body of this Agreement will control.

**Section 10.07 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

**Section 10.08 No Third-party Beneficiaries.** Except as provided in **Article VIII**, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 10.09 Amendment and Modification; Waiver.** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

**Section 10.10 Governing Law; Forum; ARBITRATION**

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

(b) ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR THE BREACH, TERMINATION OR INVALIDITY THEREOF, SHALL BE FINALLY SETTLED BY ARBITRATION IN ACCORDANCE WITH THE RULES FOR ARBITRATION OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) IN EFFECT ON THE DATE OF THE INITIAL REQUEST BY THE INSTRUCTING PARTY, THAT GAVE RISE TO THE DISPUTE TO BE ARBITRATED (AS SUCH RULES ARE MODIFIED BY THE TERMS OF THIS AGREEMENT OR MAY BE FURTHER MODIFIED BY MUTUAL AGREEMENT OF THE PARTIES). THE ARBITRAL TRIBUNAL SHALL BE COMPOSED OF THREE ARBITRATORS, AND THE ARBITRATORS SHALL CONSIDER THE DISPUTE AT ISSUE IN NEW YORK, NY, AT A MUTUALLY AGREED UPON TIME WITHIN THIRTY (30) DAYS OF THE DESIGNATION OF THE ARBITRATORS. THE DECISION OF THE ARBITRATORS SHALL BE FINAL AND BINDING UPON THE PARTIES. THE FINAL AWARD SHALL AWARD TO THE PREVAILING PARTY ITS REASONABLE ATTORNEYS’ FEES AND COSTS INCURRED IN CONNECTION WITH THE ARBITRATION TO THE EXTENT THE ARBITRATOR DEEMS THE PARTY TO HAVE PREVAILED (BUT IF THE PREVAILING PARTY IS NOT AWARDED ALL OF THE DAMAGES SOUGHT, ONLY TO THE EXTENT, PRO RATA, OF ITS AWARD COMPARED TO THE DAMAGES SOUGHT) AND MAY GRANT SUCH OTHER, FURTHER AND DIFFERENT RELIEF AS AUTHORIZED BY THE RULES OF THE AAA. JUDGMENT UPON ANY DECISION OF THE ARBITRATOR MAY BE ENTERED INTO IN ANY COURT IN THE UNITED STATES HAVING JURISDICTION THEREOF, OR APPLICATION MAY BE MADE TO SUCH COURT FOR A JUDICIAL ACCEPTANCE OF THE DECISION IN AN ORDER OF ENFORCEMENT.

**Section 10.11 Specific Performance.** The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

**Section 10.12 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**BEIJER ELECTRONICS INC.**

By: /s/ Fredrik Jonsson  
Name: Fredrik Jonsson  
Title: CEO

**MICRONET LTD.**

By: /s/ David Lucatz  
Name: David Lucatz  
Title: Chairman

The following exhibits and schedules to this agreement have been omitted. The Company agrees to furnish supplementally copies of any of the omitted exhibits and schedules to the Securities and Exchange Commission upon request.

Disclosure Schedules

Schedule 2.01(b)

Tangible Personal Property

Schedule 2.01(e)

Assigned Contracts

Schedule 3.02(a) (vi)

Consents From Governmental Authorities Or Third Parties

Schedule 3.02(a) (vii)

Encumbrances

Schedule 4.03

No Conflicts; Consents

Schedule 4.04

Revenue and Gross Profit

Schedule 4.06

Contracts

Schedule 4.09(a)

Intellectual Property Assets

Schedule 4.09(b)

Intellectual Property Agreements

Schedule 4.14

Employee Benefit Plans

Schedule 4.15(a)

Employees

Schedule 6.04(a)  
Terminated Employees  
Schedule 7.02(g)  
Permits  
Schedule 1 F  
Forecast Principles  
Exhibit A  
Escrow Agent Fees  
Exhibit F  
Escrow Agreement

**Bill of Sale**

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Beijer Electronics Inc., a Utah corporation (**Seller**), does hereby grant, bargain, transfer, sell, assign, convey and deliver to Micronet Ltd, a publicly traded company organized and existing under the laws of Israel (**Buyer**), all of its right, title and interest in and to the Tangible Personal Property, as such term is defined in the Asset Purchase Agreement, dated as of May 6, 2014 (the "**APA**"), by and between Seller and Buyer, to have and to hold the same unto Buyer, its successors and assigns, forever.

Buyer acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the APA.

Seller for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure and confirm unto and vest in Buyer, its successors and assigns, title to the assets sold, conveyed and transferred by this Bill of Sale.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of [DATE], 2014.

**BEIJER ELECTRONICS INC.**

By: /s/ Fredrik Jonsson  
Name: Fredrik Jonsson  
Title: CEO

**Assignment and Assumption Agreement**

This Assignment and Assumption Agreement (the "**Agreement**"), effective as of [DATE], 2014 (the "**Effective Date**"), is by and between Beijer Electronics Inc., a Utah corporation ("**Seller**"), and Micronet Ltd, a publicly traded company organized and existing under the laws of Israel ("**Buyer**").

WHEREAS, Seller and Buyer have entered into a certain Asset Purchase Agreement, dated as of May 6, 2014 (the "**APA**"), pursuant to which, among other things, Seller has agreed to assign all of its rights, title and interests in, and Buyer has agreed to assume all of Seller's duties and obligations under, (i) the Assigned Contracts, and (ii) the Assumed Liabilities.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. All capitalized terms used in this Agreement but not otherwise defined herein are given the meanings set forth in the APA.
2. Assignment and Assumption. Seller hereby sells, assigns, grants, conveys and transfers to Buyer all of Seller's right, title and interest in and to the Assigned Contracts and the Assumed Liabilities. Buyer hereby accepts such assignment and assumes all of Seller's duties and obligations under the Assigned Contracts and the Assumed Liabilities, and agrees to pay, perform and discharge, as and when due, all of the obligations of Seller under the Assigned Contracts and the Assumed Liabilities accruing on and after the Effective Date.
3. Terms of the APA. The terms of the APA, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Assigned Contracts are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the APA shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the APA and the terms hereof, the terms of the APA shall govern.
4. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

5 . Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

6 . Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

**BEIJER ELECTRONICS INC.**

By: /s/ Fredrik Jonsson

Name: Fredrik Jonsson

Title: CEO

**MICRONET LTD.**

By: /s/ David Lucatz

Name: David Lucatz

Title: Chairman

**Intellectual Property Assignment**

This Intellectual Property Assignment (the "**IP Assignment**"), dated as of May 6, 2014, is made by Beijer Electronics Inc., an Utah corporation ("**Seller**"), in favor of Micronet Ltd, a publicly traded company organized and existing under the laws of Israel ("**Buyer**"), the purchaser of certain assets of Seller pursuant to an Asset Purchase Agreement dated as of May 6, 2014, (the "**APA**").

WHEREAS, under the terms of the APA, Seller has conveyed, transferred and assigned to Buyer, among other assets, certain intellectual property of Seller, and has agreed to execute and deliver this IP Assignment, for recording with governmental authorities including, but not limited to, the US Patent and Trademark Office and the US Copyright Office;

NOW THEREFORE, Seller agrees as follows:

1. Assignment. In consideration for the execution of the APA, the payment of the consideration stipulated in the APA and other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, Seller hereby irrevocably conveys, transfers and assigns to Buyer all of Seller's right, title and interest in and to
  - (a) the trademark registration set forth in Schedule 1 hereto, together with the goodwill connected with the use of and symbolized thereby and all issuances, extensions and renewals thereof (the "**Assigned IP**");
  - (b) all rights of any kind whatsoever of Seller accruing under the foregoing provided by applicable law of any jurisdiction, by international treaties and conventions and otherwise throughout the world;
  - (c) any and all royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and
  - (d) any and all claims and causes of action, with respect to any of the foregoing, whether accruing before, on and/or after the date hereof, including all rights to and claims for damages, restitution and injunctive and other legal and equitable relief for past, present and future infringement, dilution, misappropriation, violation, misuse, breach or default, with the right but no obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any such damages.



2. Recordation and Further Actions. Seller authorizes the Commissioner Trademarks and any other governmental officials to record and register this IP Assignment upon request by Buyer. Seller shall take such steps and actions following the date hereof, including the execution of any documents, files, registrations, or other similar items, to ensure that the Assigned IP is properly assigned to Buyer, or any assignee or successor thereto.

3. Terms of the APA. The terms of the APA, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Assigned IP are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the APA shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the APA and the terms hereof, the terms of the APA shall govern.

4. Counterparts. This IP Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this IP Assignment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this IP Assignment.

5. Successors and Assigns. This IP Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. Governing Law. This IP Assignment and any claim, controversy, dispute or cause of action (whether in contract, tort or otherwise) based upon, arising out of or relating to this IP Assignment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the United States and the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller has duly executed and delivered this IP Assignment as of the date first above written.

**BEIJER ELECTRONICS INC.**

By: /s/ Fredrik Jonsson

Name: Fredrik Jonsson

Title: CEO

ASSIGNED IP

US TRADEMARK REGISTRATION FOR "TREQ"

REG. NO. 3,313,887

- Buyer shall lease approximately 1/3 of the Seller's current premises located at 1865 West 2100 South, Salt Lake City, Utah 84119. The exact location of the Buyer's rentable area within the premises shall be mutually agreed to by the parties.
- Rent (including tax and insurance) shall equal one third of the cost charged by Seller's landlord, Centrepointe Business Park. For 2014, this amount is estimated to be 18,521 USD per month for Buyer, subject to potential final tax adjustments after year-end. The rent does not include utilities such as power, water and other utilities.
- The initial term shall be for 24 months.
- Unless terminated by either party at least three months before the expiration of the 24 month initial term, the lease term shall be indefinite but with a mutual notice period of 3 months.
- Other terms of the sublease shall be mutually agreed to in the Sublease or, if not so set forth in the Sublease, shall mutatis mutandis correspond to the Seller's current lease agreement.

**Transitional Services**

**Offered Services:**

**IT**

- One time technology set-up: Reconfigure existing network to allowed for share infrastructure, including security, remote access, dedicated domains, servers, e-mail set up, switches, firewalls etc.
- Monthly Technology support, including 24-7 technical support

**General Administration**

- One time set up cost: New main line
- Monthly receptionist services (switchboard, mail sorting, lobby services)
- Monthly Building Maintenance (cleaning, perimeter security)

**Payroll and HR**

- One time set-up fee (separate the payroll systems)
- Monthly payroll services
- Monthly HR services including compensation & benefit management, recruitment services etc.

**Operations**

- One time set up cost, including set up of perimeters such as fencing, inventory racks and ESD floor
- Monthly warehousing services including picking, kitting and receiving
- (Further to this, Beijer may be in a position to offer purchasing services)

**Prices**

The prices charged for the transitional services shall be based on the prices set forth in the Excel-file called “Transitional Services Proposal v 140430.xlsx” sent by Seller to Buyer on April 30, 2014.

**CERTIFICATE OF INCORPORATION  
OF  
MICRONET ENERTEC TECHNOLOGIES, INC.**

January 31, 2002  
As amended April 23, 2002, October 17, 2002 and March 14, 2013.

The undersigned, for the purpose of organizing a corporation for conducting the business and promoting the purposes hereinafter stated, under the provisions and subject to the requirements of the laws of the State of Delaware (particularly Chapter 1, Title 8 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "General Corporation Law of the State of Delaware"), hereby certifies that:

**ARTICLE I**

**NAME OF CORPORATION**

The name of the corporation is Micronet Enertec Technologies, Inc. (the "Corporation").

**ARTICLE II**

**REGISTERED OFFICE**

The address, including street, number, city, and county, of the registered office of the corporation in the State of Delaware is 615 South DuPont Highway, Dover, Delaware 19901, County of Kent; and the name of the registered agent of the corporation in the State of Delaware at such address is National Corporate Research, Ltd.

**ARTICLE III**

**PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "GCL").

**ARTICLE IV**

**AUTHORIZED STOCK**

The total number of shares of all classes of stock which the Corporation shall have authority to issue shall be one hundred five million (105,000,000) shares, of which one hundred million (100,000,000) shares shall be common stock, par value \$0.001 per share (the "Common Stock") and five million (5,000,000) shares shall be preferred stock, par value \$0.001 per share (the "Preferred Stock"). All of the shares of Common Stock shall be of one class.

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Upon the Certificate of Amendment becoming effective pursuant to the General Corporation Law of the State of Delaware (the "Effective Date"), the Corporation shall implement a reverse stock split of its Common Stock (the "Reverse Split"), whereby every two (2) shares of Common Stock issued and outstanding of record immediately prior to the Effective Date (the "Old Common Stock") shall be automatically reclassified as, and converted into, one (1) share of Common Stock (the "New Common Stock").

Notwithstanding the provisions of the foregoing paragraph, no fractional shares of New Common Stock shall be issued in connection with the Reverse Split. In lieu of receipt of fractional shares in the Reverse Split, each holder shall receive an amount in cash equal to the product of (i) the fractional share of New Common Stock that a holder would otherwise be entitled to, multiplied by (ii) a price determined by the Board in its discretion as the fair market value per share of New Common Stock on the business day prior to the effective date of this Certificate of Amendment.

Each stock certificate that immediately prior to the Effective Date represented shares of Old Common Stock shall, from and after the Effective Date, be exchanged for a stock certificate that represents that number of whole shares of New Common Stock into which the shares of Old Common Stock represented by such certificate shall have been reclassified; provided, however, that the Reverse Split will occur without any further action on the part of stockholders and without regard to the date or dates on which certificates formerly representing shares of Old Common Stock are physically surrendered. Upon the consummation of the Reverse Split, each certificate formerly representing shares of Old Common Stock, until surrendered and exchanged for certificates representing shares of New Common Stock, will be deemed for all corporate purposes to evidence ownership of the resulting number of shares of New Common Stock.

The shares of Preferred Stock shall be undesignated Preferred Stock and may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issuance and duly adopted by the Board of Directors of the Corporation, authority to do so being hereby expressly vested in the Corporation's Board of Directors. The Board of Directors is further authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock and to fix the number of shares of any series of Preferred Stock and the designation of any such series of Preferred Stock. The Board of Directors of the Corporation, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, may increase or decrease (but not below the number of shares in any such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series.

The authority of the Board of Directors of the Corporation with respect to each such class or series of Preferred Stock shall include, without limitation of the foregoing, the right to determine and fix:

the distinctive designation of such class or series and the number of shares to constitute such class or series;

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the rate at which dividends on the shares of such class or series shall be declared and paid or set aside for payment, whether dividends at the rate so determined shall be cumulative or accruing, and whether the shares of such class or series shall be entitled to any participating or other dividends in addition to dividends at the rate so determined, and if so, on what terms;

the right or obligation, if any, of the Corporation to redeem shares of the particular class or series of Preferred Stock and, if redeemable, the price, terms and manner of such redemption;

the special and relative rights and preferences, if any, and the amount or amounts per share, which the shares of such class or series of Preferred Stock shall be entitled to receive upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

the terms and conditions, if any, upon which shares of such class or series shall be convertible into, or exchangeable for, shares of capital stock of any other class or series, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;

the obligation, if any, of the Corporation to retire, redeem or purchase shares of such class or series pursuant to a sinking fund or fund of a similar nature or otherwise, and the terms and conditions of such obligations;

voting rights, if any, on the issuance of additional shares of such class or series or any shares of any other class or series of Preferred Stock;

limitations, if any, on the issuance of additional shares of such class or series or any shares of any other class or series of Preferred Stock;

such other preferences, powers, qualifications, special or relative rights and privileges thereof as the Board of Directors of the Corporation, acting in accordance with this Certificate of Incorporation, may deem advisable and are not inconsistent with the law and the provisions of this Certificate of Incorporation.

**ARTICLE V**  
**INCORPORATOR**

The incorporator of the Corporation is Kaplan Gottbetter & Levenson, LLP, having a mailing address of 630 Third Avenue, 5th Floor, New York, New York 10017.

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**ARTICLE VI**

**ELECTION OF DIRECTORS**

The election of directors of the Corporation need not be by written ballot unless otherwise required by the by-laws of the Corporation.

**ARTICLE VII**

**BY-LAWS**

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the Corporation is expressly authorized to make, alter and repeal by-laws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any by-law, whether adopted by them or otherwise.

**ARTICLE VIII**

**NUMBER OF DIRECTORS**

The number of directors that constitutes the entire Board of Directors of the Corporation shall be as specified in the by-laws of the Corporation.

**ARTICLE IX**

**MEETINGS OF STOCKHOLDERS**

Meetings of stockholders of the Corporation may be held within or without the State of Delaware, as the by-laws of the Corporation may provide. The books of the Corporation may be kept (subject to any provisions of applicable statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors of the Corporation.

**ARTICLE X**

**LIMITATION ON LIABILITY OF DIRECTORS;  
INDEMNIFICATION OF DIRECTORS AND OFFICERS;  
PERSONAL LIABILITY OF DIRECTORS**

The Corporation shall indemnify each of the Corporation's directors and officers in each and every situation where, under Section 145 of the GCL, as amended from time to time ("Section 145"), the Corporation is permitted or empowered to make such indemnification. The Corporation may, in the sole discretion of the Board of Directors of the Corporation, indemnify any other person who may be indemnified pursuant to Section 145 to the extent that the Board of Directors deems advisable, as permitted by Section 145.

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No director shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided, however, that the foregoing shall not eliminate or limit the liability of a director of the Corporation (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. If the GCL is subsequently amended to further eliminate or limit the liability of a director, then a director of the Corporation, in addition to the circumstances in which a director is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended GCL. For purposes of this Article X, "fiduciary duty as a director" shall include any fiduciary duty arising out of service at the Corporation's request as a director of another corporation, partnership, joint venture or other enterprise, and "personal liability to the Corporation or its stockholders" shall include any liability to such other corporation, partnership, joint venture, trust or other enterprise and any liability to the Corporation in its capacity as a security holder, joint venturer, partner, beneficiary, creditor or investor of or in any such other corporation, partnership, joint venture, trust or other enterprise.

Neither any amendment nor repeal of this Article X nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article X shall eliminate or reduce the effect of this Article X in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article X, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

## **ARTICLE XI**

### **COMPROMISE OR ARRANGEMENT**

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or on the application of any receiver or receivers appointed for this Corporation under Section 291 of the GCL or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under Section 279 of the GCL, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation as the case may be, and also on this Corporation.

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**ARTICLE XII**

**AMENDMENT OF PROVISIONS OF CERTIFICATE OF INCORPORATION**

The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provisions contained in this Certificate of Incorporation, and other provisions authorized by the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

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ZAG/S&W  
One Post Office Square  
Boston, MA 02109

T +617 457 3800  
F +617 338 2880  
[www.zag-sw.com](http://www.zag-sw.com)

June 12, 2014

Micronet Enertec Technologies, Inc.  
28 West Grand Avenue, Suite 3  
Montvale, NJ 07645

Re: **Exercise of Warrants pursuant to Registration Statement on Form S-3**

Ladies and Gentlemen:

This opinion is furnished to you in connection with Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 (Registration No. 333-185470, the "Post-Effective Amendment") being filed by Micronet Enertec Technologies, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the sale of an aggregate of up to 1,012,500 shares of common stock of the Company, \$0.001 par value per share (the "Shares"), issuable upon exercise of warrants at an exercise price of \$6.25 per share (the "Warrants").

We are acting as counsel for the Company in connection with the issuance of the Shares upon exercise of the Warrants (the "Offering"). We have examined copies of the Post-Effective Amendment to be filed with the Commission. We have also examined and relied upon minutes of meetings of the Board of Directors of the Company as provided to us by the Company, stock record books of the Company as provided to us by the Company, the Certificate of Incorporation, as amended, and the Amended and Restated By-Laws of the Company (collectively the "Charter Documents"), and such other documents as we have deemed necessary for purposes of rendering the opinions hereinafter set forth.

In our examination of the foregoing documents, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, the authenticity of the originals of such latter documents and the legal competence of all signatories to such documents.

The opinions rendered herein are limited to the Delaware General Corporation Law. We express no opinion herein concerning the federal laws of the United States of America or any state securities or blue sky laws. We express no opinion herein concerning any state securities or "blue sky" laws.

Based upon and subject to the foregoing, we are of the opinion that the Shares, when issued upon proper exercise of the Warrants and receipt of the exercise price therefor by the Company, will be validly issued, fully paid and nonassessable.

**Zysman, Aharoni, Gayer and Sullivan & Worcester LLP**  
An International Joint Venture Law Firm

**BOSTON NEW YORK TEL AVIV WASHINGTON, DC**

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Please note that we are opining only as to the matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is based upon currently existing statutes, rules, regulations and judicial decisions, as further limited above, and we disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments which might affect any matters or opinions set forth herein.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Post-Effective Amendment and to the reference to this firm under the caption "Legal Matters" in the Post-Effective Amendment. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Zysman, Aharoni, Gayer and Sullivan & Worcester LLP

Zysman, Aharoni, Gayer and Sullivan & Worcester LLP

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**English Summary of Loan Undertaking dated May 29, 2014 by and between  
Micronet Ltd. and First International Bank of Israel Ltd.**

1. On May 29, 2014, Micronet Ltd. ("Micronet"), a 58.6% owned subsidiary of Micronet Enertec Technologies, Inc. (the "Company"), entered into a loan agreement with First International Bank of Israel (the "Bank"), pursuant to which the Bank agreed to loan Micronet \$4,850,000 (the "Loan") in connection with the previously announced acquisition of certain assets and liabilities of Beijer Electronics Inc.'s U.S. vehicle business and operations (the "Loan Agreement").

2. Pursuant to the terms of the Loan Agreement, \$2,425,000 of the Loan shall bear interest at a quarterly adjustable rate of Prime plus 1.5 percent (3.75% percent as of the date of the Loan) (the "Long Term Portion"). The Long Term Portion plus interest shall be due and payable in twelve equal consecutive quarterly installments beginning on August 29, 2014.

3. The balance of the Loan in the amount of \$2,425,000 shall bear interest at a quarterly adjustable rate of Prime plus 1.2 percent (3.45% percent as of the date of the Loan) (the "Short Term Portion"). The Short Term Portion shall be due and payable within one year from the date of the Loan, subject to renewal, and the interest on the Short Term Portion shall be due and payable every quarter beginning on August 29, 2014.

4. The Loan is secured primarily by a floating charge against Micronet's assets and a mortgage on a building owned by Micronet (the "Collateral").

5. Pursuant to the Loan Agreement, Micronet agreed that the aggregate amount of:  
i) the value of its net financial deposits with the Bank; and ii) the value of its marketable securities with the Bank (collectively, the "Value of Liquid Assets") shall not at any time be less than 85% of the outstanding balance of the Loan. In the event the Value of Liquid Assets falls below 85% of the outstanding balance of the Loan, Micronet shall deposit within 5 business days additional amounts and/or marketable securities to the Bank's full satisfaction or make a full or partial payment of the Loan. Micronet further agreed to a specific composition of its securities portfolio and certain restrictions as to the type and percentage of securities it may purchase. Failure to satisfy these liquidity covenants will constitute an event of default and allow the Bank to declare the Loan due and payable immediately and/or liquidate the Collateral, in addition to any other remedy the Bank may be entitled to under the Loan Agreement and applicable law.

6. In connection with the Loan, Micronet has agreed to certain covenants, including without limitation, covenants with respect to shareholder's equity, financial liabilities, adjustment of financial liabilities and compliance with standards applied in financial statements, subordination of various loans and other debt instruments, restrictions on repayment of shareholder loans, restrictions on distribution of dividends or other payments to shareholders, affiliates and related parties, restrictions on change of control transactions, change of structure, mergers or similar transactions, financial reporting covenants, insurance obligations, restrictions on guarantees of any debt or third party undertakings and restrictions on incurring third party obligations.

7. Pursuant to the Loan Agreement, in the event of any breach of the covenants by the Company or any of its related parties, that is not cured within 14 days after receipt of notice of such breach from the Bank, the Bank will be entitled to demand immediate payment of the amounts due and to liquidate the Collateral, in addition to any other remedies available under the Loan Agreement and applicable law.

8. In connection with the Loan, Micronet agreed to pay the Bank a credit and guarantee handling fee of 15,000 new Israeli shekels ("NIS") paid on the date of the Loan; collection fee of 5.20 NIS which will be paid on the date of payment of each installment on account of the Loan; and a transaction recording fee of 1.50 NIS which will be charged at the beginning of each month, with respect to the previous month.

9. Micronet may prepay the Loan subject to an early payment penalty, notice and other restrictions and fees under the Loan Agreement.

**Headings of the terms omitted or abridged:**

- General definitions
  - Financial covenants
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- Financial liabilities
  - Adjustment of financial liabilities to reflect the standards applied in financial statements
  - Subordination of shareholder loans and debts in respect of capital notes
  - Undertaking not to repay shareholder loans
  - Dividends and other payments
  - Change of Control and change of structure
  - Mergers
  - Submission of financial statements and various reports
  - Insurance
  - Prohibition against guarantees
  - Prohibition against undertakings towards a third party
  - Breach
  - General
  - Dates of repayment of loan
  - Commission
  - Effective cost
  - Failure to pay on time
  - Early repayment
  - Interpretation
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**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Post-Effective Amendment No. 1 to the registration statement on Form S-1 (File No. 333-185470) (the "Registration Statement") of our report dated March 18, 2014 relating to the consolidated financial statements of Micronet Enertec Technologies Inc.

We also consent to the reference to us under the caption "Experts" in the Registration Statement and the related prospectus.

/s/ Ziv Haft

Ziv Haft

Certified Public Accountants (Isr.)  
BDO Member Firm

Tel Aviv, Israel  
June 11, 2014

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