
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 1, 2016 (October 28, 2016)

MICRONET ENERTEC TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

001-35850

(Commission
File Number)

27-0016420

(IRS Employer
Identification No.)

28 West Grand Avenue, Suite 3, Montvale, New Jersey

(Address of principal executive offices)

07645

(Zip Code)

(201) 225-0190

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of the Registrant.

On October 28, 2016, Micronet Enertec Technologies, Inc. (the “Company”) and its wholly owned subsidiary Enertec Electronics Ltd. (collectively, the “Borrowers”) entered into a Note Purchase Agreement (the “Note Purchase Agreement”) with YA II PV Ltd. (“YA II”), a Cayman Island exempt limited partnership and an affiliate of Yorkville Advisors Global, LLC, whereby YA II agreed to lend \$500,000 to the Borrowers pursuant to a secured promissory note (the “Note”). The outstanding principal balance of the Note shall bear interest at 7% per annum. The Note matures on November 20, 2017. The Borrowers have agreed to make payments of \$125,000 from the principal balance of the Note plus all accrued and unpaid interest on each of March 20, 2017, June 20, 2017, September 20, 2017 and November 20, 2017. Upon the occurrence of an Event of Default under the Note, all amounts payable may be due immediately. The Note, along with another Note held by YA II, is secured by a pledge of shares of Micronet Ltd. owned by Enertec Electronics Ltd.

A copy of the Note Purchase Agreement is attached hereto as Exhibits 10.1 and is incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities.

In connection with the Note Purchase Agreement described in Items 1.01 and 2.03 above, the Company agreed to grant to YA II a five-year warrant (the “Warrant”) to purchase 66,000 shares of the Company’s common stock at an exercise price of \$3.00 per share. The Warrant is exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof.

In addition, on October 28, 2016, the Company agreed to amend the exercise price of a warrant previously issued to YA II on June 30, 2016 to purchase 66,000 shares of the Company’s common stock from \$4.30 to \$3.00 per share (the “Warrant Amendment”).

Copies of the Warrant and the Warrant Amendment are attached hereto as Exhibits 4.1 and 4.2, respectively, and are incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

4.1 Common Stock Purchase Warrant.

4.2 Amendment to Stock Purchase Warrant dated June 30, 2016.

10.1 Note Purchase Agreement, dated as of October 28, 2016, between Micronet Enertec Technologies, Inc., Enertec Electronics Ltd. and YA II PN, Ltd.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MICRONET ENERTEC TECHNOLOGIES, INC.

Dated: November 1, 2016

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

THE REGISTERED HOLDER OF THIS PURCHASE WARRANT BY ITS ACCEPTANCE HEREOF, AGREES THAT IT WILL NOT SELL, TRANSFER OR ASSIGN THIS PURCHASE WARRANT EXCEPT AS HEREIN PROVIDED AND THE REGISTERED HOLDER OF THIS PURCHASE WARRANT AGREES THAT IT WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE OR HYPOTHECATE THIS PURCHASE WARRANT FOR A PERIOD OF ONE HUNDRED EIGHTY DAYS FOLLOWING THE COMMENCEMENT DATE (DEFINED BELOW) TO ANYONE OTHER THAN A BONA FIDE OFFICER OR PARTNER OF YA II PN LTD.

THIS PURCHASE WARRANT IS NOT EXERCISABLE PRIOR TO October 28, 2016. VOID AFTER 5:00 P.M., EASTERN TIME, October 28, 2021.

YAII-2

COMMON STOCK PURCHASE WARRANT

For the Purchase of 66,000 Shares of Common Stock

of

MICRONET ENERTEC TECHNOLOGIES, INC.

1. Purchase Warrant. THIS CERTIFIES THAT, in consideration of funds duly paid by or on behalf of YA II PN, LTD. ("**Holder**" or "**YA II**"), as registered owner of this Purchase Warrant, to Micronet Enertec Technologies, Inc., a Delaware corporation (the "**Company**"), Holder is entitled, at any time or from time to time from October 28, 2016 (the "**Commencement Date**"), and at or before 5:00 p.m., Eastern time, October 28, 2021 (the "**Expiration Date**"), but not thereafter, to subscribe for, purchase and receive, in whole or in part, up to 66,000 shares of common stock of the Company, par value \$0.001 per share (the "**Shares**"), subject to adjustment as provided in Section 6 hereof. If the Expiration Date is a day on which banking institutions are authorized by law to close, then this Purchase Warrant may be exercised on the next succeeding day which is not such a day in accordance with the terms herein. During the period ending on the Expiration Date, the Company agrees not to take any action that would terminate the Purchase Warrant. This Purchase Warrant is initially exercisable at \$3.00 per Share; provided, however, that upon the occurrence of any of the events specified in Section 6 hereof, the rights granted by this Purchase Warrant, including the exercise price per Share and the number of Shares to be received upon such exercise, shall be adjusted as therein specified. The term "**Exercise Price**" shall mean the initial exercise price or the adjusted exercise price, depending on the context.

2. Exercise.

2.1 Exercise Form. In order to exercise this Purchase Warrant, the exercise form attached hereto must be duly executed and completed and delivered to the Company, together with this Purchase Warrant and payment of the Exercise Price for the Shares being purchased payable in cash by wire transfer of immediately available funds to an account designated by the Company or by certified check or official bank check. If the subscription rights represented hereby shall not be exercised at or before 5:00 p.m., Eastern time, on the Expiration Date, this Purchase Warrant shall become and be void without further force or effect, and all rights represented hereby shall cease and expire.

2.2 Cashless Exercise. If at any time after the Commencement Date there is no effective registration statement registering, or no current prospectus available for, the resale of the Shares by the Holder, then in lieu of exercising this Purchase Warrant by payment of cash or check payable to the order of the Company pursuant to Section 2.1 above, Holder may elect to receive the number of Shares equal to the value of this Purchase Warrant (or the portion thereof being exercised), by surrender of this Purchase Warrant to the Company, together with the exercise form attached hereto, in which event the issue to Holder, Shares in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where, X = The number of Shares to be issued to Holder;

- Y = The number of Shares for which the Purchase Warrant is being exercised;
- A = The fair market value of one Share; and
- B = The Exercise Price.

For purposes of this Section 2.2, the fair market value of a Share is defined as follows:

(i) if the Company's common stock is traded on a securities exchange, the value shall be deemed to be the closing price on such exchange prior to the exercise form being submitted in connection with the exercise of the Purchase Warrant; or

(ii) if the Company's common stock is actively traded over-the-counter, the value shall be deemed to be the closing bid prior to the exercise form being submitted in connection with the exercise of the Purchase Warrant;

(iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Company's Board of Directors.

2.3 Legend. Each certificate for the securities purchased under this Purchase Warrant shall bear a legend as follows unless such securities have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"):

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or applicable state law. Neither the securities nor any interest therein may be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from registration under the Securities Act and applicable state law which, in the opinion of counsel to the Company, is available."

3. Transfer.

3.1 General Restrictions. The registered Holder of this Purchase Warrant agrees by his, her or its acceptance hereof, that such Holder will not: (a) sell, transfer, assign, pledge or hypothecate this Purchase Warrant for a period of one hundred eighty (180) days following the Commencement Date to anyone other than a bona fide officer or partner of the Holder, in each case in accordance with FINRA Conduct Rule 5110(g)(1), or (b) cause this Purchase Warrant or the securities issuable hereunder to be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of this Purchase Warrant or the securities hereunder, except as provided for in FINRA Rule 5110(g)(2). On and after 180 days after the Commencement Date, transfers to others may be made subject to compliance with or exemptions from applicable securities laws. In order to make any permitted assignment, the Holder must deliver to the Company the assignment form attached hereto duly executed and completed, together with the Purchase Warrant and payment of all transfer taxes, if any, payable in connection therewith. The Company shall within five (5) Business Days transfer this Purchase Warrant on the books of the Company and shall execute and deliver a new Purchase Warrant or Purchase Warrants of like tenor to the appropriate assignee(s) expressly evidencing the right to purchase the aggregate number of Shares purchasable hereunder or such portion of such number as shall be contemplated by any such assignment.

3.2 Restrictions Imposed by the Securities Act. The securities evidenced by this Purchase Warrant shall not be transferred unless and until: (i) the Company has received the opinion of counsel for the Holder that the securities may be transferred pursuant to an exemption from registration under the Securities Act and applicable state securities laws, the availability of which is established to the reasonable satisfaction of the Company, or (ii) a registration statement or a post-effective amendment to the registration statement relating to the offer and sale of such securities has been filed by the Company and declared effective by the U.S. Securities and Exchange Commission (the “**Commission**”) and compliance with applicable state securities law has been established.

4. Registration Rights.

4.1 Demand Registration.

4.1.1 Grant of Right. The Company, upon written demand (a “**Demand Notice**”) of the Holder(s) of at least 51% of the Purchase Warrants and/or the underlying Shares (“**Majority Holders**”), agrees to register, on one occasion, all or any portion of the Shares underlying the Purchase Warrants (collectively, the “**Registrable Securities**”). On such occasion, the Company will file a registration statement with the Commission covering the Registrable Securities within sixty (60) days after receipt of a Demand Notice and use its reasonable best efforts to have the registration statement declared effective promptly thereafter, subject to compliance with review by the Commission; provided, however, that the Company shall not be required to comply with a Demand Notice if the Company has filed a registration statement with respect to which the Holder is entitled to piggyback registration rights pursuant to Section 4.2 hereof and either: (i) the Holder has elected to participate in the offering covered by such registration statement or (ii) if such registration statement relates to an underwritten primary offering of securities of the Company, until the offering covered by such registration statement has been withdrawn or until thirty (30) days after such offering is consummated. The demand for registration may be made at any time during a period of four (4) years beginning one (1) year after the Commencement Date. The Company covenants and agrees to give written notice of its receipt of any Demand Notice by any Holder(s) to all other registered Holders of the Purchase Warrants and/or the Registrable Securities within ten (10) days after the date of the receipt of any such Demand Notice.

4.1.2 Terms. The Company shall bear all fees and expenses attendant to the registration of the Registrable Securities pursuant to Section 4.1.1, but the Holders shall pay any and all underwriting commissions and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. The Company agrees to use its reasonable best efforts to cause the filing required herein to become effective promptly and to qualify or register the Registrable Securities in such States as are reasonably requested by the Holder(s); provided, however, that in no event shall the Company be required to register the Registrable Securities in a State in which such registration would cause: (i) the Company to be obligated to register or license to do business in such State or submit to general service of process in such State, or (ii) the principal shareholders of the Company to be obligated to escrow their shares of capital stock of the Company. The Company shall cause any registration statement filed pursuant to the demand right granted under Section 4.1.1 to remain effective for a period of at least twelve (12) consecutive months after the date that the Holders of the Registrable Securities covered by such registration statement are first given the opportunity to sell all of such securities. The Holders shall only use the prospectuses provided by the Company to sell the shares covered by such registration statement, and will immediately cease to use any prospectus furnished by the Company if the Company advises the Holder that such prospectus may no longer be used due to a material misstatement or omission. Notwithstanding the provisions of this Section 4.1.2, the Holder shall be entitled to a demand registration under this Section 4.1.2 on only one (1) occasion and such demand registration right shall terminate on the fifth anniversary of the effectiveness of the registration statement in accordance with FINRA Rule 5110(f)(2)(H)(iv).

4.2 "Piggy-Back" Registration.

4.2.1 Grant of Right. In addition to the demand right of registration described in Section 4.1 hereof, the Holder shall have the right, for a period of no more than seven (7) years from the date of effectiveness of the registration statement in accordance with FINRA Rule 5110(f)(2)(H)(v), to include the Registrable Securities as part of any other registration of securities filed by the Company (other than in connection with a transaction contemplated by Rule 145 (a) promulgated under the Securities Act or pursuant to Form S-8 or any equivalent form); provided, however, that if, solely in connection with any primary underwritten public offering for the account of the Company, the managing underwriter(s) thereof shall, in its reasonable discretion, impose a limitation on the number of shares of Common Stock which may be included in the registration statement because, in such underwriter(s)' judgment, marketing or other factors dictate such limitation is necessary to facilitate public distribution, then the Company shall be obligated to include in such registration statement only such limited portion of the Registrable Securities with respect to which the Holder requested inclusion hereunder as the underwriter shall reasonably permit. Any exclusion of Registrable Securities shall be made pro rata among the Holders seeking to include Registrable Securities in proportion to the number of Registrable Securities sought to be included by such Holders; provided, however, that the Company shall not exclude any Registrable Securities unless the Company has first excluded all outstanding securities, the holders of which are not entitled to inclusion of such securities in such registration statement or are not entitled to pro rata inclusion with the Registrable Securities.

4.2.2 Terms. The Company shall bear all fees and expenses attendant to registering the Registrable Securities pursuant to Section 4.2.1 hereof, but the Holders shall pay any and all underwriting commissions and the expenses of any legal counsel selected by the Holders to represent them in connection with the sale of the Registrable Securities. In the event of such a proposed registration, the Company shall furnish the then Holders of outstanding Registrable Securities with not less than thirty (30) days written notice prior to the proposed date of filing of such registration statement. Such notice to the Holders shall continue to be given for each registration statement filed by the Company until such time as all of the Registrable Securities have been sold by the Holder. The holders of the Registrable Securities shall exercise the “piggy-back” rights provided for herein by giving written notice within ten (10) days of the receipt of the Company’s notice of its intention to file a registration statement. Except as otherwise provided in this Purchase Warrant, there shall be no limit on the number of times the Holder may request registration under this Section 4.2.2; provided, however, that such registration rights shall terminate on the sixth anniversary of the Commencement Date.

4.3 General Terms.

4.3.1 Indemnification. The Company shall indemnify the Holder(s) of the Registrable Securities to be sold pursuant to any registration statement hereunder and each person, if any, who controls such Holders within the meaning of Section 15 of the Securities Act or Section 20(a) of the Securities Exchange Act of 1934, as amended (“**Exchange Act**”), against all loss, claim, damage, expense or liability (including all reasonable attorneys’ fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Securities Act, the Exchange Act or otherwise, arising from such registration statement but only to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify YA II contained in Section 5.1 of the Standby Equity Distribution Agreement between YA II and the Company, dated as of June 30, 2016. The Holder(s) of the Registrable Securities to be sold pursuant to such registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, against all loss, claim, damage, expense or liability (including all reasonable attorneys’ fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Securities Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, in writing, for specific inclusion in such registration statement to the same extent and with the same effect as the provisions contained in Section 5.2 of the SEDA pursuant to which the Holder has agreed to indemnify the Company.

4.3.2 Exercise of Purchase Warrants. Nothing contained in this Purchase Warrant shall be construed as requiring the Holder(s) to exercise their Purchase Warrants prior to or after the initial filing of any registration statement or the effectiveness thereof.

4.3.3 Documents Delivered to Holders. The Company shall furnish to each Holder participating in any of the foregoing offerings and to each underwriter of any such offering, if any, a signed counterpart, addressed to such Holder or underwriter, of: (i) an opinion of counsel to the Company, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, an opinion dated the date of the closing under any underwriting agreement related thereto), and (ii) a "cold comfort" letter dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, a letter dated the date of the closing under the underwriting agreement) signed by the independent registered public accounting firm which has issued a report on the Company's financial statements included in such registration statement, in each case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities. The Company shall also deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below and to the managing underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonably necessary to comply with applicable securities laws or rules of FINRA. Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times as any such Holder shall reasonably request.

4.3.4 Underwriting Agreement. The Company shall enter into an underwriting agreement with the managing underwriter(s), if any, selected by any Holders whose Registrable Securities are being registered pursuant to this Section 4, which managing underwriter(s) shall be reasonably satisfactory to the Company. Such agreement shall be reasonably satisfactory in form and substance to the Company, each Holder and such managing underwriter(s), and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the managing underwriter(s). The Holders shall be parties to any underwriting agreement relating to an underwritten sale of their Registrable Securities and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriters shall also be made to and for the benefit of such Holders. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriters except as they may relate to such Holders, their Shares and their intended methods of distribution.

4.3.5 Documents to be Delivered by Holder(s) Each of the Holder(s) participating in any of the foregoing offerings shall furnish to the Company a completed and executed questionnaire provided by the Company requesting information customarily sought of selling security holders.

4.3.6 Damages. Should the registration or the effectiveness thereof required by Sections 4.1 and 4.2 hereof be delayed by the Company or the Company otherwise fails to comply with such provisions, the Holder(s) shall, in addition to any other legal or other relief available to the Holder(s), be entitled to obtain specific performance or other equitable (including injunctive) relief against the threatened breach of such provisions or the continuation of any such breach, without the necessity of proving actual damages and without the necessity of posting bond or other security.

5. New Purchase Warrants to be Issued

5.1 Partial Exercise or Transfer. Subject to the restrictions in Section 3 hereof, this Purchase Warrant may be exercised or assigned in whole or in part. In the event of the exercise or assignment hereof in part only, upon surrender of this Purchase Warrant for cancellation, together with the duly executed exercise or assignment form and funds sufficient to pay any Exercise Price and/or transfer tax if exercised pursuant to Section 2.1 hereto, the Company shall cause to be delivered to the Holder without charge a new Purchase Warrant of like tenor to this Purchase Warrant in the name of the Holder evidencing the right of the Holder to purchase the number of Shares purchasable hereunder as to which this Purchase Warrant has not been exercised or assigned.

5.2 Lost Certificate. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Purchase Warrant and of reasonably satisfactory indemnification or the posting of a bond, the Company shall execute and deliver a new Purchase Warrant of like tenor and date. Any such new Purchase Warrant executed and delivered as a result of such loss, theft, mutilation or destruction shall constitute a substitute contractual obligation on the part of the Company.

6. Adjustments

6.1 Adjustments to Exercise Price and Number of Securities. The Exercise Price and the number of Shares underlying the Purchase Warrant shall be subject to adjustment from time to time as hereinafter set forth:

6.1.1 Share Dividends; Split Ups. If, after the date hereof, and subject to the provisions of Section 6.3 below, the number of outstanding Shares is increased by a stock dividend payable in Shares or by a split up of Shares or other similar event, then, on the effective day thereof, the number of Shares purchasable hereunder shall be increased in proportion to such increase in outstanding Shares, and the Exercise Price shall be proportionately decreased.

6.1.2 Aggregation of Shares. If, after the date hereof, and subject to the provisions of Section 6.3 below, the number of outstanding Shares is decreased by a consolidation, combination or reclassification of Shares or other similar event, then, on the effective date thereof, the number of Shares purchasable hereunder shall be decreased in proportion to such decrease in outstanding Shares, and the Exercise Price shall be proportionately increased.

6.1.3 Replacement of Securities upon Reorganization, etc. In case of any reclassification or reorganization of the outstanding Shares other than a change covered by Section 6.1.1 or 6.1.2 hereof or that solely affects the par value of such Shares, or in the case of any share reconstruction or amalgamation or consolidation of the Company with or into another corporation (other than a consolidation or share reconstruction or amalgamation in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of the outstanding Shares), or in the case of any sale or conveyance to another corporation or entity of the property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the Holder of this Purchase Warrant shall have the right thereafter (until the expiration of the right of exercise of this Purchase Warrant) to receive upon the exercise hereof, for the same aggregate Exercise Price payable hereunder immediately prior to such event, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, share reconstruction or amalgamation, or consolidation, or upon a dissolution following any such sale or transfer, by a Holder of the number of Shares of the Company obtainable upon exercise of this Purchase Warrant immediately prior to such event; and if any reclassification also results in a change in Shares covered by Section 6.1.1 or 6.1.2, then such adjustment shall be made pursuant to Sections 6.1.1, 6.1.2 and this Section 6.1.3. The provisions of this Section 6.1.3 shall similarly apply to successive reclassifications, reorganizations, share reconstructions or amalgamations, or consolidations, sales or other transfers.

6.1.4 Changes in Form of Purchase Warrant. This form of Purchase Warrant need not be changed because of any change pursuant to this Section 6.1, and Purchase Warrants issued after such change may state the same Exercise Price and the same number of Shares as are stated in the Purchase Warrants initially issued pursuant to this Agreement. The acceptance by any Holder of the issuance of new Purchase Warrants reflecting a required or permissive change shall not be deemed to waive any rights to an adjustment occurring after the Commencement Date or the computation thereof.

6.2 Substitute Purchase Warrant. In case of any consolidation of the Company with, or share reconstruction or amalgamation of the Company with or into, another corporation (other than a consolidation or share reconstruction or amalgamation which does not result in any reclassification or change of the outstanding Shares), the corporation formed by such consolidation or share reconstruction or amalgamation shall execute and deliver to the Holder a supplemental Purchase Warrant providing that the holder of each Purchase Warrant then outstanding or to be outstanding shall have the right thereafter (until the stated expiration of such Purchase Warrant) to receive, upon exercise of such Purchase Warrant, the kind and amount of shares of stock and other securities and property receivable upon such consolidation or share reconstruction or amalgamation, by a holder of the number of Shares of the Company for which such Purchase Warrant might have been exercised immediately prior to such consolidation, share reconstruction or amalgamation, sale or transfer. Such supplemental Purchase Warrant shall provide for adjustments which shall be identical to the adjustments provided for in this Section 6. The above provision of this Section shall similarly apply to successive consolidations or share reconstructions or amalgamations.

6.3 Elimination of Fractional Interests. The Company shall not be required to issue certificates representing fractions of Shares upon the exercise of the Purchase Warrant, nor shall it be required to issue scrip or pay cash in lieu of any fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up or down, as the case may be, to the nearest whole number of Shares or other securities, properties or rights.

7. Reservation and Listing. The Company shall at all times reserve and keep available out of its authorized Shares, solely for the purpose of issuance upon exercise of the Purchase Warrants, such number of Shares or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Purchase Warrants and payment of the Exercise Price therefor, in accordance with the terms hereby, all Shares and other securities issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable and not subject to preemptive rights of any shareholder. As long as the Purchase Warrants shall be outstanding, the Company shall use its commercially reasonable efforts to cause all Shares issuable upon exercise of the Purchase Warrants to be listed (subject to official notice of issuance) on all national securities exchanges (or, if applicable, on the OTC Bulletin Board or any successor trading market) on which the Shares issued to the public in the Offering may then be listed and/or quoted.

8. Certain Notice Requirements.

8.1 Holder's Right to Receive Notice. Nothing herein shall be construed as conferring upon the Holders the right to vote or consent or to receive notice as a shareholder for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the Company. If, however, at any time prior to the expiration of the Purchase Warrants and their exercise, any of the events described in Section 8.2 shall occur, then, in one or more of said events, the Company shall give written notice of such event at least fifteen days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders entitled to such dividend, distribution, conversion or exchange of securities or subscription rights, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of the closing of the transfer books, as the case may be. Notwithstanding the foregoing, the Company shall deliver to each Holder a copy of each notice given to the shareholders of the Company at the same time and in the same manner that such notice is given to the shareholders.

8.2 Events Requiring Notice. The Company shall be required to give the notice described in this Section 8 upon one or more of the following events: (i) if the Company shall take a record of the holders of its Shares for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company, (ii) the Company shall offer to all the holders of its Shares any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor, or (iii) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or share reconstruction or amalgamation) or a sale of all or substantially all of its property, assets and business shall be proposed.

8.3 Notice of Change in Exercise Price. The Company shall, promptly after an event requiring a change in the Exercise Price pursuant to Section 6 hereof, send notice to the Holders of such event and change (“**Price Notice**”). The Price Notice shall describe the event causing the change and the method of calculating same and shall be certified as being true and accurate by the Company’s Chief Financial Officer.

8.4 Transmittal of Notices. All notices, requests, consents and other communications under this Purchase Warrant shall be in writing and shall be deemed to have been duly made when hand delivered, or mailed by express mail or private courier service: (i) if to the registered Holder of the Purchase Warrant, to the address of such Holder as shown on the books of the Company, or (ii) if to the Company, to the following address or to such other address as the Company may designate by notice to the Holders:

If to the Holder:

YA II PN LTD.
1012 Springfield Avenue
Mountainside, NJ 07093
Telephone: 201-985-8300
Email: mangelo@yorkvilleadvisors.com
Attn: Mark Angelo

with a copy (which shall not constitute notice) to:

David Gonzalez, Esq.
1012 Springfield Avenue
Mountainside, NJ 07093
Email: dgonzalez@yorkvilleadvisors.com

If to the Company:

Micronet Enertec Technologies, Inc.
28 West Grand avenue
Montvale , New Jersey 07645
Fax No: +(972) 3-533-5129, Email: david@micronet-enertec.com
Attention: David Lucatz, President and Chief Executive Officer

with a copy (which shall not constitute notice) to:

Zysman Aharoni Gayer and Sullivan & Worcester LLP
1663 Broadway
New York New York 10019
Attn: Oded Har Even, esq.
Fax No.: (212) 660 – 5002, Email: ohareven@zag-sw.com

9. Miscellaneous.

9.1 Amendments. The Company and the YA II may from time to time supplement or amend this Purchase Warrant without the approval of any of other holders in order to cure any ambiguity, to correct or supplement any provision contained herein that may be defective or inconsistent with any other provisions herein, or to make any other provisions in regard to matters or questions arising hereunder that the Company and YA II may deem necessary or desirable and that the Company and YA II deem shall not adversely affect the interest of the any other holders. All other modifications or amendments shall require the written consent of and be signed by the party against whom enforcement of the modification or amendment is sought.

9.2 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Purchase Warrant.

9.3 Entire Agreement. This Purchase Warrant (together with the other agreements and documents being delivered pursuant to or in connection with this Purchase Warrant) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof.

9.4 Binding Effect. This Purchase Warrant shall inure solely to the benefit of and shall be binding upon, the Holder and the Company and their permitted assignees, respective successors, legal representative and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Purchase Warrant or any provisions herein contained.

9.5 Governing Law; Submission to Jurisdiction; Trial by Jury. This Purchase Warrant shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof to the extent that the general application of the laws of another jurisdiction would be required thereby. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Purchase Warrant shall be brought and enforced in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 8 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company and the Holder agree that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys' fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates) and the Holder hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

9.6 Waiver, etc. The failure of the Company or the Holder to at any time enforce any of the provisions of this Purchase Warrant shall not be deemed or construed to be a waiver of any such provision, nor to in any way affect the validity of this Purchase Warrant or any provision hereof or the right of the Company or any Holder to thereafter enforce each and every provision of this Purchase Warrant. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Purchase Warrant shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

9.7 Execution in Counterparts. This Purchase Warrant may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Such counterparts may be delivered by facsimile transmission or other electronic transmission.

9.8 Exchange Agreement. As a condition of the Holder's receipt and acceptance of this Purchase Warrant, Holder agrees that, at any time prior to the complete exercise of this Purchase Warrant by Holder, if the Company and YA II enter into an agreement ("**Exchange Agreement**") pursuant to which they agree that all outstanding Purchase Warrants will be exchanged for securities or cash or a combination of both, then all other holders shall agree to such exchange and become a party to the Exchange Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Purchase Warrant to be signed by its duly authorized officer as of the 28 day of October, 2016.

MICRONET ENERTEC TECHNOLOGIES, INC.

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

Date: _____, 20____

The undersigned hereby elects irrevocably to exercise the Purchase Warrant for _____ shares of common stock, par value \$0.001 per share (the "Shares"), of Micronet Enertec Technologies, Inc., a Delaware corporation (the "Company"), and hereby makes payment of \$ _____ (at the rate of \$ _____ per Share) in payment of the Exercise Price pursuant thereto. Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been exercised.

or

The undersigned hereby elects irrevocably to convert its right to purchase _____ Shares of the Company under the Purchase Warrant for Shares, as determined in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where,
X = The number of Shares to be issued to Holder;
Y = The number of Shares for which the Purchase Warrant is being exercised;
A = The fair market value of one Share which is equal to \$ _____; and
B = _____

The Exercise Price which is equal to \$ _____ per share

The undersigned agrees and acknowledges that the calculation set forth above is subject to confirmation by the Company and any disagreement with respect to the calculation shall be resolved by the Company in its sole discretion.

Please issue the Shares as to which this Purchase Warrant is exercised in accordance with the instructions given below and, if applicable, a new Purchase Warrant representing the number of Shares for which this Purchase Warrant has not been converted.

Signature

INSTRUCTIONS FOR REGISTRATION OF SECURITIES

Name: _____
(Print in Block Letters)

Address:

NOTICE: The signature to this form must correspond with the name as written upon the face of the Purchase Warrant without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank, other than a savings bank, or by a trust company or by a firm having membership on a registered national securities exchange.

[Form to be used to assign Purchase Warrant]

ASSIGNMENT

(To be executed by the registered Holder to effect a transfer of the within Purchase Warrant):

FOR VALUE RECEIVED, _____ does hereby sell, assign and transfer unto the right to purchase shares of common stock, par value \$0.001 per share, of Micronet Enertec Technologies, Inc., a Delaware corporation (the "**Company**"), evidenced by the Purchase Warrant and does hereby authorize the Company to transfer such right on the books of the Company.

Dated: _____, 20

Signature

NOTICE: The signature to this form must correspond with the name as written upon the face of the within Purchase Warrant without alteration or enlargement or any change whatsoever.

MICRONET ENERTEC TECHNOLOGIES, INC.

WARRANT AMENDMENT

October 28, 2016

Reference is made to Warrant No. YAII-1 issued by Micronet Enertec Technologies, Inc. (the "Company") to YA II PN, Ltd. (the "Investor") on June 30, 2016 granting the Investor the right to purchase 66,000 shares of the Company's common stock at an exercise price of \$4.30 (as may be amended or adjusted from time to time, the "Warrant").

The Company and the Investor have agreed to reduce the Exercise Price (as defined in the Warrant) of the Warrants to \$3.00 per share.

Accordingly, the Company, by executing and delivering this Warrant Amendment to the Investor, hereby certifies that from and after the date hereof, the Exercise Price of the Warrant shall be \$3.00 per share.

THIS WARRANT AMENDMENT SHOULD BE ATTACHED THE ORIGINAL WARRANT CERTIFICATE REPRESENTING THE WARRANTS.

IN WITNESS WHEREOF, the Company has caused this Global Warrant Amendment to be signed by its duly authorized officer as of the date first written above.

MICRONET ENERTEC TECHNOLOGIES, INC.
a Delaware Corporation

By: /s/ David Lucatz

Name: David Lucatz

Title: President and Chief Executive Officer

NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT (this "Agreement") is entered into as of October 28, 2016, by and between **YA H PN, LTD.**, a Cayman Islands exempt limited partnership (the "Investor"), **MICRONET ENERTEC TECHNOLOGIES, INC.**, a corporation organized and existing under the laws of the State of Nevada (the "Company" or a "Borrower"), and **ENERTEC ELECTRONICS LTD**, a corporation organized and existing under the laws of the State of Israel ("Enertec" or a "Borrower" and collectively with the Company, the "Borrowers").

WITNESSETH

WHEREAS, on June 30, 2016 the parties entered into a note purchase agreement (the "Original Purchase Agreement") pursuant to which the Borrowers issued and sold to the Investor, and the Investor purchased from the Borrowers, a secured promissory note in an aggregate principal amount of \$600,000 (the "Original Note");

WHEREAS, the parties desire that, upon the terms and subject to the conditions contained herein, the Borrowers shall issue and sell to the Investor, and the Investor shall purchase from the Borrowers, additional secured promissory notes, each substantially in the form attached hereto as Exhibit A (each a "Note" and all such Notes collectively along with the Original Note, the "Notes"), in an aggregate principal amount of up to \$500,000, or such other amount as may be mutually agreed upon by the parties; and

WHEREAS, in connection with the Original Note the parties entered in a pledge agreement and escrow deed on June 30, 2016 (collectively, the "Pledge Agreements") pursuant to which Enertec provided a first priority lien and security interest over certain shares of Micronet Ltd. ("Micronet") and deposited such pledged shares into a bank account in Israeli controlled by an escrow agent appointed by the parties pursuant to an escrow deed dated June 30, 2016 (the "Escrow Deed");

WHEREAS, as of the date hereof, the number of Ordinary Share of Micronet pledged as collateral security by Enertec is 1,700,000 (the "Micronet Stock" and such additional shares of Micronet Stock as required from time to time in accordance with Section 1(f) below, collectively, the "Pledged Shares"); and

WHEREAS, as used herein the term "Transaction Documents" shall mean this Agreement, the Original Purchase Agreement, the Original Note, any Note or Notes executed by a Borrower, any guarantees by third parties (if applicable), the Pledge Agreements, and any other agreement entered into in connection with this Agreement, all as amended or extended from time to time.

NOW, THEREFORE, in consideration of the mutual covenants and other agreements contained in this Agreement the Borrowers and the Investor hereby agree as follows:

1. PURCHASE AND SALE OF NOTES:

(a) Purchase of Note. The Investor shall purchase, and the Borrowers shall sell, an aggregate of \$500,000 in principal amount of Notes, or such additional amount as may be agreed upon by the parties in writing, which shall be purchased for 100% of the face amount of the Notes issued and sold. The purchase and sale of these Notes will occur in one, or more tranches, each tranche which shall take place on the dates set forth herein or on such other date or dates as may be agreed upon by the parties (each a "Closing") and the date of each Closing shall be referred to as a "Closing Date"), subject to the satisfaction of all the conditions precedent set forth below. At the first Closing the Investor shall purchase, and the Borrowers shall sell, an aggregate of \$500,000 in principal amount of Notes, which shall be purchased for 100% of the face amount of the Notes issued and sold. The purchase and sale of the first tranche of Notes will take place as soon as possible after the first date that all the conditions precedent to the Closing set forth in Section 1(e) hereof have been satisfied (or such other date as may be agreed upon by the parties).

(b) Form of Payment. Subject to the satisfaction of the terms and conditions of this Agreement, on each Closing Date (i) the Investor shall deliver to the Borrowers as set forth herein the principal amount of the Notes to be issued and sold to the Investor on such Closing, and (ii) the Borrowers shall deliver to the Investor, the Notes duly executed on behalf of the Borrowers in the principal amount so purchased.

(c) Warrants. In connection with the first Closing the Company shall grant to the Investor a warrant in the form of Exhibit B attached hereto to purchase 66,000 shares of common stock of the Company at an exercise price of \$3.00 per share and a term of 5 years.

(d) Fees. On each Closing Date, the Borrowers shall pay to YA Global II SPV LLC (as designee of the Investor) a commitment fee in the amount equal to 5% of the principal amount of the Notes purchase at such Closing.

(e) Conditions Precedent to each Closing. The obligation of the Investor hereunder to purchase Notes at a Closing is subject to the satisfaction, at or before each Closing Date, of each of the following conditions, provided that these conditions are for the Investor's sole benefit and may be waived by the Investor at any time in its sole discretion:

(i) There shall not have been any "Material Adverse Effect," where "Material Adverse Effect" shall mean any condition, circumstance, or situation that may result in, or reasonably be expected to result in (1) a material adverse effect on the legality, validity or enforceability of this Agreement or the transactions contemplated herein, (2) a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Borrowers, taken as a whole, or (3) a material adverse effect on any Borrowers' ability to perform in any material respect on a timely basis its obligations under the Transaction Documents; All except for any change, event, occurrence, fact, condition, circumstances, development or effect (i) resulting from general economic conditions, or resulting from conditions or circumstances generally affecting the industry in which the of the Borrowers operates, (ii) resulting from or arising as a result of this Agreement, or (iii) arising from or relating to any change in applicable accounting requirements or principles, or any change in applicable Laws.

(ii) The representations and warranties contained in Section 3 shall be true and correct in all material respects on and as of the Closing Date as though made at the end of such date, and no event of default shall have occurred and be continuing, or would exist after giving effect to the Closing;

(iii) The Company's common stock ("Common Stock") shall be authorized for quotation or trading on the Nasdaq Capital Market (the "Principal Market") and trading in the Common Stock shall not have been suspended for any reason;

(iv) The parties have signed a closing statement with respect to the Closing in an agreed upon form; and

(v) The Pledge Agreements shall remain in full force and effect and (i) with respect to the first Closing Enertec shall have granted a first priority perfected lien and security interest over at least 2,700,000 Pledged Shares and (ii) with respect to subsequent Closings, Enertec shall have granted a first priority perfected lien and security interest over at least such number of shares Pledged Shares with a market value (as determined by the most recently available closing price of Micronet on the TASE as of the Closing Date) of at least 200% of the total amount of the obligations owed under all Notes that remain outstanding, including the Note to be issued at such Closing, unless otherwise agreed by the parties.

(f) In the event that the Market Value (as defined herein) of the Pledged Shares is less than (i) 66%, or (ii) in the case Micronet shares are moved to the maintenance list on the TASE, 78% of the balance of all the Notes outstanding at any time for five consecutive trading days, then Enertec shall promptly (but in either case no later than seven trading days) increase the number of Pledged Shares such that immediately after such increase in Pledged Shares the Market Value of the Pledged Securities shall be greater than or equal to 100% of the then balance of all the Notes outstanding, or make a repayment of a portion of the amount outstanding such that after application of such payment, the value of the Pledged Shares is at least equal to 100% of the balance of all the Notes that are outstanding. For purposes hereof, "Market Value" shall be calculated by multiplying the last closing price of Micronet Stock on the TASE by the number of Pledged Securities.

2. INVESTOR'S REPRESENTATIONS AND WARRANTIES.

Investor hereby represents and warrants to the Company that the following are true and correct as of the date hereof, and as of the Closing Date:

(a) Organization and Authorization. The Investor is duly organized, validly existing and in good standing under the laws of the Cayman Islands and has all requisite power and authority to purchase and hold the Notes. The decision to invest and the execution and delivery of this Agreement by such Investor, the performance by such Investor of its obligations hereunder and the consummation by such Investor of the transactions contemplated hereby have been duly authorized and requires no other proceedings on the part of the Investor. The undersigned has the right, power and authority to execute and deliver this Agreement and all other instruments on behalf of the Investor. This Agreement has been duly executed and delivered by the Investor and, assuming the execution and delivery hereof and acceptance thereof by the Company, will constitute the legal, valid and binding obligations of the Investor, enforceable against the Investor in accordance with its terms.

(b) Evaluation of Risks. The Investor has such knowledge and experience in financial, tax and business matters as to be capable of evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Company and of protecting its interests in connection with this transaction. It recognizes that its investment in the Company involves a high degree of risk.

(c) Investment Purpose. The Note is purchased by the Investor for its own account, and for investment purposes. The Investor agrees not to assign or in any way transfer the Investor's rights to the Note or any interest therein and acknowledges that the Company will not recognize any purported assignment or transfer of the Note except in accordance with applicable Federal and state securities laws. No other person has or will have a direct or indirect beneficial interest in the Note. The Investor agrees not to sell, hypothecate or otherwise transfer the Note unless the Note is registered under Federal and applicable state securities laws or unless, in the opinion of counsel satisfactory to the Company, an exemption from such laws is available.

(d) Accredited Investor. The Investor is an "Accredited Investor" as that term is defined in Rule 501(a)(3) of Regulation D of the Securities Act of 1933 (the "Securities Act").

(e) Information. The Investor and its advisors (and its counsel), if any, have been furnished with all materials relating to the business, finances and operations of the Company and information it deemed material to making an informed investment decision. The Investor and its advisors, if any, have been afforded the opportunity to ask questions of the Company and its management. Neither such inquiries nor any other due diligence investigations conducted by such Investor or its advisors, if any, or its representatives shall modify, amend or affect the Investor's right to rely on the Company's representations and warranties contained in this Agreement. The Investor understands that its investment involves a high degree of risk. The Investor has sought such accounting, legal and tax advice, as it has considered necessary to make an informed investment decision with respect to this transaction.

(f) No General Solicitation. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Note offered hereby.

(g) Not an Affiliate. The Investor is not an officer, director or a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Company or any "Affiliate" of the Company (as that term is defined in Rule 405 of the Securities Act).

3. REPRESENTATIONS AND WARRANTIES OF THE BORROWERS.

Each Borrower hereby represents and warrants to the Investor that the following are true and correct as of the date hereof, and as of the Closing Date:

(a) Organization and Qualification. Each Borrower is duly incorporated, validly existing and in good standing under the laws of its place of incorporation and has all requisite corporate power to own its properties and to carry on its business as now being conducted. Each Borrower is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

(b) Authorization, Enforcement, Compliance with Other Instruments (i) Each Borrower has the requisite corporate power and authority to enter into and perform this Agreement and any other Transaction Document, and to issue the Note in accordance with the terms hereof and thereof, (ii) the execution and delivery of this Agreement and any other Transaction Document by each Borrower and the consummation by each of the transactions contemplated hereby and thereby, have been duly authorized by each Borrower's Board of Directors and no further consent or authorization is required by any Borrower, (iii) this Agreement, the Note (when issued) and any related agreements have been duly executed and delivered by the each Borrower, (iv) this Agreement, the Note (when issued), and any other Transaction Document, constitute the valid and binding obligations of each Borrower enforceable against it in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

(c) No Conflict. The execution, delivery and performance of this Agreement by each Borrower and the consummation by the Borrowers of the transactions contemplated hereby will not (i) result in a violation of such Borrower's organizational documents or (ii) conflict with or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Borrower or any of its subsidiaries is a party, or result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and the rules and regulations of the Principal Market) applicable to such Borrower or any of its subsidiaries or by which any material property or asset of such Borrower or any of its subsidiaries is bound or affected and which would cause a Material Adverse Effect.

(d) SEC Documents; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (all of the foregoing filed within the two years preceding the date hereof as amended after the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein, being hereinafter referred to as the "SEC Documents") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Document prior to the expiration of any such extension (including pursuant to SEC from 12b-25). The Company has delivered to the Investor or its representatives, or made available through the SEC's website at <http://www.sec.gov>, true and complete copies of the SEC Documents. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other information provided by or on behalf of the Company to the Investor which is not included in the SEC Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstance under which they are or were made, not misleading.

(e) No Default. No Borrower is in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, debenture, mortgage, deed of trust or other material instrument or agreement to which it is a party or by which it or its property is bound and neither the execution, nor the delivery by such Borrower, nor the performance by such Borrower of its obligations under this Agreement or any of the Transaction Documents will conflict with or result in the breach or violation of any of the terms or provisions of, or constitute a default or result in the creation or imposition of any lien or charge on any assets or properties of such Borrower under its organizational documents, any material indenture, mortgage, deed of trust or other material agreement applicable to such Borrower or instrument to which such Borrower is a party or by which it is bound, or any statute, or any decree, judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over such Borrower or its properties, in each case which default, lien or charge is likely to cause a Material Adverse Effect.

(f) Internal Accounting Controls. Each Borrower maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(g) Absence of Litigation. Except as disclosed in the Company's Form 10-Q for the period ended March 31, 2016 filed on May 16, 2016 in connection with the Novatel claim, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending against or affecting any Borrower or the Common Stock, wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect.

(h) Tax Status. Each Borrower has made or filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and (unless and only to the extent that such Borrower has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of each Borrower know of no basis for any such claim.

(i) Foreign Corrupt Practices. No Borrower nor any subsidiary, nor to the knowledge of any Borrower or any subsidiary, any agent or other person acting on behalf of such Borrower or any subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by a Borrower or any subsidiary (or made by any person acting on its behalf of which such Borrower is aware) which is in violation of law or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

(j) Sanctions. No Borrower, nor any subsidiary of any Borrower, nor, to the Borrower's knowledge, any director, officer, agent, employee or affiliate of a Borrower or any subsidiary of a Borrower, is a Person that is, or is owned or controlled by a Person that is:

- (a) on the list of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury's Office of Office of Foreign Asset Control ("OFAC") from time to time;
- (b) the subject of any sanctions administered or enforced by OFAC, the U.S. State Department, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "Sanctions");
- (c) has a place of business in, or is operating, organized, resident or doing business in a country or territory that is, or whose government is, the subject of OFAC economic sanction program (including, without limitation, programs related to Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(k) Except with respect to the material terms and conditions of the transactions contemplated by this Agreement, all of which shall be publicly disclosed by the Company as soon as possible after the date hereof, each Borrower covenants and agrees that neither it, nor any other person acting on its behalf, will provide the Investor or its agents or counsel with any information that such Borrower believes constitutes material non-public information, unless prior thereto the Investor shall have entered into a written agreement with such Borrower regarding the confidentiality and use of such information. Each Borrower understands and confirms that the Investor shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4. **INDEMNIFICATION.** Each Borrower will indemnify and hold the Investor and its directors, officers, shareholders, members, partners, employees and agents (and any other persons with a functionally equivalent role of a person holding such titles notwithstanding a lack of such title or any other title), each person who controls the Investor, and the directors, officers, shareholders, agents, members, partners or employees (and any other persons with a functionally equivalent role of a person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "**Purchaser Party**") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement, the Note, or any other Transaction Document or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by herein (unless such action is based upon a breach of such Purchaser Party's representations, warranties or covenants under this Agreement or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance).

The representations and warranties of the Parties contained in this Agreement or in any certificates or other writing delivered pursuant to this Agreement or in connection herewith will survive the Closing for 36 months except for in the event of fraud, all except for claims for any Damages resulting from fraud.

Notwithstanding anything to the contrary under this Agreement or applicable law, (i) the Purchaser Party shall not be entitled to any indemnification pursuant to Section 4 (other than claims for any Damages resulting from fraud) until the aggregate amount of all such Damages that would otherwise be indemnifiable equals or exceeds \$50,000 (the "Basket"), at which time the Purchaser Party shall be entitled to indemnification for the full amount of all Damages (including all Damages incurred prior to exceeding the Basket), and (ii) Borrowers aggregate liability in connection with breach of representations and warranties hereunder pursuant to Section 4 shall not exceed the amounts actually paid to Borrower under the Note; other than claims for any Damages resulting from fraud. Notwithstanding anything herein or in any applicable law to the contrary, Borrowers shall not be liable under this Agreement or in connection thereto for any Damages relating to indirect, consequential or punitive damages, including lost profit, loss of a business opportunity or loss of goodwill.

If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Borrowers in writing, and the Borrowers shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Borrowers have failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of a Borrower and the position of such Purchaser Party, in which case the Borrowers shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Borrowers will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without a Borrower's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or any other Transaction Document. The indemnification required by this Section 4 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be the sole and exclusive remedies or cause of action or similar right of any Purchaser Party against a Borrower.

5. COVENANTS OF THE BORROWERS.

(a) Compliance with Laws. The Borrowers shall comply with all applicable laws, statutes, rules, regulations, orders, executive orders, directives, policies, guidelines and codes having the force of law, whether local, national, or international, as amended from time to time, including without limitation (i) all applicable laws that relate to money laundering, terrorist financing, financial record keeping and reporting, (ii) all applicable laws that relate to anti-bribery, anti-corruption, books and records and internal controls, including the United States Foreign Corrupt Practices Act of 1977, and (iii) any Sanctions laws, and will not take any action which will cause the Investor to be in violation of any such laws.

(b) Use of Proceeds. The Borrowers shall use the proceeds from the issuance of the Notes hereunder for working capital and other general corporate purposes. Neither the Borrowers nor any subsidiary will, directly or indirectly, use the proceeds of the transactions contemplated herein, or lend, contribute, facilitate or otherwise make available such proceeds to any Person (i) to fund, either directly or indirectly, any activities or business of or with any Person that is identified on the list of Specially Designated Nationals and Blocker Persons maintained by OFAC, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions or Sanctions Programs, or (ii) in any other manner that will result in a violation of Sanctions.

6. GOVERNING LAW. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York without regard to the principles of conflict of laws. Each of the parties consents to the jurisdiction of the state courts of the State of New York and the U.S. District Court for the District of New York sitting in Manhattan, for the adjudication of any civil action asserted pursuant to this paragraph.

7. NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms hereof must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Borrowers, to: Micronet Enertec Technologies, Inc.
28 West Grand Avenue, Suite 3
Montvale, NJ 07645
Attention: David Lucatz
Email: David@micronet-enertec.com

With a copy to: Zysman, Aharoni, Gayer and Sullivan & Worcester LLP
1633 Broadway
New York, NY 10019
Attention: Oded Har-Even, Esq.
Telephone: (212) 660-5002
Email: ohareven@zag-sw.com

If to the Investor: YA II PN, Ltd.
1012 Springfield Avenue
Mountainside, NJ 07092
Attention: Mark Angelo
Telephone: (201) 985-8300

With a copy to: David Gonzalez, Esq.
1012 Springfield Avenue
Mountainside, NJ 07092
Telephone: (201) 985-8300
Email: dgonzalez@yorkvilleadvisors.com

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

8. MISCELLANEOUS.

(a) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party.

(b) This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Borrowers may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Investor (other than by merger). The Investor may assign any or all of its rights under this Agreement to any person to whom the Investor assigns or transfers any Notes, or a portion thereof, provided that such transferee agrees in writing to be bound, with respect to the Notes, by the provisions of the this Agreement that apply to the Investor.

(c) Usury. To the extent it may lawfully do so, each Borrower hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or proceeding that may be brought by the Investor in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of the Borrowers under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "Maximum Rate"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Borrowers may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Borrowers to the Investor with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by the Investor to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at the Investor's election.

(d) Entire Agreement; Amendments. This Agreement supersedes all other prior oral or written agreements between the Investor and the Borrowers with respect to the matters discussed herein, and this Agreement, and the instruments referenced herein, contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Borrowers nor the Investor makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the party to be charged with enforcement.

9. CO-BORROWERS.

(a) Borrowers are jointly and severally liable for all debt, principal, interest, and other amounts owed to the Investor by Borrowers pursuant to this Agreement, the Transaction Documents, or any other agreement, whether absolute or contingent, due or to become due, now existing or hereafter arising (the "Obligations") and the Investor may proceed against one Borrower to enforce the Obligations without waiving its right to proceed against the other Borrower. This Agreement and the Notes are a primary and original obligation of each Borrower and shall remain in effect notwithstanding future changes in conditions, including any change of law or any invalidity or irregularity in the creation or acquisition of any Obligations or in the execution or delivery of any agreement between the Investor and any Borrower. Each Borrower shall be liable for existing and future Obligations as fully as if all of the funds advanced by the Investor hereunder were advanced to such Borrower. The Investor may rely on any certificate or representation made by any Borrower as made on behalf of, and binding on, all Borrowers. Each Borrower appoints each other Borrower as its agent with all necessary power and authority to give and receive notices, certificates or demands for and on behalf of all Borrowers, to act as disbursing agent for receipt of any funds advanced by the Investor hereunder on behalf of each Borrower. This authorization cannot be revoked, and the Investor need not inquire as to one Borrower's authority to act for or on behalf of another Borrower.

(b) Notwithstanding any other provision of this Agreement or any other Transition Documents, each Borrower irrevocably waives, until all obligations are paid in full, all rights that it may have at law or in equity (including, without limitation, any law subrogating a Borrower to the rights of Investor under the Transaction Documents) to seek contribution, indemnification, or any other form of reimbursement from any other Borrower, or any other person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by a Borrower with respect to the Obligations in connection with the Transaction Documents or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by a Borrower with respect to the Obligations in connection with the Transaction Documents or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section shall be null and void. If any payment is made to a Borrower in contravention of this Section, such Borrower shall hold such payment in trust for the Investor and such payment shall be promptly delivered to the Investor for application to the Obligations, whether matured or unmatured.

[signature page follows]

IN WITNESS WHEREOF, each of the Investor and the Company have caused their respective signature page to this Note Purchase Agreement to be duly executed as of the date first written above.

BORROWERS:

MICRONET ENERTEC TECHNOLOGIES, INC.

By: /s/ David Lucatz
Name: David Lucatz
Title: Chairman President and CEO

ENERTEC ELECTRONICS LTD

By: /s/ Tali Dinar
Name: Tali Dinar
Title: CFO of Enertec Electronics Ltd.

INVESTOR:

YA II PN, LTD.

By: Yorkville Advisors Global LP
Its: Investment Manager

By: Yorkville Advisors Global LLC
Its: General Partner

By: /s/ David Gonzales
Name: David Gonzales
Title: Managing Member and General Council

Exhibit A
Form of Note

THIS NOTE HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THIS NOTE HAS BEEN SOLD IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

MICRONET ENERTEC TECHNOLOGIES, INC
ENERTEC ELECTRONICS LTD

Secured Promissory Note

No. MICT-2

Original Principal Amount: \$500,000

FOR VALUE RECEIVED, MICRONET ENERTEC TECHNOLOGIES, INC., a corporation organized and existing under the laws of the State of Nevada (the "Company" or a "Borrower"), and ENERTEC ELECTRONICS LTD, a corporation organized and existing under the laws of the State of Israel ("Enertec" or a "Borrower" and collectively with the Company, the "Borrowers"), hereby promise to pay to the order of YA II PN, Ltd. or its registered assigns (the "Holder") (i) the outstanding portion of the amount set out above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to scheduled payment, redemption, conversion, or otherwise, the "Principal") when due, whether upon the Maturity Date (as defined below), acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and (ii) to pay interest ("Interest") on any outstanding Principal at the applicable Interest Rate (as defined below) from the date defined in Section 17 hereof as the Issuance Date (the "Issuance Date") until the same is paid, whether upon the Maturity Date or acceleration, redemption or otherwise (in each case in accordance with the terms hereof) pursuant to the terms of this Promissory Note (the "Note").

This Note is being issued pursuant to that certain Note Purchase Agreement dated as of October 28, 2016 (the "Note Purchase Agreement") among the Holder and the Borrowers. Certain capitalized terms used herein but otherwise not defined herein are defined in Section 17 or in the Note Purchase Agreement.

(1) GENERAL TERMS

(a) Maturity Date. All amounts owed under this Note shall be due and payable on November 20, 2017 (the "Maturity Date"). On the Maturity Date, the Borrowers shall pay to the Holder an amount in cash representing all then outstanding Principal and accrued and unpaid Interest.

(b) Interest. Interest shall accrue on the outstanding Principal balance hereof at a rate equal to 7% per annum (Interest Rate). Interest shall be calculated on the basis of a 365-day year and the actual number of days elapsed, to the extent permitted by applicable law.

(c) Payments of Principal and Interest. On each of (i) March 20, 2017, (ii) June 20, 2017, (iii) September 20, 2017, and (iv) November 20, 2017 (each such date, a "Payment Due Date"), the Borrowers shall make a payment to the Holder in the amount of \$125,000 of Principal plus all accrued and unpaid Interest outstanding under this Note as of such payment date by wire transfer of immediately available funds to the account listed on Schedule I hereto (or to any other account specified by the Holder to the Borrowers in writing) to be received on or before such Payment Due Date.

(2) NO PREPAYMENT PENALTY. The Borrowers may prepay all or any part of the balance outstanding hereunder at any time without penalty.

(3) REPRESENTATIONS AND WARRANTIES. The Borrowers hereby represents and warrants to the Investor that the following are true and correct as of the date hereof:

(a) (i) The Borrowers have the requisite corporate power and authority to enter into and perform its obligations under this Note and any related agreements, in accordance with the terms hereof and thereof, (ii) the execution and delivery of this Note and any related agreements by the Borrowers and the consummation by it of the transactions contemplated hereby and thereby, have been duly authorized by the each Borrower's Board of Directors and no further consent or authorization is required by any Borrower, Board of Directors, or stockholders, (iii) this Note and any related agreements have been duly executed and delivered by the Borrowers, (iv) this Note and any related agreements, constitute the valid and binding obligations of the Borrowers enforceable against each Borrower in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

(b) The execution, delivery and performance by the Borrowers of its obligations under this Note will not (i) result in a violation of any Borrower's incorporation documents or any certificate of designation of any outstanding series of preferred stock or (ii) conflict with or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Borrower or any of its subsidiaries is a party, or result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and the rules and regulations of the Principal Market on which the Common Stock is quoted) applicable to the Borrower or any of its subsidiaries or by which any material property or asset of the Borrower is bound or affected and which would cause a Material Adverse Effect.

(4) EVENTS OF DEFAULT.

(a) An “Event of Default”, wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body) shall have occurred and be continuing:

(i) the Borrowers’ failure to pay to the Holder any amount of Principal, Interest or other amounts when and as due and payable under this Note and such failure was not cured within 5 days following the Holder’s written notice to such effect;

(ii) any Borrower or any subsidiary of any Borrower shall commence, or there shall be commenced against any Borrower or any subsidiary of any Borrower under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or any Borrower or any subsidiary of any Borrower commences, or there shall be commenced against any Borrower or any subsidiary of any Borrower, any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to any Borrower or any subsidiary of any Borrower, in each case which remains un-dismissed for a period of 61 days; or any Borrower or any subsidiary of any Borrower is adjudicated insolvent or bankrupt pursuant to a final, non-appealable order; or any order of relief or other order approving any such case or proceeding is entered; or any Borrower or any subsidiary of any Borrower suffers any appointment of any custodian, private or court appointed receiver or the like for it or any substantial part of its property which continues undischarged or un-stayed for a period of 61 days; or any Borrower or any subsidiary of any Borrower makes a general assignment for the benefit of creditors; or any Borrower or any subsidiary of any Borrower shall admit in writing that it is unable to pay its debts generally as they become due; or any Borrower or any subsidiary of any Borrower shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or any corporate or other action is taken by any Borrower or any subsidiary of any Borrower for the purpose of effecting any of the foregoing;

(iii) the common stock of the Company shall cease to be authorized for quotation or trading on the Nasdaq Capital Market, or trading in the common stock of the Company has been suspended for any reason, for a period of more than ten Trading Days, or the ordinary shares of Micronet Ltd. shall cease to be authorized for trading on the Tel-Aviv Stock Exchange, or trading in the ordinary shares of Micronet Ltd. has been suspended for any reason, for a period of more than ten Trading Days and in any such case the failure was not cured within 20 days.

(iv) the Company is a party to any agreement memorializing (1) the consummation of any transaction or event (whether by means of a share exchange or tender offer applicable to the Common Stock, a liquidation, consolidation, recapitalization, reclassification, combination or merger of the Company or a sale, lease or other transfer of all or substantially all of the consolidated assets of the Company) or a series of related transactions or events pursuant to which all of the outstanding shares of Common Stock are exchanged for, converted into or constitute solely the right to receive, cash, securities or other property, (2) a consolidation or merger in which the Company is not the surviving corporation, or (3) a sale, assignment, transfer, conveyance or other disposal of all or substantially all of the properties or assets of the Company to another person or entity (each of (1), (2) and (3) a “Change in Control”) unless in connection with such Change in Control, all Principal and accrued and unpaid Interest due under this Note will be paid in full or the Holder consents to such Change in Control;

(v) a material event of default or material breach by any Borrower under the Note Purchase Agreement, any other Transaction Documents, or any other material obligation, instrument, debenture, note or agreement for borrowed money occurring after the Issuance Date of this Note and continuing beyond any applicable notice and/or grace period.

(5) REMEDIES UPON DEFAULT.

(a) During the time that any portion of this Note is outstanding, if (i) any Event of Default has occurred, the Holder, by notice in writing to any Borrower, may at any time and from time to time declare the full unpaid Principal of this Note or any portion thereof, together with Interest accrued thereon to be due and payable immediately (the "Accelerated Amount") or (ii) any Event of Default specified in Section 4(a)(ii) has occurred, the unpaid Principal of the Note and the Interest accrued thereon shall be immediately and automatically due and payable without necessity of further action.

(6) REISSUANCE OF THIS NOTE. Upon receipt by any Borrower of evidence reasonably satisfactory to such Borrower of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of an indemnification undertaking by the Holder to such Borrower in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Borrowers shall execute and deliver to the Holder a new Note representing the outstanding Principal which Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Principal remaining outstanding (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of this Note, (iv) shall have the same rights and conditions as this Note, and (v) shall represent accrued and unpaid Interest from the Issuance Date.

(7) NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms hereof must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Borrowers, to:

Micronet Enertec Technologies, Inc.
28 West Grand Avenue, Suite 3
Montvale, NJ 07645
Attention: David Lucatz
Email: David@micronet-enertec.com

With a copy to:

Zysman, Aharoni, Gayer and Sullivan & Worcester LLP
1633 Broadway
New York, NY 10019
Attention: Oded Har-Even, Esq.
Telephone: (212) 660-5002
Email: ohareven@zag-sw.com

If to the Holder:

YA II PN, Ltd.
1012 Springfield Avenue
Mountainside, NJ 07092
Attention: Mark Angelo
Telephone: (201) 985-830

With a copy to:

David Gonzalez, Esq.
1012 Springfield Avenue
Mountainside, NJ 07092
Telephone: (201) 985-8300
Email: dgonzalez@yorkvilleadvisors.com

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(8) No provision of this Note shall alter or impair the obligations of the Borrowers, which are absolute and unconditional, to pay the Principal of or Interest (if any) on, this Note at the time, place, and rate, and in the currency, herein prescribed. This Note is a direct obligation of each Borrower. As long as this Note is outstanding, the Borrowers shall not and shall cause its subsidiaries not to, without the consent of the Holder, (i) amend its articles of incorporation, bylaws or other charter documents so as to adversely affect any rights of the Holder under this Note; or (ii) enter into any agreement with respect to any of the foregoing.

(9) This Note shall be governed by and interpreted in accordance with the laws of the State of New York, without regard to the principles of conflict of laws. Each of the parties consents to the jurisdiction of the state courts of the State of New York and the U.S. District Court for the District of New York sitting in Manhattan, in connection with any dispute arising under this Note and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on forum non conveniens to the bringing of any such proceeding in such jurisdictions.

(10) If an Event of Default has occurred, then the Borrowers shall reimburse the Holder promptly for all reasonable out-of-pocket fees, costs and expenses, including, without limitation, reasonable attorneys' fees and expenses incurred by the Holder in any action in connection with this Note, including, without limitation, those incurred: (i) during any workout, attempted workout, and/or in connection with the rendering of legal advice as to the Holder's rights, remedies and obligations, (ii) collecting any sums which become due to the Holder in accordance with the terms of this Note, (iii) defending or prosecuting any proceeding or any counterclaim to any proceeding or appeal; or (iv) the protection, preservation or enforcement of any rights or remedies of the Holder.

(11) Any waiver by the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver must be in writing.

(12) If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. If it shall be found that any Interest or other amount deemed Interest due hereunder shall violate applicable laws governing usury, the applicable rate of Interest due hereunder shall automatically be lowered to equal the maximum permitted rate of interest. The Borrowers covenant (to the extent that it may lawfully do so) that each Borrower shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Borrowers from paying all or any portion of the Principal of or Interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Note, and the Borrowers (to the extent they may lawfully do so) hereby expressly waive all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law had been enacted.

(13) Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(14) Assignment of this Note by the Borrowers shall be prohibited without the prior written consent of the Holder. Holder shall be entitled to assign this Note in whole or in part to any person or entity without the consent of the Borrowers.

(15) THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES' ACCEPTANCE OF THE NOTE PURCHASE AGREEMENT AND THIS NOTE.

(16) CERTAIN DEFINITIONS For purposes of this Note, the following terms shall have the following meanings:

- (a) "Business Day" means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions in the United States are authorized or required by law or other government action to close.
- (b) "Issuance Date" means the date this Note is executed and delivered by the Borrowers to the Holder.
- (c) "Trading Day" means a day on which the principal Trading Market is open for trading.
- (d) "Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCBB, or the OTC Markets (or any successors to any of the foregoing).
- (e) "Transaction Documents" shall have the meaning set forth in the Note Purchase Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, each Borrower has caused this Note to be duly executed by a duly authorized officer as of October 28, 2016.

BORROWERS:

MICRONET ENERTEC TECHNOLOGIES, INC.

By: /s/ David Lucatz
Name: David Lucatz
Title: Chairman President and CEO

ENERTEC ELECTRONICS LTD

By: /s/ Tali Dinar
Name: Tali Dinar
Title: CFO of Enertec Electronics Ltd.

Schedule II
(Holder Account Information)

Exhibit B
Form of Warrant
