

**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): January 4, 2022

POWERFLEET, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39080
(Commission
File Number)

83-4366463
(IRS Employer
Identification No.)

123 Tice Boulevard, Woodcliff Lake, New Jersey
(Address of Principal Executive Offices)

07677
(Zip Code)

Registrant's telephone number, including area code (201) 996-9000

(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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	PWFL	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth under Item 5.02 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 5, 2022, PowerFleet, Inc. (the "Company" or "PowerFleet") announced that Steve Towe has been appointed the Chief Executive Officer of the Company effective January 5, 2022. Mr. Towe succeeds Chris Wolfe, who retired from his position as Chief Executive Officer and as a director of the Company effective January 4, 2022. Mr. Towe has also been appointed a director of the Company effective January 5, 2022.

Steve Towe, 50, joins PowerFleet from Aptos, Inc., a global leader of unified commerce solutions in the retailer enterprise SaaS market, where he served as President and Chief Operating Officer for over five years. Prior to joining Aptos, Mr. Towe held various executive and leadership positions with both publicly traded and private equity backed companies, including as the Chief Commercial Officer of Masternaut, a global telematics provider, Managing Director of Cybit, a telemetry data company, and as a senior executive of Fleetstar Information Systems, the fleet management subsidiary of the Trafficmaster Group.

In connection with Mr. Towe's appointment as CEO, the Company entered into an employment offer letter (the "Offer Letter") with Mr. Towe setting forth the terms of his employment and compensation. In accordance with the Offer Letter, Mr. Towe will receive a base salary of \$425,000 per year and will be eligible to receive an annual bonus in an amount up to 100% of his base salary, to be paid based on the achievement of a combination of individual objectives and Company performance metrics to be determined by the Company's board of directors (the "Board") or the compensation committee of the Board. In addition, Mr. Towe is entitled to a retention bonus of \$650,000, to be paid in three annual equal installments, and reimbursement of certain reasonable travel expenses.

The Board also approved the following equity grants to Mr. Towe, effective as of his appointment as CEO:

- (i) 200,000 shares of restricted stock, under the Company's 2018 Incentive Plan, as amended, which vests as to 25% of such shares on each of the first, second, third and fourth anniversaries of the grant date, provided that Mr. Towe is employed by the Company on each such date;
- (ii) as an inducement material to Mr. Towe's entering into employment with the Company, options to purchase 500,000 shares of the Company's common stock (the "Time-Based Options"), which options have an exercise price equal to the closing price on the date of grant, will have a term of 10 years and will vest as to 25% of such options on each of the first, second, third and fourth anniversaries of the grant date, provided that Mr. Towe is employed by the Company on each such date; and
- (iii) as an inducement material to Mr. Towe's entering into employment with the Company, performance-based options to purchase an aggregate of 4,125,000 shares of the Company's common stock (the "Performance-Based Options"), which will have a term of 10 years and consist of the following: (a) options to purchase 875,000 shares of the Company's common stock with an exercise price of \$10.50 per share, which will vest in full if the volume weighted average price of the Company's common stock during a consecutive 60 trading day period (the "60 Day VWAP") reaches \$10.50 per share, provided that Mr. Towe is employed by the Company on such date, (b) options to purchase 1,250,000 shares of the Company's common stock with an exercise price of \$14.00 per share, which will vest in full if the 60 Day VWAP reaches \$14.00 per share, provided that Mr. Towe is employed by the Company on such date, and (c) options to purchase 2,000,000 shares of the Company's common stock with an exercise price of \$21.00 per share, which will vest in full if the 60 Day VWAP reaches \$21.00 per share, provided that Mr. Towe is employed by the Company on such date.

Additionally, on January 5, 2022, Mr. Towe entered into a severance agreement with the Company (the "Severance Agreement"), which provides Mr. Towe with certain severance and change in control benefits upon the occurrence of one of the following events: (i) the termination of Mr. Towe's employment by the Company without cause (a "Trigger Event") or (ii) the termination of Mr. Towe's employment by the Company without cause or Mr. Towe's resignation for good reason within six months following a change in control event (a "Change in Control Trigger Event"). The termination of Mr. Towe's employment due to his death or disability will in no event be considered a Trigger Event or Change in Control Trigger Event.

Pursuant to the terms of the Severance Agreement, subject to Mr. Towe's delivery of a general release to the Company, Mr. Towe will be entitled to the following upon a Trigger Event or Change in Control Trigger Event: (i) cash payments either (a) in the event of a Trigger Event, at the rate of his annual base salary, or (b) in the event of a Change in Control Trigger Event, at twice the rate of his annual base salary, in each case as in effect immediately prior to the Trigger Event or Change in Control Trigger Event, as the case may be, for a period of 12 months (such period, the "Severance Period"), made as a series of separate payments that are payable in accordance with the Company's standard payroll practices; (ii) a waiver of any remaining portion of Mr. Towe's healthcare continuation payments under COBRA for the Severance Period, provided that he timely elects COBRA coverage and continues to make contributions for such coverage equal to his contribution amount in effect immediately preceding the date of his termination of employment; (iii) partial accelerated vesting of his previously granted stock options and restricted stock awards, such that (to the extent not already then vested) a portion of these awards shall vest and/or become exercisable, in each case on a pro-rated basis that takes into account the number of months elapsed since the date of grant as compared to the scheduled vesting date (provided that the terms of the Company's equity compensation plans shall continue to govern acceleration of vesting in the event of a change of control as defined in such plan); (iv) any bonus that would have otherwise been payable to Mr. Towe for the calendar year prior to termination; and (v) if the Trigger Event or Change in Control Trigger Event occurs prior to January 1, 2024, payment of any remaining unpaid installment of Mr. Towe's retention bonus.

As a condition to the Company's obligations under the Severance Agreement, Mr. Towe is required to execute and deliver to the Company a restrictive covenants agreement, a form of which is attached to the Severance Agreement, containing covenants regarding confidentiality, assignment of inventions, non-competition and non-solicitation. These restrictive covenants shall be in effect during the Severance Period.

The foregoing descriptions of the Offer Letter and Severance Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Offer Letter and Severance Agreement, which are filed as [Exhibit 10.1](#) and [Exhibit 10.2](#), respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

On January 5, 2022, the Company and Mr. Towe also entered into an indemnification agreement, which is substantially similar to the form of indemnification agreement the Company has entered into with each of its other executive officers and directors, which was filed as Exhibit 10.5 to the Company's Registration Statement on Form S-4 filed with the Securities and Exchange Commission on May 24, 2019.

Item 8.01. Other Events.

On January 5, 2022, the Company issued a press release announcing the events described in Item 5.02. A copy of the press release is attached hereto as [Exhibit 99.1](#) and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Employment Offer Letter, dated January 5, 2022, between PowerFleet, Inc. and Steve Towe.
10.2	Severance Agreement, dated January 5, 2022, between PowerFleet, Inc. and Steve Towe.
99.1	Press release, dated January 5, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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.

POWERFLEET, INC.

By: /s/ Ned Mavrommatis
Name: Ned Mavrommatis
Title: Chief Financial Officer

Date: January 5, 2022



Steve Towe

Dear Steve,

On behalf of PowerFleet, Inc. (the "Company"), I am pleased to confirm our offer for full-time employment as Chief Executive Officer, reporting to the Company's Board of Directors (the "Board"). Your start date will be January 5, 2022.

You will receive a semi-monthly salary of \$17,708.33, which is equivalent to \$425,000 on an annualized basis. During your employment, the Board may at any time increase (but not decrease) your base salary, at its discretion.

In addition to your base salary, you will be eligible for an annual bonus of up to 100% of your then-current base salary, to be based on the achievement of a combination of individual objectives and Company performance metrics to be determined by Board (or the Company's compensation committee). The annual bonus will be paid no later than ninety (90) days following the end of the calendar year to which the bonus relates, provided you are actively employed on the payment date.

You will also be entitled to a retention bonus of \$650,000, which shall be paid in three equal annual installments of \$216,666.67, less taxes and applicable withholdings, on each of January 1, 2022, 2023 and 2024, provided you are actively employed on each such payment date.

The Company will also reimburse you for your reasonable travel expenses in amounts as approved by the Board (or the Company's compensation committee).

In addition, you will also receive the following equity awards:

1. 200,000 shares of restricted stock, which will vest equally over four (4) years on each anniversary of the grant date, provided that you are an employee of the Company on each such anniversary date;
2. as an inducement material to your entering into employment with the Company, 500,000 options with a 10-year term, with an exercise price equal to the closing price of the Company's common stock on the grant date, which will vest equally over four (4) years on each anniversary of the grant date provided that you are an employee of the Company on each such anniversary date; and
3. as an inducement material to your entering into employment with the Company, an aggregate of 4,125,000 performance-based options with a 10-year term, which will vest upon the volume weighted average price of the Company's common stock during a consecutive 60 trading day period reaching the corresponding exercise prices noted below:
 - a. 875,000 options with a \$10.50 exercise price
 - b. 1,250,000 options with a \$14.00 exercise price
 - c. 2,000,000 options with a \$21.00 exercise price

The shares of restricted stock described above will be governed by a restricted stock award agreement and the terms of the Company's 2018 Incentive Plan, as amended. The options will be governed by a stock option award agreement.

During your employment with the Company, you will be entitled to all of the Company's current customary employee benefits, subject to plan eligibility requirements, in the same fashion as all similarly situated Company executives. A highlight of our benefits includes:

1. Health Insurance: Commencing on the first day of employment, you will be eligible to enroll in the Company's health plan and dental plan.
2. Vision Insurance: Commencing on the first day of your employment, you will be eligible to enroll in the Company's Vision Care Plan.
3. Section 125 Flexible Spending: Commencing on the first of the month following your start date, you will be eligible to enroll in the Company's Flexible Spending Plan.
4. Company Savings Plan: Commencing on the first day of your employment, you will be eligible to enroll in the Company's 401(k) plan. The Company does not currently match contributions to the plan.
5. Vacation/Paid time-off: Over the course of a full year, you may accrue 20 vacation days, 3 floating holidays, 3 personal days, and 4 sick days.
6. Voluntary short-term disability, long-term disability, and voluntary life insurance.

In recognition of your role as Chief Executive Officer of the Company, the Company will agree to indemnify you in accordance with the terms and conditions of the Indemnification Agreement enclosed herewith. Further, in the event of an involuntary termination of your employment by the Company without Cause, or by you for Good Reason, you will be eligible for a severance package as provided in the enclosed Severance Agreement.

It is acknowledged that you are a citizen of and currently reside in the United Kingdom. As part of your employment offer, the Company will provide you full support for any filings necessary to ensure your eligibility to work on location in the United States. The Company will also (i) reimburse reasonable and pre-approved fees expended by a qualified tax professional to assist you in navigating various international tax issues associated with working in the United States and (ii) reimburse you for up to \$5,000 in U.S. legal fees which are incurred by you in connection with the review of offer and its corresponding agreements. It is acknowledged and agreed there is a timescale associated to the visa application and potentially a qualifying period for any visa to be issued. In the intervening period, you will be permitted to work from other Company global locations in tandem with travelling in and out of the United States under ESTA status, until such time as you are cleared for the appropriate visa to work from the United States.

Your employment is contingent upon successful completion of our reference checking processes and background investigation (which may include criminal, consumer credit, driving and check of educational credentials), and your execution and delivery of the Company's Covenants Agreement, which is attached to the Severance Agreement as [Exhibit B](#).

Congratulations, Steve! We are excited to have you as part of our team and believe that based on your skills as you have outlined them to us, you will be a positive addition to our team. Please sign and date one copy of this letter and return it to me along with a signed and dated copy of the Indemnification, Severance, and Covenants Agreements which are enclosed herewith.

Sincerely,

/s/ Michael Brodsky

Michael Brodsky

Chairman of the Board

/s/ Steve Towe
Steve Towe

1/4/2022
Date

SEVERANCE AGREEMENT

This SEVERANCE AGREEMENT (the “Agreement”) is made and entered into, effective as of January 5, 2022, by and between PowerFleet, Inc., a Delaware corporation (the “Company”) and Steve Towe (“Executive”).

BACKGROUND:

WHEREAS, Executive is to be employed as Chief Executive Officer (“CEO”) of the Company;

WHEREAS, Executive was previously provided an offer letter and indemnification agreement effective January 5, 2022 (respectively, the “Offer Letter” and the “Indemnification Agreement”), regarding certain terms and conditions applicable during and after Executive’s employment with the Company, which remain in effect unless otherwise explicitly modified by this Agreement; and

WHEREAS, the Board of Directors of the Company (the “Board”) has determined it is in the best interests of the Company to enter into this Agreement to, among other things, help retain and motivate Executive in his position with the Company.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Certain Definitions: As used in the Agreement, the following terms shall have the respective meanings set forth below:

(a) “Affiliate” of the Company means any Person that controls, is controlled by, or is under common control with, the Company. A Person shall be deemed to be in control of another Person if, and for so long as, it owns or controls more than 50% of the voting power in the election of directors (or, in the case of an entity that is not a corporation, for the election of the corresponding managing authority) of such other Person.

(b) “Cause” means Executive’s (i) conviction of, or plea of nolo contendere to, a felony or crime involving moral turpitude; (ii) fraud on or misappropriation of any funds or property of the Company; (iii) willful violation of any law, rule or regulation (other than minor traffic violations or similar offenses or solely as a result of vicarious liability) or breach of fiduciary duty which results in personal profit to Executive; (iv) material dishonesty in connection with Executive’s duties or responsibilities, material insubordination, or failure to follow the Company’s policies, rules, codes of conduct, or procedures; or (v) nonperformance or breach by Executive of any of the material provisions of this Agreement (including inaccuracy of representations) or policies of the Company (including expense reimbursement policies). Executive shall be given notice of the termination of Executive’s employment for Cause and shall have an opportunity, within thirty (30) days of such notice, to be heard by the Board with respect thereto and, to the extent the Board deems the matter curable (it being understood that the matters described in foregoing clauses (i) and (ii) shall not be curable), shall have a period of thirty (30) days to cure the matter to the Board’s reasonable satisfaction.

(c) “Change in Control Event” means the occurrence of any of the following events with respect to the Company:

(i) the consummation of any consolidation or merger of the Company in which the holders of the Company’s common stock, par value \$0.01 per share (“Common Stock”) immediately prior to such consolidation or merger own less than fifty percent (50%) of the outstanding common stock of the surviving corporation immediately after the merger; or

(ii) the consummation of any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company, other than to a subsidiary or Affiliate; or

(iii) any action pursuant to which any person or group (as such terms are defined in Section 13(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of shares of capital stock entitled to vote generally for the election of directors of the Company (“Voting Securities”) representing more than thirty (30%) percent of the combined voting power of the Company’s then outstanding Voting Securities (calculated as provided in Rule 13d-3(d) in the case of rights to acquire any such securities); or

(iv) the individuals (x) who, as of the effective date of this Agreement, constitute the Board (the “Original Directors”) and (y) who thereafter are elected to the Board and whose election, or nomination for election, to the Board was approved by a vote of a majority of the Original Directors then still in office (such Directors being called “Additional Original Directors”) and (z) who thereafter are elected to the Board and whose election or nomination for election to the Board was approved by a vote of a majority of the Original Directors and Additional Original Directors then still in office, cease for any reason to constitute a majority of the members of the Board.

(d) “Disability” means that Executive is, in the reasonable determination of a qualified physician to be mutually agreed upon by the parties, incapable, with or without reasonable accommodation, of performing his principal duties due to physical or mental incapacity or impairment for 120 consecutive days, or for 180 non-consecutive days, during any 12 month period.

(e) “Good Reason” means (i) a reduction in Executive’s base salary as in effect from time to time (provided, however, that a temporary reduction in Executive’s base salary made in connection with temporary reductions in the base salaries of all executive-level employees of the Company in response to events outside of the Company’s reasonable control (including, without limitation, natural disasters or catastrophes, pandemics, national or regional emergencies, labor shortages or slowdowns, supply chain breakdowns, global or nationwide economic recession) shall not constitute Good Reason); (ii) a material reduction in Executive’s authority, duties or responsibilities; (iii) Executive’s principal office location being moved to a location which is more than 25 miles from the principal office location at which Executive performs services on the date this Agreement is executed or (iv) a material breach by the Company of any agreement under which Executive provides services to the Company, including but not limited to the Offer Letter; provided, however, that Executive must notify the Company, within 90 days of the occurrence of any of the foregoing conditions, that he considers it to be a “Good Reason” condition, and provide the Company with at least 30 days in which to cure the condition. In addition, the resignation may not occur later than 6 months after the occurrence of the condition giving rise to the resignation. If Executive fails to provide such notice and cure period prior to his resignation, or his resignation occurs later than 6 months after the initial occurrence of the condition, his resignation shall not be deemed to be for “Good Reason” and Executive shall be deemed to have waived any right to receive any of the payments or benefits set forth in Section 2 hereof.

(f) “Person” means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock corporation, a trust, a joint venture, an unincorporated organization, or any court, administrative agency or commission or other federal, state, county, local or foreign governmental authority, instrumentality, agency or commission.

(g) “Release” means a separation and general release agreement in the form annexed hereto as Exhibit A and made a part hereof.

(h) “Trigger Event” means the termination of Executive’s employment by the Company other than a termination for Cause. For purposes of clarity, a termination of Executive’s employment due to his death or Disability shall not be considered a termination of Executive’s employment by the Company other than for Cause, and shall not constitute a Trigger Event.

(i) “Change in Control Trigger Event” means the occurrence of: (i) the termination of Executive’s employment by the Company other than a termination for Cause within 6 months following a Change in Control Event; or (ii) Executive’s resignation for Good Reason within 6 months following a Change in Control Event. For purposes of clarity, a termination of Executive’s employment due to his death or Disability shall not be considered a termination of Executive’s employment by the Company other than for Cause, and shall not constitute a Change in Control Trigger Event.

2. Trigger Event Payments and Benefits.

Within 45 days after the occurrence of a Trigger Event or Change in Control Trigger Event (the “Operative Trigger Event”) (or such shorter period as may be required by the Release), Executive shall execute and deliver to the Company the Release. Upon the sooner of the expiration of any applicable revocation period required for the Release to be effective with respect to age discrimination claims and the date on which it is otherwise permitted to be effective and irrevocable under applicable law (such sooner date the “Release Effective Date”), Executive shall be entitled to:

(a) cash payments (collectively the “Severance Payment”) at the rate of Executive’s annual base salary as in effect immediately prior to the Operative Trigger Event for a period of 12 months (the “Severance Period”), payable as set forth below. The Severance Payment shall be made as a series of separate payments in accordance with the Company’s standard payroll practices (and subject to all applicable tax withholdings and deductions), commencing with the first regular payroll date on or immediately following the 60th day after the date of the Operative Trigger Event;

(b) if Executive timely elects “COBRA” coverage and provided Executive continues to make contributions for such continuation coverage equal to Executive’s contribution amount in effect immediately preceding the date of Executive’s termination of employment, the Company shall waive or pay the remaining portion of Executive’s healthcare continuation payments under COBRA for the Severance Period. Notwithstanding the foregoing, in the event that Executive becomes eligible to obtain alternate healthcare coverage from a new employer before the end of the Severance Period, the Company’s obligation to waive the remaining portion of Executive’s healthcare continuation coverage under COBRA shall cease. Executive understands and affirms that Executive is obligated to inform the Company if Executive becomes eligible to obtain alternate healthcare coverage from a new employer before the end of the Severance Period;

(c) all Company stock options and restricted stock (“Awards”) granted to Executive shall (to the extent not already then “vested”), partially “vest” and a portion of the stock options shall be exercisable, in each case on a pro-rated basis, taking into account the number of months elapsed since the date of grant as compared to the scheduled vesting date. For example, if the total number of months from the grant date until the vesting date is 36 months, and the Operative Trigger Event occurs at the end of the 12th month after the grant date, then effective on the Release Effective Date, the total number of vested options and vested Awards should be equal to 1/3 (i.e., 12/36) of the total number of each granted. Notwithstanding anything to the contrary contained herein, the terms of the equity compensation plan under which any such Award was granted shall govern acceleration of vesting of such Award in the event of a “Change of Control” as defined in such plan;

(d) any bonus that would have otherwise been paid to Executive for the calendar year prior to termination (a “Prior Year Bonus”) shall be paid in a single lump-sum on the date such payments are made to other employees, notwithstanding that Executive is not actively employed on the date of payment;

(e) if an Operative Trigger Event occurs prior to January 1, 2024, the Company shall continue to pay any and all installments of the retention bonus (as outlined in the Offer Letter) which remain unpaid as of the date of Employee’s termination, notwithstanding that Executive is not actively employed on the date of payment.

If the Operative Trigger Event is a Change in Control Trigger Event, then the Severance Payment in (a) above shall be at double the rate of Executive’s annual base salary during the Severance Period.

This Paragraph 2 supersedes any previous understandings or agreements regarding severance or severance payments, including those stated in the Offer Letter.

3. Covenants Agreement. As a condition to the Company’s obligations hereunder, Executive shall execute and deliver to the Company an agreement in the form of Exhibit B annexed hereto and made a part hereof relating to confidentiality, assignment of inventions, non-competition and non-solicitation. The non-competition and non-solicitation covenants shall apply for a period equal to the Severance Period.

4. At Will Employment. Nothing in this Agreement shall alter Executive’s status as an “at-will” employee.

5. Headings. Headings used in this Agreement are for convenience of reference only and do not affect the meaning of any provision.

6. Counterparts. This Agreement may be executed as of the same effective date in one or more counterparts, each of which shall be deemed an original.

7. Binding Agreement; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

8. Governing Law; Jurisdiction. This Agreement and any and all matters arising directly or indirectly herefrom shall be governed by, and construed in accordance with, the internal laws of the State of New Jersey, without reference to the choice of law principles thereof. Any legal action, suit or other proceeding arising out of or in any way connected with this Agreement shall be brought in the courts of the State of New Jersey, or in the United States courts for the District of New Jersey. With respect to any such proceeding in any such court: (i) each party generally and unconditionally submits itself and its property to the exclusive jurisdiction of such court (and corresponding appellate courts therefrom), and (ii) each party waives, to the fullest extent permitted by law, any objection it has or hereafter may have the venue of such proceeding as well as any claim that it has or may have that such proceeding is in an inconvenient forum.

9. Amendments. This Agreement may only be amended or otherwise modified, and the provisions hereof may only be waived, by a writing executed by the parties hereto.

10. Entire Agreement. This Agreement, the Offer Letter, and the Indemnification Agreement shall constitute the entire agreement of the parties with respect to the matters covered hereby and shall supersede all previous written, oral or implied understandings between them with respect to such matters.

11. Opportunity to Consult Counsel. Executive hereby acknowledges that he has read and fully understands this Agreement, that he has been advised that Olshan Frome Wolosky LLP is counsel to the Company and not to Executive, and that Executive has been advised to, and has had the opportunity to, consult with counsel and Executive’s personal financial or tax advisor with respect to this Agreement.

12. No Effect on Other Benefits. Notwithstanding anything contained herein to the contrary, nothing contained herein shall adversely affect the rights of Executive and his dependents and beneficiaries to any and all benefits to which any of them may be entitled under the benefit plans and arrangements of the Company in accordance with the terms of such benefit plans and arrangements.

13. Section 409A.

(a) This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and regulations promulgated thereunder ("Section 409A"). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, the provision shall be read in such a manner so that no payments due under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may Executive, directly or indirectly, designate the calendar year of payment.

(b) Notwithstanding anything to the contrary contained herein, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Code concerning payments to "specified employees," any payment on account of Executive's separation from service that would otherwise be due hereunder within six months after such separation shall nonetheless be delayed until the first business day of the seventh month following Executive's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction, together with interest on such cumulative amount during the period of such restriction at a rate, per annum, equal to the applicable federal short-term rate (compounded monthly) in effect under Section 1274(d) of the Code on the date of termination. For purposes of Section 2 hereof, Executive shall be a "specified employee" for the 12-month period beginning on the first day of the fourth month following each "Identification Date" if he is a "key employee" (as defined in Section 416(i) of the Code without regard to Section 416(i)(5) thereof) of the Company at any time during the 12-month period ending on the "Identification Date." For purposes of the foregoing, the Identification Date shall be December 31. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with the Company for purposes of Section 2 hereof unless he would be considered to have incurred a "termination of employment" from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(i).

(c) Executive acknowledges that any tax liability incurred by Executive under Section 409A of the Code is solely the responsibility of Executive.

14. No Mitigation. Executive shall be under no obligation to seek other employment after Executive's termination of employment with the Company, and the obligations of the Company to Executive which arise pursuant to Section 2 of this Agreement shall not be subject to mitigation or offset.

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

POWERFLEET, INC.

By: /s/ Michael Brodsky
Name: Michael Brodsky
Title: Chairman of the Board
Date: 1/4/2022

WITNESS:

EXECUTIVE:

/s/ Honghui Yu
Name: Honghui Yu
Date: 1/4/2022

/s/ Steve Towe
Name: Steve Towe
Date: 1/4/2022

[Signature Page to Severance Agreement]

**EXHIBIT A
FORM OF RELEASE**

SEPARATION AND GENERAL RELEASE AGREEMENT

This Separation and General Release Agreement (this "Agreement") is entered into between _____ with an address at _____ (the "Employee") and PowerFleet, Inc. (the "Company"), together with its parent, divisions, affiliates, and subsidiaries and their respective officers, directors, employees, shareholders, members, partners, plan administrators, attorneys, and agents, as well as any predecessors, future successors or assigns or estates of any of the foregoing (the "Released Parties").

1. Separation of Employment. Employee acknowledges and understands that Employee's last day of employment with the Company was _____ (the "Separation Date"). Employee acknowledges and agrees that, except as otherwise provided in this Agreement, Employee has received all compensation and benefits to which Employee is entitled as a result of Employee's employment. Employee understands that, except as otherwise provided in this Agreement, Employee is entitled to nothing further from any of the Released Parties, including reinstatement by the Company.

2. Employee General Release of Released Parties. In consideration of the payments and benefits set forth in Section 4 below, Employee hereby unconditionally and irrevocably releases, waives, discharges, and gives up, to the full extent permitted by law, any and all Claims (as defined below) that Employee may have against any of the Released Parties, arising on or prior to the date of Employee's execution and delivery of this Agreement to the Company. "Claims" means any and all actions, charges, controversies, demands, causes of action, suits, rights, and/or claims whatsoever for debts, sums of money, wages, salary, severance pay, commissions, bonuses, unvested stock options, vacation pay, sick pay, fees and costs, attorneys fees, losses, penalties, damages, including damages for pain and suffering and emotional harm, arising, directly or indirectly, out of any promise, agreement, offer letter, contract, understanding, common law, tort, the laws, statutes, and/or regulations of the State of New Jersey or any other state and the United States, including, but not limited to, federal and state whistleblower laws, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Equal Pay Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Employment Retirement Income Security Act (excluding COBRA), the Vietnam Era Veterans Readjustment Assistance Act, the Fair Credit Reporting Act, the Age Discrimination in Employment Act ("ADEA"), the Older Workers' Benefit Protection Act, the Occupational Safety and Health Act, the Sarbanes-Oxley Act of 2002, the New Jersey Law Against Discrimination, the New Jersey Family Leave Act, the New Jersey Civil Rights Act, and the New Jersey Conscientious Employee Protection Act, as each may be amended from time to time, whether arising directly or indirectly from any act or omission, whether intentional or unintentional. This Section 2 releases all Claims including those of which Employee is not aware and those not mentioned in this Agreement. Employee specifically releases any and all Claims arising out of Employee's employment with the Company or separation therefrom. Employee expressly acknowledges and agrees that, by entering into this Agreement, Employee is releasing and waiving any and all Claims, including, without limitation, Claims that Employee may have arising under ADEA, which have arisen on or before the date of Employee's execution and delivery of this Agreement to the Company.

3. Representations; Covenant Not to Sue. Employee hereby represents and warrants to the Released Parties that Employee has not: (A) filed, caused or permitted to be filed any pending proceeding (nor has Employee lodged a complaint with any governmental or quasi-governmental authority) against any of the Released Parties, nor has Employee agreed to do any of the foregoing; (B) assigned, transferred, sold, encumbered, pledged, hypothecated, mortgaged, distributed, or otherwise disposed of or conveyed to any third

party any right or Claim against any of the Released Parties that has been released in this Agreement; or (C) directly or indirectly assisted any third party in filing, causing or assisting to be filed, any Claim against any of the Released Parties. Except as set forth in Section 11 below, Employee covenants and agrees that he shall not encourage or solicit or voluntarily assist or participate in any way in the filing, reporting or prosecution by herself or any third party of a proceeding or Claim against any of the Released Parties.

4. Payment. As good consideration for Employee's execution, delivery, and non-revocation of this Agreement, the Company shall provide Employee with the payments and benefits set forth in Section 2 of the Severance Agreement between Employee and the Company dated as of January 5, 2022, payable as set forth therein. Employee acknowledges that Employee is not otherwise entitled to receive the payments and benefits described in this Section 4 and acknowledges that nothing in this Agreement shall be deemed to be an admission of liability on the part of any of the Released Parties. Employee agrees that Employee will not seek anything further from any of the Released Parties.

5. Who is Bound. The Company and Employee are bound by this Agreement. Anyone who succeeds to Employee's rights and responsibilities, such as the executors of Employee's estate, is bound, and anyone who succeeds to the Company's rights and responsibilities, such as its successors and assigns, is also bound.

6. Cooperation. Employee agrees that, within five business days of the Separation Date, he shall provide the Company (attention: _____) with a written comprehensive summary of all outstanding work activities, current and prospective customer contact information, and otherwise reasonably cooperate as necessary to effect a transition of his responsibilities. Employee also agrees that he will cease from communicating with any current Company employees (with the exception of _____) regarding Company personnel or other Company-related matters. Employee agrees to reasonably cooperate in any Company investigations and/or litigation regarding events that occurred during Employee's tenure with the Company. The Company will compensate Employee for reasonable expenses Employee incurs in extending such cooperation regarding investigations and/or litigation, so long as Employee provides advance written notice of Employee's request for compensation.

7. Non Disparagement and Confidentiality. Employee agrees not to make any defamatory or derogatory statements concerning any of the Released Parties. Provided inquiries are directed to the Company's Department of Human Resources, the Company shall disclose to prospective employers information limited to Employee's dates of employment and last position held by Employee. Employee confirms and agrees that Employee shall not, directly or indirectly, disclose to any person or entity or use for Employee's own benefit, any confidential information concerning the business, finances or operations of the Company or its customers; provided, however, that Employee's obligations under this Section 7 shall not apply to information generally known in the Company's industry through no fault of Employee or the disclosure of which is required by law, provided that, to the extent permitted by law, Employee shall provide the Company with reasonable advance notice sufficient to enable the Company to contest the disclosure if Employee has been legally compelled to disclose the Company's confidential information. Such confidential information shall include, without limitation, trade secrets, customer lists, details of contracts, pricing policies, operational materials, marketing plans or strategies, security and safety plans and strategies, project development, and any other non-public or confidential information of, or relating to, the Company or its affiliates. Employee also agrees that the amounts paid to Employee and all of the other terms of this Agreement shall be kept confidential, unless the Company discloses them in a public filing. Employee acknowledges that he continues to be bound by the Confidentiality, Assignment of Contributions and Inventions, Non-Competition and Non-Solicitation Agreement (the "Covenants Agreement").

8. Remedies. If Employee tells anyone (other than the Employee's spouse, financial, or legal advisors, or any government agency) the amount paid to Employee or any other material term of this Agreement (unless the Company has publicly disclosed the terms of this Agreement in a public filing), breaches any other term or condition of this Agreement or the Covenants Agreement, or any representation made by Employee in this Agreement was false when made, it shall constitute a material breach of this Agreement and, in addition to and not instead of the Released Parties' other remedies hereunder, under the Covenants Agreement or otherwise at law or in equity, Employee shall be required to immediately, upon written notice from the Company, return the payments paid to the Company hereunder, less \$500. Employee agrees that if Employee is required to return the payments, this Agreement shall continue to be binding on Employee and the Released Parties shall be entitled to enforce the provisions of this Agreement as if the payments had not been repaid to the Company and the Company shall have no further payment obligations to Employee hereunder. Further, in the event of a material breach of this Agreement, Employee agrees to pay all of the Released Parties' attorneys' fees and other costs associated with enforcing this Agreement.

9. Company Property. Employee represents that he has returned all Company property in Employee's possession, custody or control, including, but not limited to, all Company equipment, samples, laptop computers, personal digital assistants, cell phones, pass codes, keys, swipe cards, documents or other materials that Employee received, prepared, or helped prepare. Employee represents that Employee has not retained any copies, duplicates, reproductions, computer disks, or excerpts thereof of the Company's documents.

10. Construction of Agreement. In the event that one or more of the provisions contained in this Agreement shall for any reason be held unenforceable in any respect under the law of any state of the United States or the United States, such unenforceability shall not affect any other provision of this Agreement, but this Agreement shall then be construed as if such unenforceable provision or provisions had never been contained herein or therein. If it is ever held that any restriction hereunder is too broad to permit enforcement of such restriction to its fullest extent, such restriction shall be enforced to the maximum extent permitted by applicable law. This Agreement and any and all matters arising directly or indirectly herefrom or therefrom shall be governed under the laws of the State of New Jersey, without reference to choice of law rules. The Company and Employee consent to the sole jurisdiction of the federal and state courts of New Jersey. **THE COMPANY AND EMPLOYEE HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION CONCERNING THIS AGREEMENT OR ANY AND ALL MATTERS ARISING DIRECTLY OR INDIRECTLY HEREFROM AND REPRESENT THAT THEY HAVE CONSULTED WITH COUNSEL OF THEIR CHOICE OR HAVE CHOSEN VOLUNTARILY NOT TO DO SO SPECIFICALLY WITH RESPECT TO THIS WAIVER.**

11. Acknowledgments. The Company and Employee acknowledge and agree that:

(A) By entering into this Agreement, Employee does not waive any rights or Claims that may arise after the date that Employee executes and delivers this Agreement to the Company;

(B) This Agreement shall not affect the rights and responsibilities of the Equal Employment Opportunity Commission (the "EEOC") to enforce the ADEA and other laws, and further acknowledge and agree that this Agreement shall not be used to justify interfering with Employee's protected right to file a charge or participate in an investigation or proceeding conducted by the EEOC. Accordingly, nothing in this Agreement shall preclude Employee from filing a charge with, or participating in any manner in an investigation, hearing or proceeding conducted by, the EEOC, but Employee hereby waives any and all rights to recover under, or by virtue of, any such investigation, hearing or proceeding;

(C) Notwithstanding anything set forth in this Agreement to the contrary, nothing in this Agreement shall affect or be used to interfere with Employee's protected right to test in any court, under the Older Workers' Benefit Protection Act, or like statute or regulation, the validity of the waiver of rights under ADEA set forth in this Agreement; and

(D) Nothing in this Agreement shall preclude Employee from: exercising Employee's rights, if any (i) under Section 601-608 of the Employee Retirement Income Security Act of 1974, as amended, popularly known as COBRA, or (ii) the Company's pension plan or 401(k) plan, if applicable.

12. Opportunity For Review.

(A) Employee represents and warrants that Employee: (i) has had sufficient opportunity to consider this Agreement; (ii) has read this Agreement; (iii) understands all the terms and conditions hereof; (iv) is not incompetent or had a guardian, conservator or trustee appointed for Employee; (v) has entered into this Agreement of Employee's own free will and volition; (vi) has duly executed and delivered this Agreement; (vii) understands that Employee is responsible for Employee's own attorney's fees and costs; (viii) has had the opportunity to review this Agreement with counsel of Employee's choice or has chosen voluntarily not to do so; (ix) understands the Employee has been given twenty-one (21) days to review this Agreement before signing this Agreement and understands that he is free to use as much or as little of the 21-day period as he wishes or considers necessary before deciding to sign this Agreement; (x) understands that if Employee does not sign and return this Agreement to the Company within 21 days of his receipt, the Company shall have no obligation to enter into this Agreement, Employee shall not be entitled to the payments and benefits set forth in Section 4 of this Agreement, and the Separation Date shall be unaltered; and (xi) this Agreement is valid, binding and enforceable against the parties to this Agreement in accordance with its terms.

(B) This Agreement shall be effective and enforceable on the eighth (8th) day after execution and delivery to the Company by Employee. The parties to this Agreement understand and agree that Employee may revoke this Agreement after having executed and delivered it to the Company by so advising the Company in writing no later than 11:59 p.m. ET on the seventh (7th) day after Employee's execution and delivery of this Agreement to the Company. If Employee revokes this Agreement, it shall not be effective or enforceable, Employee shall not be entitled to the payments and benefits set forth in Section 4 of this Agreement, and the Separation Date shall be unaltered.

Agreed to and accepted on this ____ day of _____, 20__.

Witness:

EMPLOYEE:

Name:

Agreed to and accepted on this ____ day of _____, 20__.

POWERFLEET, INC.

Name:

Title:

**EXHIBIT B
FORM OF COVENANTS AGREEMENT**

POWERFLEET, INC.

**Confidentiality, Assignment of Contributions and
Inventions, Non-Competition, and Non-Solicitation Agreement**

Background. I am a paid employee of PowerFleet, Inc., a Delaware corporation (the "Company"). I am executing this Agreement in consideration of my offer of employment with the Company and the severance agreement effective as of January 5, 2022.

1. **Confidentiality.** While working for the Company, I may in the future develop or acquire, knowledge in my work or from my colleagues or otherwise of Confidential Information relating to the Company, its business, potential business or that of its customers or its or their respective affiliates. "**Confidential Information**" includes information concerning the identity of customers or their requirements or key contacts within the customer's organization, suppliers, distributors, software programs, demonstration programs, routines, algorithms, computer systems, plans, strategies, research, formulations, processes, production methods and sources, products and specifications, equipment manufacturing and other techniques, designs, know-how, show how, trade secrets, inventions, improvements, discoveries, concepts, methodology, formulas, drawings, maps, manuals, models, specifications, records, files, memoranda, notes, reports, files, correspondence, financial and sales data, pricing lists or terms, trading terms, training materials and methods, marketing, distribution, and merchandising techniques and strategies, evaluations, opinions and interpretations, together with all other writings or materials of any type embodying any of the foregoing and any and all other technical, operating, financial, and business information or materials relating to the Company, its customers or its or their respective affiliates, whether or not reduced to writing or other medium and whether or not marked or labeled confidential, proprietary, or the like, regardless of whether created by me, others or both. Notwithstanding the foregoing, Confidential Information does not include information that is or becomes public domain without fault on my part. I will have the burden of proof with respect to the exclusion of any information from the definition of "Confidential Information."

With respect to Confidential Information of the Company, its customers and its or their respective affiliates, I agree that:

(a) The Confidential Information is and will continue to be the sole and exclusive property of the Company;

(b) Except as required under applicable law or pursuant to any judicial process or administrative proceeding with subpoena powers, I will use the Confidential Information only in the performance of my duties for the Company. I will not use the Confidential Information at any time (during or after my employment with the Company or any of its affiliates) for my personal benefit, for the benefit of any other Person or in any manner adverse to the interests of the Company, its customers or its or their respective affiliates;

(c) Except as required under applicable law or pursuant to any judicial process or administrative proceeding with subpoena powers, I will not disclose the Confidential Information at any time (during or after my employment with the Company or any of its affiliates) except to authorized Company personnel, unless the Company consents in advance in writing or unless the Confidential Information becomes of public knowledge or enters the public domain (without fault on my part);

(d) I will safeguard the Confidential Information by all reasonable steps and abide by all policies and procedures of the Company and its customers in effect from time to time regarding storage, copying, destroying, publication or posting, or handling of such Confidential Information, in whatever medium or format that Confidential Information takes;

(e) Except as required under applicable law or pursuant to any judicial process or administrative proceeding with subpoena powers, I will execute and abide by all confidentiality agreements that the Company reasonably requests me to sign or abide by, whether those agreements are for the benefit of the Company, an affiliate or an actual or a potential customer or supplier thereof;

(f) I will return all materials containing or relating to Confidential Information, together with all other Company or customer property, to the Company when my employment with the Company or any of its affiliates terminates (either voluntary or involuntary) or upon the Company's earlier request. I shall not retain any copies or reproductions of correspondence, memoranda, reports, notebooks, drawings, photographs, or other documents relating in any way to the business or affairs of the Company, its

customers or its or their respective affiliates; and

(g) Upon any termination of my employment with the Company, I will acknowledge to the Company, in writing and under oath, in the form attached hereto as Exhibit A that I have complied with this Agreement.

As used herein, the term "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or department, agency or subdivision of the government entity.

For purposes of clauses (b), (c) and (e), in the event of any required disclosure, I will promptly notify the Company and reasonably cooperate and assist the Company in resisting such disclosure in the event it chooses to do so; provided, however, that it is understood that I shall have no personal obligation to file any motion or take any similar action to resist the disclosure of information in a court of law or with respect to any similar legal authority.

2. Contributions and Inventions. While employed by the Company, I may make Contributions and Inventions deemed by the Company to have value to it. The terms "Contributions" and "Inventions" are understood to include all information, ideas, concepts, technology, improvements, discoveries, formulae, inventions, creations, discoveries, techniques, designs, methods, trade secrets, technical specifications and data, works, modifications, processes, know-how, show-how, concepts, expressions, improvements, works of authorship (including computer programs), ideas and other developments, whether or not they are patentable or copyrightable or subject to analogous protection and regardless of their form or state of development and whether or not I have made them alone or with others, together with any and all rights to U.S. or foreign applications for patents, inventor's certifications or other industrial rights that may be filed thereon, including divisions, continuations-in-part, reissues and/or extensions thereof.

This Agreement covers Contributions and Inventions of any kind that are conceived or made by me, alone or with others, while I am employed by the Company, regardless of whether they are conceived or made during regular working hours or at my place of work (whether located at the Company, customer facilities, at home or elsewhere) and that (i) relate to the Company's business or potential business or that of its affiliates, (ii) result from tasks assigned to me by the Company, or (iii) are conceived or made with the use of the Company's time, facilities, resources, or materials. With respect to Contributions or Inventions covered by this Agreement, I agree that:

(a) I will disclose them promptly to the Company. I will not disclose them to anyone other than authorized Company personnel;

(b) They will belong solely to the Company from conception as "works made for hire" (as that term is used under U.S. copyright law) or otherwise. To the extent that title to any such Contributions and Inventions do not, by operation of law, vest in the Company, I hereby irrevocably assign to the Company all right, title and interest, including, without limitation, tangible and intangible rights such as patent rights, trademarks, and copyrights, that I may have or may acquire in and to all such Contributions and Inventions, benefits and/or rights resulting therefrom, and agree to promptly execute any further specific assignments related to such Contributions or Inventions, benefits and/or rights at the request of the Company. If the Company wants more specific or formal evidence of this, I will sign written documents of assignment at the Company's request. I also hereby assign to the Company, or waive if not assignable, all "moral rights" in and to any Contributions and Inventions and agree promptly to execute any further specific assignments or waivers related to moral rights at the request of the Company; and

(c) I will, at any time, either during the time I am employed by the Company or thereafter, assist the Company in obtaining and maintaining patent, copyright, trademark, mask works and other protection for them, in all countries and territories, at the Company's expense. In the event that the Company is unable to secure my signature after reasonable effort in connection with any patent, trademark, copyright, mask work or other similar protection relating to a Contribution or an Invention, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf and stead to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of patents, trademarks, copyrights, mask works or other similar protection thereon with the same legal force and effect as if executed by me.

(d) Any Contributions or Inventions relating to the business of the Company and disclosed to the Company within 6 months following the termination of my employment shall be deemed to fall within the provisions of this Section 2. The "business of the Company" as used in this Section 2 includes the actual business conducted by the Company or any of its affiliates at any time during my employment with the Company, as well as any business in which the Company or any of its affiliates, at any time during my employment with the Company, proposes or proposes to engage.

3. Obligations to Prior Employers or Others. I do not have any non-disclosure, non-compete, non-solicitation or other obligations to any previous employer or other Person that would prohibit, limit, conflict or interfere with my obligations under this Agreement or the performance of my duties for the Company. I will not disclose to the Company or its customers or induce the Company or its customers to use any secret or confidential information or material belonging to others, including my former employers, if any.

4. Excluded Information. A complete list, by non-confidential descriptive title of all Contributions, Inventions, ideas, reports or other creative works, if any, made or conceived by me prior to my employment by the Company and intended to be excluded from this Agreement, is attached as Exhibit B. I shall not assert any rights under any Contributions, Inventions, ideas, reports or other creative works as having been made or acquired by me prior to my being employed by the Company, unless such Contributions, Inventions, ideas, reports or other creative works are identified on Exhibit B. If, after the date of this Agreement, I believe that any Contribution or Invention is excluded from this Agreement, I agree to obtain written authorization from the Company, prior to applying for any patent on the Contribution or Invention, and prior to taking any steps to commercially exploit the Contribution or Invention.

5. Covenant Against Competition and Solicitation

(a) I acknowledge and understand that, in view of my position as an employee of the Company, I may have previously been afforded, or in the future may be afforded, access to the Company's Confidential Information and that of its affiliates. I therefore agree that during the course of my employment with the Company and for a period of 12 months after termination of my employment with the Company and all of its affiliates (for any reason or no reason) (the "Restricted Period"), I will not, anywhere within the United States of America or any other country or territory in which the Company or its affiliates conducts business, either directly or indirectly, whether alone or as an employee, employer, consultant, independent contractor, agent, principal, partner, joint venturer, stockholder, member, officer, director or otherwise of any company or other business enterprise, or in any other individual or representative capacity, engage in, assist in, or participate in, or otherwise be connected to or benefit from any Competitive Business. As used in this Agreement, "Competitive Business" shall mean any individual, entity, or business enterprise that is engaged in or is seeking to engage in: the development, design, manufacture, marketing, sale and/or distribution of any products that are directly competitive with products that (a) represent at least 10% of the Company's consolidated product revenues, (b) were first sold or distributed by the Company or any of its affiliates during the preceding 12-month period, or (c) are being developed, produced, marketed and/or distributed by the Company or any of its affiliates and are scheduled to be first sold or distributed by the Company within a 12-month period; provided, however, that for purposes of this definition, a business shall be a "Competitive Business," as it applies during the 12 month period after termination of my employment only if the Company is engaged or is actively seeking to engage in that business on the date of my termination of employment with the Company or was engaged or actively seeking to engage in that business at any time during the preceding 12 months.

(b) During the Restricted Period, I will not, without the express prior written consent of the Company, directly or indirectly: (i) solicit, induce, or assist any third person in soliciting or inducing any Person that, to my knowledge, is (or was at any time within the 12 months prior to the solicitation or inducement) an employee, consultant,

independent contractor or agent of the Company or any of its affiliates to leave the employment of the Company or any of its affiliates or cease performing services as an independent contractor, consultant or agent of the Company or any of its affiliates; or (ii) contact, communicate, solicit, or transact any business with or assist any third party in contacting, communicating, soliciting, or transacting any business with any Person that is or was (at any time within 12 months prior to the contact, communication, solicitation, or transaction) known to me to be a customer, distributor or supplier of the Company or its affiliates (or Person who, at any time during the 12 months prior to the contact, communication, solicitation, or transaction, the Company or its affiliates contacted, communicated with or solicited for the purposes of becoming a customer, distributor, or supplier of the Company or its affiliates and I was in any way involved or otherwise had knowledge of or reasonably should have had knowledge of such contact, communication, or solicitation) for the purposes of inducing such customer, distributor, or supplier or potential customer, distributor, or supplier to purchase goods or services from, or provide goods or services to, any Competitive Business, or to terminate its or their business relationship with the Company or its affiliates.

6. **Defend Trade Secrets.** Pursuant to the Defend Trade Secrets Act of 2016, I understand that:

An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

7. **Non-Disparagement.** I will not at any time (during or after my employment with the Company) publicly disparage the reputation of the Company, its affiliates, or any of its or their respective officers and directors. This obligation shall not in any way apply to internal discussions related to the Company or the Company's employees, agents, officers, and directors which are conducted in a professional manner and not disclosed to the public or any third party.

8. **Interpretation and Scope of this Agreement**

(a) In the event that any court of competent jurisdiction shall determine that any one or more of the provisions contained in this Agreement shall be unenforceable in any respect, then such provision shall be deemed limited and restricted to the extent that the court shall deem the provision to be enforceable. It is the intention of the parties to this Agreement that the covenants and restrictions in this Agreement be given the broadest interpretation permitted by law. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof. The covenants and restrictions contained in this Agreement shall be deemed a series of separate covenants and restrictions. If, in any judicial proceeding, a court of competent jurisdiction should refuse to enforce all of the separate covenants and restrictions in this Agreement, then such unenforceable covenants and restrictions shall be deemed eliminated from the provisions of this Agreement for the purpose of such proceeding to the extent necessary to permit the remaining separate covenants and restrictions to be enforced in such proceeding.

(b) I acknowledge that the restrictions on the activities in which I may engage that are set forth in this Agreement and the location and period of time for which such restrictions apply are reasonable and necessary to protect the legitimate business interests of the Company and shall survive the termination of my employment. I understand that the Company's business is global and, accordingly, the restrictions cannot be limited to any particular geographic area. I further acknowledge that the restrictions contained in this Agreement will not prevent me from earning a livelihood during the applicable period of restriction.

(c) I understand and agree that if I breach or threaten to breach any of the provisions of this Agreement, including, without limitation, the provisions of Sections 1, 2, 5 or 6 hereof, the Company would suffer irreparable harm and damages would be an inadequate remedy. Accordingly, I acknowledge that, in the event of any breach or threatened breach by me of any of the provisions of this Agreement, the Company shall be entitled to temporary, preliminary and permanent injunctive or other equitable relief in any court of competent jurisdiction (without being required to post a bond or other collateral) and to an equitable accounting of all earnings, profits and other benefits arising, directly or indirectly, from such violation, which rights shall be cumulative and in addition to (rather than instead of) any other rights or remedies to which the Company may be entitled at law or in equity. In addition (and not instead of those rights), I further covenant that I shall be responsible for payment of the reasonable fees and expenses of the Company's attorneys and experts, as well as the Company's court costs, pertaining to any suit, arbitration, mediation, action or other proceeding (including the costs of any investigation related thereto) in which the Company prevails, arising directly or indirectly out of my violation or threatened violation of any of the provisions of this Agreement. If the Company does not prevail in any suit, arbitration, mediation, action or other proceeding arising directly or indirectly out of my purported violation of any of the provisions of this Agreement, the Company shall be responsible for payment of the reasonable fees and expenses of attorneys and experts that I incur, as well as my court costs, pertaining to any such suit, arbitration, mediation, action or other proceeding (including the costs of any investigation related thereto).

(d) This Agreement shall be binding upon me, my heirs, assigns and personal representatives and shall inure to the benefit of the Company, its affiliates and their respective successors and assigns (including, without limitation, the purchaser of all or substantially all of its assets).

(e) This Agreement shall constitute the entire agreement between Company and myself with respect to the matters covered hereby and shall supersede all previous written, oral or implied understandings between us with respect to such matters.

(f) I acknowledge that my employment with the Company is "at-will." I understand that nothing contained in this Agreement shall give me a right to continue in the employ of the Company, and the right to terminate my employment with the Company, at any time, with or without cause, is specifically reserved to the Company. I also understand that I may resign from employment with the Company at any time in my discretion.

(g) Any and all actions or controversies arising out of this Agreement, Employee's employment by the Company or termination therefrom, including, without limitation, tort claims, shall be construed and enforced in accordance with the internal laws of the State of New Jersey, without regard to the choice of law principles thereof.

I represent and warrant that: (a) I have read this Agreement; (b) I understand all the terms and conditions hereof; (c) I have entered into this Agreement of my own free will and volition; (d) I have been advised by the Company to seek and have, to the extent I have deemed necessary, received the advice of counsel of any own selection; and (e) the terms of this Agreement are fair, reasonable and are being agreed to voluntarily in exchange for my continued employment with the Company and the severance agreement effective as of January 5, 2022.

Date: 1/4/2022

/s/ Steve Towe

Name: Steve Towe

Accepted:

POWERFLEET, INC.

By: /s/ Ned Mavrommatis

Name: Ned Mavrommatis

EXHIBIT A

STATE OF NEW YORK
COUNTY OF NEW YORK

The undersigned, being duly sworn, does hereby certify that he/she has complied with, and will continue to comply with, for the applicable period set forth therein, all of the terms of the Confidentiality, Assignment of Contributions and Inventions, Non-Competition and Non-Solicitation Agreement dated January 5, 2022 by the Undersigned in favor of PowerFleet, Inc. (the "Company"). I have returned all Company property and all materials relating to or containing Confidential Information to the Company and I have not retained any copies or reproductions of any correspondence, memoranda, reports, notebooks, drawings, photographs or other documents or materials relating to the affairs of the Company, its customers and its or their affiliates.

Name: Steve Towe

Sworn and Subscribed to
before me this ____ day of
_____, 2022

EXHIBIT B

Excluded Information
(See Section 4. If None, type "NONE")

NONE



PowerFleet Appoints IoT and SaaS Veteran Steve Towe as Chief Executive Officer

Experienced Software Industry Leader to Advance PowerFleet's Mission of Helping Businesses Globally Accelerate Their Operational and Organizational Transformations

WOODCLIFF LAKE, N.J., January 5, 2022 — **PowerFleet, Inc.** (Nasdaq: PWFL), a global leader and provider of subscription-based IoT solutions for managing high-value enterprise assets and driving seamless business operations, has appointed experienced software industry leader Steve Towe as the company's new Chief Executive Officer (CEO). Towe replaces Chris Wolfe, who has retired from the business after serving as CEO since December 2016. Towe has also been appointed to the PowerFleet Board of Directors.

With a proven track record of scaling high value, global technology organizations, Towe joins PowerFleet from Aptos, the global leader of unified commerce solutions in the retail enterprise SaaS market, where he successfully served as President and Chief Operating Officer for the past five years.

In prior positions with both publicly traded and private equity backed companies, Towe has gained more than 16 years of strategic leadership experience on the global SaaS IoT stage. Most notably, he served as Chief Commercial Officer of Masternaut, a global telematics provider, where he was instrumental in delivering robust revenue growth and profit expansion during his tenure from 2011 to 2016.

Previously, Towe achieved significant international organic growth alongside market consolidation as Managing Director of the highly acquisitive telemetry data business Cybit. He also held senior executive level positions for the high velocity, fleet management subsidiary of the Trafficmaster Group, Fleetstar Information Systems.

"I am thrilled to be joining PowerFleet to build on its impressive capabilities and experience in the market," said Towe. "As CEO, I look forward to leveraging my IoT background and deep SaaS expertise to enhance PowerFleet's value propositions and organizational strength to make a significant impact on the complex global industries we serve and the full spectrum of customers we partner with."

"I am joining PowerFleet at a time when the customers we work with are going through extraordinary change," added Towe. "As a result of the challenges created by the pandemic, PowerFleet's mission has become even clearer and more purposeful. We are here to play a critical role as our customers accelerate their digital transformations and use of fully integrated data solutions to create highly effective, unified business operations and obtain full visibility across their supply chains. I believe PowerFleet is extremely well positioned to capitalize on the extensive global IOT market, which Gartner is forecasting will grow at a 34% CAGR to \$58 billion in 2025."

PowerFleet Chairman Michael Brodsky commented: "On behalf of the Board of Directors, I would like to thank Chris for his service and contributions to PowerFleet over the last five years. I am delighted to welcome Steve as the company's new CEO. Steve is joining our organization at a time when we have solid operational and financial momentum, a strong balance sheet and abundant growth opportunities on the horizon. Steve has an impressive history of empowering and transforming software organizations to deliver exceptional results for customers, employees and shareholders. With Steve's core skillset spanning from building world-class teams to successfully integrating multiple strategic acquisitions and creating prolific, customer centric operations, we are confident he is the right fit to lead PowerFleet into its high growth, accelerated software innovation phase."



24th Annual Needham Virtual Growth Conference

Towe and Chief Financial Officer Ned Mavrommatis will be virtually presenting at the 24th Annual Needham Virtual Growth Conference on Thursday, January 13, 2022 at 3:30 p.m. Eastern time. Management's presentation will be webcast and available for replay [here](#).

For additional information or to schedule a one-on-one meeting with PowerFleet management, please contact Gateway Group at PWFL@gatewayvir.com.

About PowerFleet

PowerFleet® Inc. (NASDAQ: PWFL; TASE: PWFL) is a global leader and provider of subscription-based wireless IoT and M2M solutions for securing, controlling, tracking, and managing high-value enterprise assets, providing mission critical software and data applications to drive business change and unified operations. The company is headquartered in Woodcliff Lake, New Jersey, with offices located around the globe. PowerFleet's patented technologies address the needs of organizations to monitor and analyze their assets to increase efficiency and productivity, reduce costs, support employee safety and improve profitability. Our offerings are sold under the global brands PowerFleet, Pointer, and Cellocator. For more information, please visit www.powerfleet.com, the content of which does not form a part of this press release.

Inducement Grants

In connection with his appointment as CEO, Mr. Towe received the following inducement awards, effective as of his appointment:

- options to purchase 500,000 shares of the Company's common stock, which have an exercise price equal to the closing price of the Company's common stock on Mr. Towe's start date, a term of 10 years and will vest as to 25% of such options on each of the first, second, third and fourth anniversaries of the grant date, provided that Mr. Towe is employed by the Company on each such date; and
- performance-based options to purchase an aggregate of 4,125,000 shares of the Company's common stock, which have a term of 10 years and consist of the following: (a) options to purchase 875,000 shares of the Company's common stock with an exercise price of \$10.50 per share, which will vest in full if the volume weighted average price of the Company's common stock during a consecutive 60 trading day period (the "60 Day VWAP") reaches \$10.50 per share, provided that Mr. Towe is employed by the Company on such date, (b) options to purchase 1,250,000 shares of the Company's common stock with an exercise price of \$14.00 per share, which will vest in full if the 60 Day VWAP reaches \$14.00 per share, provided that Mr. Towe is employed by the Company on such date, and (c) options to purchase 2,000,000 shares of the Company's common stock with an exercise price of \$21.00 per share, which will vest in full if the 60 Day VWAP reaches \$21.00 per share, provided that Mr. Towe is employed by the Company on such date.

The inducement awards were approved by the compensation committee of the Company's board of directors.



Cautionary Note Regarding Forward-Looking Statements

This press release contains “forward-looking statements” (within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended), which may include information concerning our beliefs, plans, objectives, goals, expectations, strategies, anticipations, assumptions, estimates, intentions, future events, future revenues or performance, capital expenditures and other information that is not historical information. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties are detailed from time to time in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2020. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date they are made and are expressly qualified in their entirety by the cautionary statements included in this press release. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances occurring after the date they were made or to reflect the occurrence of unanticipated events, or otherwise.

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