

MUTUAL NONDISCLOSURE AGREEMENT

This Mutual Nondisclosure Agreement ("Agreement") is entered into effective as of the ____ day of ____, 2010 (the "Effective Date"), between Pointer Telocation Ltd. ("**Pointer**"), and _____ ("**Company**"), for the purpose of protecting and preserving the confidential and/or proprietary nature of information to be disclosed or made available by each party to the other under this Agreement. A party disclosing Confidential Information (as defined below) shall be referred to hereinafter as Discloser and the party receiving such Confidential Information shall be referred to hereinafter as Recipient.

Accordingly, the parties agree as follows:

1. Confidential Information

"Confidential Information" means all information, whether written or oral, and in any form (including, without limitation, engineering documents, research and development, manuals, reports, drawings, plans, flowcharts, software (in source or object code), program listings, data file printouts, printed circuit boards, processes, trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques, information regarding plans for research and development, component part listings and prices, product information, marketing and selling plans, business plans, new product plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers, and information regarding the skills and compensation of employees or consultants) relating to a Discloser's business or technology which is disclosed by Discloser either directly or indirectly to Recipient. Such information if disclosed in writing shall be marked or identified as confidential or a similar designation, or if orally or visually disclosed, shall be identified as the confidential information of the Discloser at the time of disclosure.

2. Limited Use of Confidential Information

The parties agree to use the Confidential Information received hereunder solely for the purpose of a potential business cooperation between the parties. The Recipient agrees to use the Confidential Information only to the extent necessary to engage in such discussions.

3. Ownership of Confidential Information; Right to Disclose Confidential Information

All Confidential Information is, and shall remain, the property of the Discloser. Nothing herein shall be construed as granting or conferring any rights by license or otherwise in the Confidential Information except as expressly provided herein. A Recipient acquires hereunder only a limited right to use the Confidential Information solely for the purpose set forth in Section 2 above, subject to the terms and conditions of this Agreement. The Discloser represents and warrants to the Recipient that, at the time of disclosure, the Discloser has the right to disclose the Confidential Information to the Recipient and that such disclosure does not violate the rights of any third party.

4. Obligation of Confidentiality

Each party agrees that, for a period of five (5) years from receipt of Confidential Information from the other party hereunder, it shall use the same degree of care and means that it utilizes to protect its own information of a similar nature, but in any event not less than reasonable care and means, to prevent the unauthorized use or the disclosure of such Confidential Information to third parties. The Confidential Information may be disclosed only to employees or contractors of a Recipient with a "need to know" who are instructed and agree not to disclose the Confidential Information and not to use the Confidential Information for any purpose, except as set forth herein. Recipient shall have appropriate written agreements with any such employees or contractors sufficient to comply with the provisions of this Agreement. A Recipient may not alter, decompile, disassemble, reverse engineer, or otherwise modify any Confidential Information received hereunder and the mingling of the Confidential Information with information of the Recipient shall not affect the confidential nature or ownership of the same as stated hereunder.

5. Exceptions to Obligation of Confidentiality

This Agreement shall impose no obligation of confidentiality upon a Recipient with respect to any portion of the Confidential Information received hereunder which is: (i) now or hereafter, through no unauthorized act or failure to act on Recipient's part, in the public domain; (ii) known to the Recipient without an obligation of confidentiality at the time Recipient receives the same from the Discloser; (iii) hereafter furnished to the Recipient by a third party as a matter of right and without restriction on disclosure; or (iv) furnished to others by the Discloser without restriction on disclosure; or (v) independently developed by the Recipient without use of the Discloser's Confidential Information, as evidenced by written records. Nothing in this Agreement shall prevent the Recipient from disclosing Confidential Information to the extent the Recipient is legally compelled to do so by any governmental investigative or judicial agency pursuant to proceedings over which such agency has jurisdiction; provided, however, that prior to any such disclosure, the Recipient shall (a) assert the confidential nature of the Confidential Information to the agency; (b) immediately notify the Discloser in writing of the agency's order or request to disclose; and (c) cooperate fully with the Discloser in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of the compelled disclosure and protecting its confidentiality.

6. Return of Confidential Information

Upon the written request of the other, each party shall promptly return all copies of the Confidential Information, in whatever form or media, to the Discloser or, at the direction of such party, destroy the same. Each party shall certify in writing to the other such return or destruction within ten (10) days thereafter.

7. No Warranty

Neither party makes any warranty, express or implied, as to any Confidential Information that it may provide hereunder, including without limitation as to the accuracy of the Confidential Information, as to whether any new products will be produced as disclosed, or as to the availability of product(s) on any specific date. A Discloser may, at its sole discretion, offer such products for sale and may modify them or discontinue sale at any time. A Recipient has no obligation under this Agreement to purchase any service or item from the Discloser.

8. No Obligation Regarding Purpose of Disclosure

The parties expressly agree that the providing of Confidential Information hereunder and discussions held in connection with the purpose set forth in Section 2 above shall not prevent either party from pursuing similar discussions with third parties or obligate either party to continue discussions with the other, to enter into any agreement regarding such purpose, or to take, continue or forego any action relating to such purpose. The parties hereby acknowledge that they are active in the same field of business and that the other party may be and/or become a potential competitor of the other party.

9. Severability; Waiver

If any part of this Agreement is held by a court of competent jurisdiction to be illegal or contrary to public policy or otherwise unenforceable, such invalid or unenforceable part shall be deemed modified or eliminated to the extent which, in the court's opinion, is necessary to make the remaining part(s) enforceable. The waiver by a party of any right hereunder will not be considered a waiver thereof unless expressly waived in a writing signed by the waiving party. No single waiver will be considered a continuing or subsequent waiver.

10. Injunctive Relief

The parties acknowledges that a Discloser will be irreparably harmed if the Recipient obligations under this Agreement are not specifically enforced and that the Discloser would not have an adequate remedy at law in the event of an actual or threatened violation by the Recipient of the Recipient's obligations. Therefore, in addition to all other remedies it may have, the Discloser shall be entitled to an injunction or any appropriate decree of specific performance for any actual or threatened violations or breaches by the Recipient or the Recipient's employees or contractors without the necessity of the Discloser showing actual damages or that

monetary damages would not afford an adequate remedy, and without posting a bond. The Recipient shall be directly liable for any and all reasonable attorney's fees incurred by the Discloser to enforce this Agreement against the Recipient in the courts of competent jurisdiction.

11. Assignment

Neither party shall assign or otherwise transfer any of its rights or obligations under this Agreement to any third party without the prior written consent of the other party.

12. Notices

Any notice or other communication to be served or given in accordance with this Agreement is to be in writing and addressed to the appropriate Party as follows:

Pointer Telocation Ltd.		Attention: _____ Title: _____ Telephone: _____ Fax: _____ E-mail: _____ Address: 14 Ha'Melacha Street, Park Afek Rosh Ha'ayin, 48091, Israel
		Attention: _____ Title: _____ Telephone: _____ Fax: _____ E-mail: _____ Address: _____

13. Miscellaneous

This Agreement is intended as the complete and exclusive agreement as to the protection of the Confidential Information disclosed hereunder and supersedes all prior proposals, discussions, agreements, or commitments, whether oral or written, between the parties regarding such subject matter. This Agreement may only be modified in writing by authorized representatives of the parties. This Agreement shall be construed in accordance with, and all disputes hereunder shall be governed by, the laws of the State of Israel but without giving effect to the conflict of laws rules thereunder, and the applicable court in the Tel Aviv Jaffa district shall have exclusive jurisdiction over any claim rising from this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives effective as of the Effective Date.

 POINTER TELOCATION LTD
 Signature: _____
 Printed: _____
 Title: _____
 Date: _____

 The COMPANY
 Signature: _____
 Printed: _____
 Title: _____
 Date: _____