



EXECUTIVE COMPENSATION RECOVERY POLICY

(as adopted May 13, 2013)

This Executive Compensation Recovery Policy (the "Policy") has been adopted by the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Lantronix, Inc. ("Lantronix" or the "Corporation").

Lantronix shall have the right, in the event that Lantronix is required to prepare an accounting restatement due to the material noncompliance by Lantronix with any financial reporting requirement under the securities laws, to recover, from any current or former named executive officer of Lantronix (a) who received incentive based compensation (including stock options awarded as compensation) during the 3-year period preceding the date on which Lantronix is required to prepare an accounting restatement, based on the erroneous data, in excess of what would have been paid to the named executive officer under the accounting restatement; and (b) only to the extent that there has been fraud or misconduct by that named executive officer which significantly contributed to the restatement of financial results that led to the awarding of unearned incentive compensation to that named executive officer. The Committee shall have the authority to determine whether, and the extent to which, such right to recover shall be pursued.