DATA I/O STANDARD TERMS AND CONDITIONS OF SALE

(Revised 03/28/13)

These Terms and Conditions govern the sale of the Data I/O products listed on the quotation, acknowledgement or invoice (the "Products") to Customer by Data I/O Corporation and/or its subsidiaries, as applicable ("Data I/O"). These Terms and Conditions contain the complete and exclusive agreement between the parties and supersede any and all prior or contemporaneous proposals, negotiations, understandings, agreements and representations between the parties, whether written or oral.

1. Acceptance. No order shall be binding on Data I/O unless and until accepted by Data I/O in writing in its sole discretion. Customer shall inspect all Products immediately upon receipt. If Customer does not notify Data I/O in writing within ten (10) days after receipt by Customer of any defect, shortage or other failure to conform to these terms, the Products shipped will be deemed conclusively to have fulfilled these terms hereof and to have been accepted by Customer as delivered.

2. Delivery. Delivery of the Products will be ExWorks place of shipment. Data I/O may, at its option, ship the Products freight collect or may invoice Customer separately for any freight charges. Customer will bear all risks of loss or damage to the Products after delivery to the carrier. The approximate delivery dates for the Products, if any, are stated in an order acknowledgement. If no such dates are specified, then the approximate delivery date for the Products will reflect Data I/O's then-standard lead time for such Products. Data I/O will make commercially reasonable efforts to deliver the Products by such estimated delivery date; however, shipment of the Products is subject to availability, and DATA I/O HEREBY EXPRESSLY DISCLAIMS LIABILITY FOR ANY FAILURE TO MEET SUCH DELIVERY DATES.

3. Price; Payment. Customer agrees to pay to Data I/O the purchase price and license fees for the Products (the "Price"). The Price is exclusive of, and Customer agrees to pay, any applicable local, value added, state or federal taxes, which taxes may appear as a separate item on the invoice to the extent paid by Data I/O for Customer, unless Customer provides Data I/O with an acceptable tax exemption certificate. Customer shall pay Data I/O within thirty (30) days from the date of shipment, unless otherwise agreed in writing by Data I/O. Invoices not paid when due may be subject to a late charge at the lesser of eighteen percent (18%) per annum or the maximum interest rate allowed by law.

4. Software License Agreement. Any Software Products or software acquired hereunder (collectively, "Software") are licensed, not sold, to Customer under the terms of Data I/O's then-current standard license agreement for such Software, a copy of which is included with the Software or included as part of the installation of the Software, and incorporated into these Terms and Conditions.

5. Custom Products. Any Products to be modified to fit unique applications or needs of Customer or which are produced by Data I/O in whole or in part to Customer's specifications (as agreed to in writing by Data I/O) ("Custom Products") may be subject to the terms of a Custom Products Addendum. If any conflict should arise between these Terms and Conditions and the terms of any Custom Products Addendum, the Custom Products Addendum will control.

6. Government Contracts. Any order which indicates that it is under a government contract and which includes the specific government contract number applicable to such order may be subject to the terms of a Government Contracts Addendum. If any conflict should arise between these Terms and Conditions and the terms of a Government Contracts Addendum, the Government Contracts Addendum will control.

7. Limited Warranty. Products will be new unless otherwise stated. Customer assumes responsibility for the selection of the Products to achieve Customer's intended results and for the use of the results obtained from the Products. DATA I/O DOES NOT WARRANT THAT THE PRODUCTS WILL MEET CUSTOMER'S REQUIREMENTS OR THAT OPERATION OF THE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE.

SUBJECT TO THE LIMITATIONS SET FORTH BELOW AND IN PARAGRAPH 12 (WITH RESPECT TO EXPORTED PRODUCTS), and provided that Customer at all times remains in

compliance with these Terms and Conditions, Data I/O warrants to Customer as follows: (a) Hardware - For one (1) year from delivery all standard hardware Products manufactured by Data I/O will be free from material defects in material and workmanship; (b) Software - For one (1) year from delivery, all standard Software Products and all standard software developed by Data I/O will be capable of substantially performing the functions described in the standard Data I/O user manual or documentation provided with the Software Products or software; (c) Repairs - All hardware repairs made by Data I/O will be free from material defects in material and workmanship for ninety (90) days from the date such repairs are made; and (d) Custom Products - For ninety (90) days from delivery, all Custom Products will be capable of performing substantially in accordance with the applicable specifications accepted in writing by Data I/O. The foregoing warranty shall be void if the Products are not properly installed, serviced, used and maintained or if the Products have been damaged or modified after delivery.

AS DATA I/O'S SOLE AND EXCLUSIVE LIABILITY, AND AS CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, for any breach of warranty, Data I/O shall, at its option, either replace or repair the defective part or parts of the Product or refund the purchase price for such part or parts after return of such Product by Buyer to Data I/O. Customer must first obtain a return authorization number from Data I/O. Any Products returned to Data I/O without a return authorization number will be returned to Customer freight collect. All warranty repair work shall be performed at a Data I/O facility designated by Data I/O. Shipment to Data I/O's facility shall be borne by or for the account of Buyer. Shipment from Data I/O's facility shall be paid by Data I/O.

To the extent permitted by the manufacturers of any third party products resold or sublicensed by Data I/O, Customer shall be the beneficiary of the manufacturers' warranties, if any, SUBJECT TO THE LIMITATIONS STATED THEREIN. Copies of such manufacturers' warranties are available to Customer upon request. DATA I/O MAKES NO WARRANTY WITH RESPECT TO SUCH PRODUCTS.

THE FOREGOING WARRANTY AND THE THIRD PARTY WARRANTIES, IF ANY, ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED OR ARISING UNDER LAW, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

8. Limitation of Liability. NEITHER DATA I/O NOR ITS SUPPLIERS SHALL UNDER ANY CIRCUMSTANCES BE LIABLE FOR ANY THIRD PARTY CLAIMS OR FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF USE, LOSS OR ALTERATION OF DATA, DELAYS, OR LOST PROFITS OR SAVINGS, ARISING OUT OF ANY BREACH OF WARRANTY OR THE PERFORMANCE OR BREACH OF THESE TERMS AND CONDITIONS OR THE USE OR INABILITY TO USE THE PRODUCTS, OR ANY PORTION OF THE PRODUCTS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF THE LIMITED REMEDY CONTAINED IN SECTION SEVEN (7) IS FOUND TO FAIL OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL DATA I/O'S OR ITS SUPPLIER'S LIABILITY (WHETHER FOR NEGLIGENCE OR OTHER TORT, IN CONTRACT OR OTHERWISE) EXCEED THE PRICE PAID TO DATA I/O BY CUSTOMER UNDER THESE TERMS AND CONDITIONS.

9. Cancellations. Customer may cancel all or any portion of any order for standard Products at any time prior to shipment, subject to a cancellation charge of ten percent (10%) of the Price for the canceled Products.

10. Design Changes. Data I/O reserves the right to make changes in the design of its standard Products at any time without incurring any obligation to make equivalent changes in Products previously manufactured or shipped.

11. Indemnification. (a) Customer shall defend, indemnify and hold Data I/O, and its employees, agents, owners, affiliates and customers, harmless from and against all claims, damages, liabilities, losses and costs (including without limitation, reasonable attorneys' fees) arising from or based upon the use, sale or manufacture, by Data I/O, Customer or any third party, of any portion of the Products produced, in whole or in part, to Customer's specifications. (b) Except for Customer's indemnification obligations stated above, Data I/O will indemnify Customer for any damages and costs finally awarded against Customer on the grounds that the Products manufactured by Data I/O, in the form delivered by Data I/O, infringe any United States patent or copyright, provided that Customer notifies Data I/O in writing of any such claim within ten (10) days after learning thereof and that Customer fully cooperates with Data I/O and gives Data I/O full control over the defense and settlement of the claim. If any such claim is brought

or appears to Data I/O to be likely to be brought, Data I/O may, at its option, replace or modify the Products to make them non-infringing or refund to Customer, upon the return thereof to Data I/O, the Price paid for Products at issue, less a deduction of twenty percent (20%) of the Price for each full year which has passed since the date of delivery. Customer shall discontinue all use of any portion of the Products that has been replaced or modified or for which the Price has been refunded. THE FOREGOING REPRESENTS DATA I/O'S SOLE RESPONSIBILITY, AND CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, FOR ANY INFRINGEMENTS OF ANY PROPRIETARY RIGHTS AND IS SUBJECT TO THE LIMITATIONS UPON DATA I/O'S LIABILITY SET FORTH IN SECTION EIGHT (8).

12. Export of Products. The export of any Products or other items acquired hereunder is subject to compliance with the export control laws of the United States and other jurisdictions. Customer represents and warrants that it is not subject to any order suspending, revoking or denying its export privileges and that any export of any Products or other items acquired from Data I/O will be in full compliance with all applicable United States and foreign laws, regulations and orders. Customer shall defend, indemnify and hold Data I/O, and its agents and owners, harmless from and against any and all losses, costs, penalties, liabilities, obligations, claims, demands or expenses (including without limitation, reasonable attorneys' fees) of any kind arising out of or occasioned by any export of the Products ordered hereunder. ALL WARRANTY SERVICE, UPDATING AND SUPPORT COMMITMENTS (IF ANY) MADE UNDER THIS OR ANY SEPARATE AGREEMENT ARE PREMISED ON THE USE IN THE UNITED STATES OF PRODUCTS PURCHASED AT DATA I/O'S DOMESTIC U.S. PRICES. ANY EXPORT OF SUCH PRODUCTS WILL VOID ALL SUCH WARRANTIES AND OTHER SERVICE, UPDATING OR SUPPORT OBLIGATIONS, UNLESS THE CUSTOMER PAYS TO DATA I/O, WITHIN TEN (10) DAYS FOLLOWING SUCH EXPORT, THE DIFFERENCE BETWEEN THE DOMESTIC PRICE PAID AND DATA I/O'S INTERNATIONAL PRICE FOR SUCH PRODUCTS IN THE LOCALE WHERE EXPORTED.

13. Confidentiality; Proprietary Rights. Data I/O's proprietary data ("Proprietary Data") includes, without limitation, all non-public ideas, products, concepts, hardware, engineering data, software, financial and operating information, manufacturing processes and techniques, reports, drawings, computer data bases and other information embodied in any of the Products or otherwise disclosed to Customer by Data I/O. Customer promises to protect and preserve the confidentiality of all of the Proprietary Data known to Customer. Customer will not use any portion of the Proprietary Data except as may be required in connection with Customer's operation of the Products purchased from Data I/O. No Proprietary Data, nor any disclosure, publication, or discussion thereof with or to third parties, other than employees who need to know the Proprietary Data for the purpose of utilizing the Products and who have agreed to protect its confidentiality, will be permitted without express prior consent of Data I/O in each instance. Customer shall take all appropriate actions to secure the compliance by its officers, employees, agents and directors with the terms of this section. Customer acknowledges that Data I/O's remedies for any breach of this section may include, in addition to damages and other available remedies, injunctive relief enjoining any such breach.

14. Limitation on Actions. No action, regardless of form, arising out of these Terms and Conditions or the services or Products provided by Data I/O may be brought by either party more than one (1) year after the cause of action has accrued, except that an action for non-payment of any portion of the Price or any other amounts owed to Data I/O may be brought at any time within one year after the last payment thereon.

15. Force Majeure. Data I/O will not be in breach of its obligations hereunder if performance of such obligations is prevented, delayed or made impracticable by any cause beyond the reasonable control of Data I/O, including without limitation, acts or omissions of Customer, acts of God or government, terrorism, natural disasters or storms, fire, political strife, labor disputes, failure or delay of transportation, default by suppliers or unavailability of parts.

16. General. No modification or amendment will be binding on the parties unless made in a written instrument signed by both parties. No waiver of a right in any instance will constitute a waiver of the same or any other right in any other instance. Neither these Terms and Conditions nor any of Customer's rights or obligations may be assigned, delegated or otherwise transferred by Customer without the prior written consent of Data I/O. All notices and other communications hereunder shall be in writing and shall be personally delivered, sent by facsimile, overnight courier, or mailed by certified mail, return receipt requested and postage prepaid, to the other party at its address set forth on the face hereof. Notices are effective on the earlier of receipt or the third business day following the date of mailing. Any party may change its address by notice to the other party. These Terms and Conditions will be governed and

construed in accordance with the laws of the State of Washington, without regard to the rules relating to conflicts of laws. Any litigation between the parties concerning these Terms and Conditions shall be brought in King County, Washington. In the event of any dispute arising hereunder the most prevailing party shall recover its reasonable attorneys' fees. If any provision of these Terms and Conditions is held to be invalid, illegal or unenforceable, such provision shall be enforced to the maximum extent permitted by law and the parties' fundamental intentions, and the remaining provisions shall not be affected.

17. Acceptance. ACCEPTANCE OF CUSTOMER'S ORDER IS EXPRESSLY MADE CONDITIONAL UPON CUSTOMER'S ASSENT THAT THE PARTIES BE BOUND SOLELY BY THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT, INCLUDING WITHOUT LIMITATION, THE AGREED ALLOCATION OF RISK REFLECTED IN THE EXCLUSIONS AND LIMITATIONS OF LIABILITY. NO OTHER DOCUMENTS WILL BE BINDING ON DATA I/O UNLESS SIGNED BY AN OFFICER OF DATA I/O.