

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

**February 11, 2010**

Date of Report (Date of Earliest Event Reported)

**ITRON, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Washington**

(State or Other Jurisdiction  
of Incorporation)

**000-22418**

(Commission File No.)

**91-1011792**

(IRS Employer  
Identification No.)

**2111 N. Molter Road, Liberty Lake, WA 99019**

(Address of Principal Executive Offices, Zip Code)

**(509) 924-9900**

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under 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))

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

(e) Award Agreements

On February 11, 2010, the Compensation Committee of the Board of Directors of the Company approved the form of award agreements listed below, which are attached to this Form 8-K as the respective exhibit indicates, for all awards to be issued under the Company's Amended and Restated 2000 Stock Incentive Plan.

- o Restricted Stock Unit Award Notice and Agreement for U.S. Participants for use in connection with the Company's LTPP and issued under the Company's Amended and Restated 2000 Stock Incentive Plan. (Exhibit 10.1 hereof)
- o Restricted Stock Unit Award Notice and Agreement for International Participants (excluding France) for use in connection with the Company's LTPP and issued under the Company's Amended and Restated 2000 Stock Incentive Plan. (Exhibit 10.2 hereof)
- o Restricted Stock Unit Award Notice and Agreement for Participants in France for use in connection with the Company's LTPP and issued under the Company's Amended and Restated 2000 Stock Incentive Plan. (Exhibit 10.3 hereof)
- o Restricted Stock Unit Award Notice and Agreement for all Participants (excluding France) for use in connection with the Company's Amended and Restated 2000 Stock Incentive Plan. (Exhibit 10.4 hereof)
- o Restricted Stock Unit Award Notice and Agreement for Participants in France for use in connection with the Company's Amended and Restated 2000 Stock Incentive Plan. (Exhibit 10.5 hereof)
- o Stock Option Grant Notice and Agreement for use in connection with both incentive and non-qualified stock options granted under the Company's Amended and Restated 2000 Stock Incentive Plan. (Exhibit 10.6 hereof)

On February 11, 2010, the Board of Directors of the Company approved the form of Change in Control Severance Agreement for Executive Officers, which is attached to this Form 8-K as Exhibit 10.7.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <u>Exhibit Number</u> | <u>Description</u>   |
|-----------------------|--|
| 10.1                  | Form of Restricted Stock Unit Award Notice and Agreement for U.S. Participants for use in connection with the Company's Long-Term Performance Plan (LTPP) and issued under the Company's Amended and Restated 2000 Stock Incentive Plan. |
| 10.2                  | Form of Restricted Stock Unit Award Notice and Agreement for International Participants (excluding France) for use in connection with the Company's LTPP and issued under the Company's Amended and Restated 2000 Stock Incentive Plan.  |
| 10.3                  | Form of Restricted Stock Unit Award Notice and Agreement for Participants in France for use in connection with the Company's LTPP and issued under the Company's Amended and Restated 2000 Stock Incentive Plan.                         |
| 10.4                  | Form of Restricted Stock Unit Award Notice and Agreement for all Participants (excluding France) for use in connection with the Company's Amended and Restated 2000 Stock Incentive Plan.  |
| 10.5                  | Form of Restricted Stock Unit Award Notice and Agreement for Participants in France for use in connection with the Company's Amended and Restated 2000 Stock Incentive Plan.   |
| 10.6                  | Form of Stock Option Grant Notice and Agreement for use in connection with both incentive and non-qualified stock options granted under the Company's Amended and Restated 2000 Stock Incentive Plan.                                    |
| 10.7                  | Form of Change in Control Severance Agreement for Executive Officers.  |

**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.

ITRON, INC.

Dated: February 18, 2010

Steven M. Helmbrecht

Sr. Vice President and Chief Financial Officer

By: /s/ Steven M. Helmbrecht

## EXHIBIT INDEX

| <u>Exhibit Number</u> | <u>Description</u>   |
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| 10.1                  | Form of Restricted Stock Unit Award Notice and Agreement for U.S. Participants for use in connection with the Company's Long-Term Performance Plan (LTTP) and issued under the Company's Amended and Restated 2000 Stock Incentive Plan. |
| 10.2                  | Form of Restricted Stock Unit Award Notice and Agreement for International Participants (excluding France) for use in connection with the Company's LTTP and issued under the Company's Amended and Restated 2000 Stock Incentive Plan.  |
| 10.3                  | Form of Restricted Stock Unit Award Notice and Agreement for Participants in France for use in connection with the Company's LTTP and issued under the Company's Amended and Restated 2000 Stock Incentive Plan.                         |
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**ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**LONG TERM PERFORMANCE  
RESTRICTED STOCK UNIT AWARD NOTICE  
FOR U.S. PARTICIPANTS**

Itron, Inc. (the “*Company*”) hereby grants to Participant a performance restricted stock unit award (the “*Award*”). The Award is subject to all the terms and conditions set forth in this Performance Restricted Stock Unit Award Notice (the “*Award Notice*”), the Performance Restricted Stock Unit Award Agreement, including Appendices A, B and C (the “*Agreement*”) and the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “*Plan*”), all of which are incorporated into the Award Notice in their entirety.

**Participant:** «First\_Name» «Last\_Name»

**Grant Date:** «Grant Date»

**Performance Period:** January 1, 2010 to December 31, 2010

**Number of Performance Restricted Stock Units (“PSUs”):**

The actual number of PSUs that become eligible for vesting according to the Vesting Schedule below shall be determined based on the attainment of the 2010 Performance Goals specified in Appendix A, as assessed by the Plan Administrator as soon as reasonably practicable after the end of the Performance Period.

The minimum number of PSUs is zero (0).

The target number of PSUs is: «# of Units»

The maximum number of PSUs is: «# of Units»

**Vesting Schedule:**

The actual number of PSUs that become eligible for vesting based on the attainment of the 2010 Performance Goals shall vest in three equal installments on January 1, 2012, January 1, 2013 and January 1, 2014 (each, a “*Vest Date*”).

**Additional Terms/Acknowledgement:** This Award is subject to all the terms and conditions set forth in this Award Notice, the Agreement and the Plan which are attached to and incorporated into this Award Notice in their entirety.

«First\_Name» «Last\_Name»

I accept this award subject to the terms and conditions stated herein.

«Electronically Signed»

Attachments:

1. Performance Restricted Stock Unit Award Agreement, including Appendices A, B and C
2. 2000 Stock Incentive Plan
3. Plan Prospectus

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**  
**LONG TERM PERFORMANCE**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**FOR U.S. PARTICIPANTS**

Pursuant to your Performance Restricted Stock Unit Award Notice (the “**Award Notice**”), this Performance Restricted Stock Unit Award Agreement, including Appendices A, B and C (this “**Agreement**”) and Itron, Inc. (the “**Company**”) has granted you a performance restricted stock unit award (the “**Award**”) under its Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”). Capitalized terms not expressly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan, as applicable.

The details of the Award are as follows:

**1. Number of Units Subject to Award**

This Award is a performance based award which is based on targets set by the Plan Administrator at the beginning of the performance year (calendar year 2010 in this case) (the “**Performance Period**”). Performance goals are set forth in Appendix A along with your target number of Units for the Performance Period. At the end of the Performance Period, the Plan Administrator shall determine the number of Units that are eligible for vesting under the Award. The Plan Administrator will communicate this number to you as soon as practicable after the end of the Performance Period. The Units will vest in accordance with Section 2 below.

**2. Vesting**

The Award will vest to the extent the performance goals set forth in Appendix A are attained as determined by the Plan Administrator and according to the vesting schedule set forth in the Award Notice (the “**Vesting Schedule**”). One share of Common Stock will be issuable for each performance restricted stock unit that vests. Performance restricted stock units that have vested and are no longer subject to forfeiture according to the Vesting Schedule are referred to herein as “**Vested Units**.” Performance Restricted Stock Units that have not vested and remain subject to forfeiture under the Vesting Schedule are referred to herein as “**Unvested Units**.” The Unvested and Vested Units are collectively referred to herein as the “**Units**”. The Award will terminate and the Unvested Units will be subject to forfeiture upon termination of your employment as set forth in Section 3.1.

**3. Termination of Employment; Corporate Transaction**

**3.1 Termination of Employment**

Except as provided in Section 3.2 below, if your employment terminates during the Performance Period by reason of (a) death or (b) Disability, the number of Units that become eligible for vesting according to the Vesting Schedule (based on the attainment of the performance goals as assessed after the end of the Performance Period) shall be pro-rated based on the number of calendar days of employment with the Company or a Related Corporation during the Performance Period (rounded down to the nearest whole number) and such Units shall vest as of the date of termination but shall be settled in accordance with Section 4 below.

Except as provided in Section 3.2 below, if your employment terminates during the three-year vesting period following the Performance Period by reason of (a) death or (b) Disability, the Unvested Units shall vest as of the date of termination but shall be settled in accordance with Section 4 below.

If your employment terminates for any other reason, any Unvested Units will be forfeited upon termination of your employment.

Subject to Section 9.1 below, the Company may cause the Unvested Units to vest with respect to such number of Units as may be necessary to satisfy any Tax-Related Items (as defined in Section 9.1 below) that may arise prior to the date the Units are settled in accordance with Section 4 below.

**3.2 Corporate Transaction/Change of Control**

In the event of a Corporate Transaction (including a Related Party Transaction) during the Performance Period or during the three-year vesting period following the Performance Period that does not meet the definition of a Change in Control set forth in Appendix B, your Award will remain unaffected. In the event of a Change in Control (as defined in Appendix B) during the Performance Period, the number of PSUs subject to the Award shall be the greater of (a) the target number of PSUs subject to the Award or (b) the actual number of PSUs subject to the Award as determined based on the attainment of the performance goals if the Plan Administrator determines that the attainment of the performance goals may be determined as of the date of the Change in Control, pro-rated based on the portion of the Performance Period that has elapsed between the Award Date and the date of the Change in Control.

In the event of a Change in Control (as defined in Appendix B) during the three-year vesting period following the Performance Period, any Unvested Units will accelerate in vesting and become Vested Units immediately prior to such Change in Control.

**4. Settlement of Vested Units.**

Vested Units shall be settled within thirty (30) days following the applicable Vest Date(s) set forth in the Award Notice, or, if earlier, upon the earlier of (a) a date within thirty (30) days following your death or (b) a date within five (5) days of a Change in Control, provided that, in the case of U.S. taxpayers, if the Units or settlement of the Units constitute an item of deferred compensation under Section 409A of the Code and the Change in Control does not constitute a “change in control event” within the meaning of Section 409A of the Code, the Vested Units shall be settled on the earlier of the applicable Vest Date(s) set forth in the Award Notice or a date within thirty (30) days following your death.

**5. Securities Law Compliance**

**5.1** You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the

information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

5.2 You hereby agree that you will in no event sell or distribute all or any part of the shares of Common Stock that you receive pursuant to settlement of this Award (the “**Shares**”) unless (a) there is an effective registration statement under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and any applicable state and foreign securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to register the Shares with the U.S. Securities and Exchange Commission or any foreign securities regulator and has not represented to you that it will so register the Shares.

5.3 You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any regulator under the Securities Act or any other applicable securities act (the “**Acts**”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

5.4 You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

## 6. Transfer Restrictions

Units shall not be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

## 7. No Rights as Shareholder

You shall not have voting or other rights as a shareholder of the Company with respect to the Units.

## 8. Book Entry Registration of Shares

The Company will issue the Shares by registering the Shares in book entry form with the Company’s transfer agent in your name and the applicable restrictions will be noted in the records of the Company’s transfer agent and in the book entry system.

## 9. Responsibility for Taxes

9.1 Regardless of any action the Company or your employer (the “**Employer**”) take with respect to any and all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company and/or the Employer. You further acknowledge that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the granting or vesting of the Award, the settlement of Vested Units, the issuance of Shares upon settlement of the Vested Units, the subsequent sale of Shares acquired upon settlement of the Vested Units and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Notwithstanding anything to the contrary in this Section 9.1, the right of the Company or the Employer to withhold any Tax-Related Items for any portion of the Award that is considered deferred compensation subject to Code Section 409A shall be limited to the minimum amount permitted to avoid a prohibited acceleration under Section 409A of the Code.

9.2 Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and or the Employer to satisfy all Tax-Related Items.

(a) In this regard, you hereby irrevocably appoint Fidelity or any stock plan service provider or brokerage firm designated by the Company for such purpose (the “**Agent**”) as your Agent, and authorize the Agent, to:

- (i) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the settlement date for any Vested Unit, the minimum number of Shares (rounded up to the next whole number) sufficient to generate proceeds to cover the Tax-Related Items and all applicable fees and commissions due to, or required to be collected by, the Agent;
- (ii) Remit directly to the Company the cash amount necessary to cover the Tax-Related Items;
- (iii) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of Shares referred to in clause (i) above; and
- (iv) Remit any remaining funds to you.

(b) Alternatively, or in addition to or in combination with the withholding mechanism described in Section 9.2(a), you authorize the Company and/or the Employer, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring you to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from your wages or other cash compensation paid to you by the Company and/or the Employer; and/or
- (iii) withholding in Shares to be issued upon settlement of the Vested Units.



(c) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you will be deemed to have been issued the full number of Shares subject to the Vested Units notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. The Company may refuse to issue or deliver Shares to you if you fail to comply with your obligations in connection with the Tax-Related Items.

**9.3** You acknowledge that the authorization and instruction to the Agent set forth in Section 9.2(a)(i) above to sell Shares to cover the Tax-Related Items is intended to comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (regarding trading of the Company's securities on the basis of material nonpublic information) (a "**10b5-1 Plan**"). This 10b5-1 Plan is being adopted to permit you to sell a number of Shares issued upon settlement of Vested Units sufficient to pay the Tax-Related Items.

You acknowledge that the broker is under no obligation to arrange for the sale of Shares at any particular price. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. You acknowledge that it may not be possible to sell Shares during the term of this 10b5-1 Plan due to (a) a legal or contractual restriction applicable to you or to the broker, (b) a market disruption, (c) rules governing order execution priority on the NASDAQ or other exchange where the Shares may be traded, (d) a sale effected pursuant to this 10b5-1 Plan that fails to comply (or in the reasonable opinion of the Agent's counsel is likely not to comply) with the Securities Act, or (e) if the Company determines that sales may not be effected under this 10b5-1 Plan. In the event of the Agent's inability to sell Shares, you will continue to be responsible for the Tax-Related Items.

You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the 10b5-1 Plan. You acknowledge that this 10b5-1 Plan is subject to the terms of any policy adopted now or hereafter by the Company governing the adoption of 10b5-1 plans. The Agent is a third party beneficiary of Section 9.2(a)(i) and this 10b5-1 Plan.

## **10. Nature of Grant**

In accepting the grant, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of performance restricted stock units, or benefits in lieu of performance restricted stock units, even if performance restricted stock units have been granted repeatedly in the past;

(c) all decisions with respect to future grants of performance restricted stock units, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time;

(e) you are voluntarily participating in the Plan;

(f) the Award and the Shares subject to the Award are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of your employment contract, if any;

(g) the Award and the Shares subject to the Award are not intended to replace any pension rights or compensation;

(h) the Award and the Shares subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Related Corporation;

(i) the grant of the Award and your participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Related Corporation;

(j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and, in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or the Employer, waive the ability, if any, to bring any such claim and release the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(l) in the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the Award, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); the Company's Chief Executive Officer shall have the exclusive discretion to determine when you are no longer actively employed for purposes of the Award (including whether or not a transfer of employment between or among the Company and its Related Corporations or a change in status from an employee to a consultant, agent, advisor or independent contractor will constitute a termination of active employment for purposes of the Award); and

(m) the Award and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take over or transfer of liability.

## 11. No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan. You acknowledge that you have either consulted with competent advisors independent of the Company to obtain advice concerning the receipt of the Award and the acquisition or disposition of any Shares to be issued pursuant to the Award in light of your specific situation or had the opportunity to consult with such advisors but chose not to do so.

## 12. Data Privacy

*You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Award materials by and among, as applicable, the Employer, the Company and its Related Corporations for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

*You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).*

*You understand that Data will be transferred to Fidelity or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.*

## 13. Electronic Delivery and Participation

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

## 14. Language

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

## 15. General Provisions

**15.1 Successors and Assigns.** The provisions of this Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

**15.2 Section 409A.** For purposes of U.S. taxpayers, the Units and the settlement of the Units are intended to either be exempt from Section 409A of the Code under the “short-term deferral” exception or comply with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Plan Administrator may, at any time and without your consent, modify the terms of the Award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance. The Company makes no representation or covenant to ensure that the Units, settlement of the Units or other payment hereunder are exempt from or compliant with Section 409A of the Code and will have no liability to you or any other party if the settlement of the Units or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Plan Administrator with respect thereto.

**15.3 Governing Law and Choice of Venue.** The Award and the provisions of this Agreement will be construed and administered in accordance with and governed by the laws of the State of Washington without giving effect to such state’s principles of conflict of laws. For the purposes of litigating any dispute that arises under this grant of this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Washington and agree that such litigation shall be conducted in the courts of Spokane County, Washington, or the federal courts for the United States for the Eastern District of Washington, where this grant is made and/or to be performed.

**15.4 Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**15.5 Notice.** Any notice required or permitted hereunder shall be made in writing and sent to the following address:

Itron, Inc.  
Attn. General Counsel

## **16. Appendix C**

Notwithstanding any provisions in this Agreement, the Award shall be subject to any special terms and conditions set forth in Appendix C to this Agreement for your country (“**Appendix C**”). Moreover, if you relocate to one of the countries included in Appendix C, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix C constitutes part of this Agreement.

## **17. Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**APPENDIX A**

[INSERT 2010 PERFORMANCE GOALS]

APPENDIX B

ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

LONG TERM PERFORMANCE  
RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR U.S. PARTICIPANTS

For purposes of this Agreement, a “*Change in Control*” shall be deemed to have occurred if any of the events set forth in any of the following paragraphs shall have occurred:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding Shares or the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in subsection(c) below;

(b) a change in the composition of the Board during any two-year period such that the individuals who, as of the date of this Agreement, constitute the Board (the “*Incumbent Board*”) cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to the beginning of the two-year period, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened solicitation of proxies or consents by or on behalf of an Person other than the Board shall not be considered a member of the Incumbent Board;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation immediately following which members of the Incumbent Board constitute a majority of the members of the board of directors (or similar body) of the surviving entity or, if the surviving entity is a subsidiary, any parent thereof, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company’s then outstanding securities; or the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For clarity, a Change in Control shall not be deemed to have occurred in the event of a reincorporation of the Company.

For Purposes of this Appendix B, “*Beneficial Owner*” shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

For purposes of this Appendix B, “*Person*” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates (as such term is set forth in Rule 12-b2 promulgated under Section 12 of the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

**APPENDIX C**

**ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**LONG TERM PERFORMANCE  
RESTRICTED STOCK UNIT AWARD NOTICE  
FOR U.S. PARTICIPANTS**

***Terms and Conditions***

Appendix C includes additional terms and conditions that govern the restricted stock unit award (the **“Award”**) granted to you under the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the **“Plan”**) if you reside in one of the countries listed below. Capitalized terms not expressly defined in this Appendix C but defined in the Plan or the Restricted Stock Unit Award Agreement (the **“Agreement”**) shall have the same definitions as in the Plan and/or the Agreement, as applicable.

***Notifications***

This Appendix C also includes information regarding exchange control and other issues of which you should be aware with respect to your participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of February 2010. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time that the Award vests or the Shares acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, or if you transfer employment to another country after the Award is granted, the information contained herein may not be applicable to you.

*Terms and Conditions*

**Termination of Employment.** This provision supplements Section 3.1 of the Agreement:

Except as provided in Section 3.2, if your employment terminates during the Performance Period by reason of Retirement, the number of Units that become eligible for vesting according to the Vesting Schedule (based on the attainment of the performance goals as assessed after the end of the Performance Period) shall be pro-rated based on the number of calendar days of employment with the Company or a Related Corporation during the Performance Period (rounded down to the nearest whole number) and such Units shall vest as of the date of termination but shall be settled in accordance with Section 4.

Except as provided in Section 3.2, if your employment terminates during the three-year vesting period following the Performance Period by reason of Retirement, the Unvested Units shall vest as of the date of termination but shall be settled in accordance with Section 4.

For purposes of this Agreement, "Retirement" shall mean a termination of employment (other than an involuntary termination for Cause) (a) on or after your 65<sup>th</sup> birthday or (b) on or after your 55<sup>th</sup> birthday if you have, at such time, been employed by the Company and/or a Related Corporation for at least ten (10) years.

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**LONG TERM PERFORMANCE**  
**RESTRICTED STOCK UNIT AWARD NOTICE**  
**FOR INTERNATIONAL PARTICIPANTS (EXCLUDING FRANCE)**

Itron, Inc. (the “**Company**”) hereby grants to Participant a performance restricted stock unit award (the “**Award**”). The Award is subject to all the terms and conditions set forth in this Performance Restricted Stock Unit Award Notice (the “**Award Notice**”), the Performance Restricted Stock Unit Award Agreement, including Appendices A, B and C (the “**Agreement**”) and the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”), all of which are incorporated into the Award Notice in their entirety.

**Participant:** ‹First\_Name› ‹Last\_Name›

**Grant Date:** ‹Grant Date›

**Performance Period:** January 1, 2010 to December 31, 2010

**Number of Performance Restricted Stock Units (“PSUs”):** The actual number of PSUs that become eligible for vesting according to the Vesting Schedule below shall be determined based on the attainment of the 2010 Performance Goals specified in Appendix A, as assessed by the Plan Administrator as soon as reasonably practicable after the end of the Performance Period.

The minimum number of PSUs is zero (0).

The target number of PSUs is: ‹# of Units›

The maximum number of PSUs is: ‹# of Units›

**Vesting Schedule:** The actual number of PSUs that become eligible for vesting based on the attainment of the 2010 Performance Goals shall vest in three equal installments on January 1, 2012, January 1, 2013 and January 1, 2014 (each, a “Vest Date”).



**Additional Terms/Acknowledgement:** This Award is subject to all the terms and conditions set forth in this Award Notice, the Agreement and the Plan which are attached to and incorporated into this Award Notice in their entirety.

«First\_Name» «Last\_Name»

I accept this award subject to the terms and conditions stated herein.

«Electronically Signed»

Attachments:

1. Performance Restricted Stock Unit Award Agreement, including Appendices A, B and C
2. 2000 Stock Incentive Plan
3. Plan Prospectus

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**  
**LONG TERM PERFORMANCE**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**FOR INTERNATIONAL PARTICIPANTS (EXCLUDING FRANCE)**

Pursuant to your Performance Restricted Stock Unit Award Notice (the “**Award Notice**”), this Performance Restricted Stock Unit Award Agreement, including Appendices A, B and C (this “**Agreement**”) and Itron, Inc. (the “**Company**”) has granted you a performance restricted stock unit award (the “**Award**”) under its Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”). Capitalized terms not expressly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan, as applicable.

The details of the Award are as follows:

**1. Number of Units Subject to Award**

This Award is a performance based award which is based on targets set by the Plan Administrator at the beginning of the performance year (calendar year 2010 in this case) (the “**Performance Period**”). Performance goals are set forth in Appendix A along with your target number of Units for the Performance Period. At the end of the Performance Period, the Plan Administrator shall determine the number of Units that are eligible for vesting under the Award. The Plan Administrator will communicate this number to you as soon as practicable after the end of the Performance Period. The Units will vest in accordance with Section 2 below.

**2. Vesting**

The Award will vest to the extent the performance goals set forth in Appendix A are attained as determined by the Plan Administrator and according to the vesting schedule set forth in the Award Notice (the “**Vesting Schedule**”). One share of Common Stock will be issuable for each performance restricted stock unit that vests. Performance restricted stock units that have vested and are no longer subject to forfeiture according to the Vesting Schedule are referred to herein as “**Vested Units**.” Performance Restricted Stock Units that have not vested and remain subject to forfeiture under the Vesting Schedule are referred to herein as “**Unvested Units**.” The Unvested and Vested Units are collectively referred to herein as the “**Units**.” The Award will terminate and the Unvested Units will be subject to forfeiture upon termination of your employment as set forth in Section 3.1.

**3. Termination of Employment; Corporate Transaction**

**3.1 Termination of Employment**

Except as provided in Section 3.2 below, if your employment terminates during the Performance Period by reason of (a) death or (b) Disability, the number of Units that become eligible for vesting according to the Vesting Schedule (based on the attainment of the performance goals as assessed after the end of the Performance Period) shall be pro-rated based on the number of calendar days of employment with the Company or a Related Corporation during the Performance Period (rounded down to the nearest whole number) and such Units shall vest as of the date of termination but shall be settled in accordance with Section 4 below.

Except as provided in Section 3.2 below, if your employment terminates during the three-year vesting period following the Performance Period by reason of (a) death or (b) Disability, the Unvested Units shall vest as of the date of termination but shall be settled in accordance with Section 4 below.

If your employment terminates for any other reason, any Unvested Units will be forfeited upon termination of your employment.

Subject to Section 9.1 below, the Company may cause the Unvested Units to vest with respect to such number of Units as may be necessary to satisfy any Tax-Related Items (as defined in Section 9.1 below) that may arise prior to the date the Units are settled in accordance with Section 4 below.

**3.2 Corporate Transaction/Change of Control**

In the event of a Corporate Transaction (including a Related Party Transaction) during the Performance Period or during the three-year vesting period following the Performance Period that does not meet the definition of a Change in Control set forth in Appendix B, your Award will remain unaffected. In the event of a Change in Control (as defined in Appendix B) during the Performance Period, the number of PSUs subject to the Award shall be the greater of (a) the target number of PSUs subject to the Award or (b) the actual number of PSUs subject to the Award as determined based on the attainment of the performance goals if the Plan Administrator determines that the attainment of the performance goals may be determined as of the date of the Change in Control, pro-rated based on the portion of the Performance Period that has elapsed between the Award Date and the date of the Change in Control.

In the event of a Change in Control (as defined in Appendix B) during the three-year vesting period following the Performance Period, any Unvested Units will accelerate in vesting and become Vested Units immediately prior to such Change in Control.

**4. Settlement of Vested Units.**

Vested Units shall be settled within thirty (30) days following the applicable Vest Date(s) set forth in the Award Notice, or, if earlier, upon the earlier of (a) a date within thirty (30) days following your death or (b) a date within five (5) days of a Change in Control, provided that, in the case of U.S. taxpayers, if the Units or settlement of the Units constitute an item of deferred compensation under Section 409A of the Code and the Change in Control does not constitute a “change in control event” within the meaning of Section 409A of the Code, the Vested Units shall be settled on the earlier of the applicable Vest Date(s) set forth in the Award Notice or a date within thirty (30) days following your death.

**5. Securities Law Compliance**

**5.1** You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the

information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

5.2 You hereby agree that you will in no event sell or distribute all or any part of the shares of Common Stock that you receive pursuant to settlement of this Award (the “**Shares**”) unless (a) there is an effective registration statement under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and any applicable state and foreign securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to register the Shares with the U.S. Securities and Exchange Commission or any foreign securities regulator and has not represented to you that it will so register the Shares.

5.3 You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any regulator under the Securities Act or any other applicable securities act (the “**Acts**”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

5.4 You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

## 6. Transfer Restrictions

Units shall not be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

## 7. No Rights as Shareholder

You shall not have voting or other rights as a shareholder of the Company with respect to the Units.

## 8. Book Entry Registration of Shares

The Company will issue the Shares by registering the Shares in book entry form with the Company’s transfer agent in your name and the applicable restrictions will be noted in the records of the Company’s transfer agent and in the book entry system.

## 9. Responsibility for Taxes

9.1 Regardless of any action the Company or your employer (the “**Employer**”) take with respect to any and all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company and/or the Employer. You further acknowledge that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the granting or vesting of the Award, the settlement of Vested Units, the issuance of Shares upon settlement of the Vested Units, the subsequent sale of Shares acquired upon settlement of the Vested Units and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Notwithstanding anything to the contrary in this Section 9.1, the right of the Company or the Employer to withhold any Tax-Related Items for any portion of the Award that is considered deferred compensation subject to Code Section 409A shall be limited to the minimum amount permitted to avoid a prohibited acceleration under Section 409A of the Code.

9.2 Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and or the Employer to satisfy all Tax-Related Items.

(a) In this regard, you hereby irrevocably appoint Fidelity or any stock plan service provider or brokerage firm designated by the Company for such purpose (the “**Agent**”) as your Agent, and authorize the Agent, to:

- (i) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the settlement date for any Vested Unit, the minimum number of Shares (rounded up to the next whole number) sufficient to generate proceeds to cover the Tax-Related Items and all applicable fees and commissions due to, or required to be collected by, the Agent;
- (ii) Remit directly to the Company the cash amount necessary to cover the Tax-Related Items;
- (iii) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of Shares referred to in clause (i) above; and
- (iv) Remit any remaining funds to you.

(b) Alternatively, or in addition to or in combination with the withholding mechanism described in Section 9.2(a), you authorize the Company and/or the Employer, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring you to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from your wages or other cash compensation paid to you by the Company and/or the Employer; and/or
- (iii) withholding in Shares to be issued upon settlement of the Vested Units.

(c) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you will be deemed to have been issued the full number of Shares subject to the Vested Units notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. The Company may refuse to issue or deliver Shares to you if you fail to comply with your obligations in connection with the Tax-Related Items.

**9.3** You acknowledge that the authorization and instruction to the Agent set forth in Section 9.2(a)(i) above to sell Shares to cover the Tax-Related Items is intended to comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (regarding trading of the Company's securities on the basis of material nonpublic information) (a "**10b5-1 Plan**"). This 10b5-1 Plan is being adopted to permit you to sell a number of Shares issued upon settlement of Vested Units sufficient to pay the Tax-Related Items.

You acknowledge that the broker is under no obligation to arrange for the sale of Shares at any particular price. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. You acknowledge that it may not be possible to sell Shares during the term of this 10b5-1 Plan due to (a) a legal or contractual restriction applicable to you or to the broker, (b) a market disruption, (c) rules governing order execution priority on the NASDAQ or other exchange where the Shares may be traded, (d) a sale effected pursuant to this 10b5-1 Plan that fails to comply (or in the reasonable opinion of the Agent's counsel is likely not to comply) with the Securities Act, or (e) if the Company determines that sales may not be effected under this 10b5-1 Plan. In the event of the Agent's inability to sell Shares, you will continue to be responsible for the Tax-Related Items.

You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the 10b5-1 Plan. You acknowledge that this 10b5-1 Plan is subject to the terms of any policy adopted now or hereafter by the Company governing the adoption of 10b5-1 plans. The Agent is a third party beneficiary of Section 9.2(a)(i) and this 10b5-1 Plan.

## **10. Nature of Grant**

In accepting the grant, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of performance restricted stock units, or benefits in lieu of performance restricted stock units, even if performance restricted stock units have been granted repeatedly in the past;

(c) all decisions with respect to future grants of performance restricted stock units, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time;

(e) you are voluntarily participating in the Plan;

(f) the Award and the Shares subject to the Award are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of your employment contract, if any;

(g) the Award and the Shares subject to the Award are not intended to replace any pension rights or compensation;

(h) the Award and the Shares subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Related Corporation;

(i) the grant of the Award and your participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Related Corporation;

(j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and, in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or the Employer, waive the ability, if any, to bring any such claim and release the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(l) in the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the Award, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); the Company's Chief Executive Officer shall have the exclusive discretion to determine when you are no longer actively employed for purposes of the Award (including whether or not a transfer of employment between or among the Company and its Related Corporations or a change in status from an employee to a consultant, agent, advisor or independent contractor will constitute a termination of active employment for purposes of the Award); and

(m) the Award and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take over or transfer of liability.

## 11. No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan. You acknowledge that you have either consulted with competent advisors independent of the Company to obtain advice concerning the receipt of the Award and the acquisition or disposition of any Shares to be issued pursuant to the Award in light of your specific situation or had the opportunity to consult with such advisors but chose not to do so.

## 12. Data Privacy

*You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Award materials by and among, as applicable, the Employer, the Company and its Related Corporations for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

*You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).*

*You understand that Data will be transferred to Fidelity or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.*

## 13. Electronic Delivery and Participation

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

## 14. Language

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

## 15. General Provisions

**15.1 Successors and Assigns.** The provisions of this Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

**15.2 Section 409A.** For purposes of U.S. taxpayers, the Units and the settlement of the Units are intended to either be exempt from Section 409A of the Code under the “short-term deferral” exception or comply with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Plan Administrator may, at any time and without your consent, modify the terms of the Award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance. The Company makes no representation or covenant to ensure that the Units, settlement of the Units or other payment hereunder are exempt from or compliant with Section 409A of the Code and will have no liability to you or any other party if the settlement of the Units or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Plan Administrator with respect thereto.

**15.3 Governing Law and Choice of Venue.** The Award and the provisions of this Agreement will be construed and administered in accordance with and governed by the laws of the State of Washington without giving effect to such state’s principles of conflict of laws. For the purposes of litigating any dispute that arises under this grant of this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Washington and agree that such litigation shall be conducted in the courts of Spokane County, Washington, or the federal courts for the United States for the Eastern District of Washington, where this grant is made and/or to be performed.

**15.4 Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**15.5 Notice.** Any notice required or permitted hereunder shall be made in writing and sent to the following address:

Itron, Inc.  
Attn. General Counsel

## **16. Appendix C**

Notwithstanding any provisions in this Agreement, the Award shall be subject to any special terms and conditions set forth in Appendix C to this Agreement for your country (“**Appendix C**”). Moreover, if you relocate to one of the countries included in Appendix C, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix C constitutes part of this Agreement.

## **17. Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**APPENDIX A**

[INSERT 2010 PERFORMANCE GOALS]

APPENDIX B

ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

LONG TERM PERFORMANCE  
RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR INTERNATIONAL PARTICIPANTS (EXCLUDING FRANCE)

For purposes of this Agreement, a “*Change in Control*” shall be deemed to have occurred if any of the events set forth in any of the following paragraphs shall have occurred:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding Shares or the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in subsection(c) below;

(b) a change in the composition of the Board during any two-year period such that the individuals who, as of the date of this Agreement, constitute the Board (the “*Incumbent Board*”) cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to the beginning of the two-year period, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened solicitation of proxies or consents by or on behalf of an Person other than the Board shall not be considered a member of the Incumbent Board;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation immediately following which members of the Incumbent Board constitute a majority of the members of the board of directors (or similar body) of the surviving entity or, if the surviving entity is a subsidiary, any parent thereof, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company’s then outstanding securities; or the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For clarity, a Change in Control shall not be deemed to have occurred in the event of a reincorporation of the Company.

For Purposes of this Appendix B, “*Beneficial Owner*” shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

For purposes of this Appendix B, “*Person*” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates (as such term is set forth in Rule 12-b2 promulgated under Section 12 of the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.



## APPENDIX C

### ITRON, INC. AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

#### LONG TERM PERFORMANCE RESTRICTED STOCK UNIT AWARD NOTICE FOR INTERNATIONAL PARTICIPANTS (EXCLUDING FRANCE)

##### *Terms and Conditions*

Appendix C includes additional terms and conditions that govern the restricted stock unit award (the “**Award**”) granted to you under the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”) if you reside in one of the countries listed below. Capitalized terms not expressly defined in this Appendix C but defined in the Plan or the Restricted Stock Unit Award Agreement (the “**Agreement**”) shall have the same definitions as in the Plan and/or the Agreement, as applicable.

##### *Notifications*

This Appendix C also includes information regarding exchange control and other issues of which you should be aware with respect to your participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of February 2010. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time that the Award vests or the Shares acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, or if you transfer employment to another country after the Award is granted, the information contained herein may not be applicable to you.

#### BELGIUM

##### *Notifications*

**Tax Reporting Notification.** If you are a Belgian resident, you are required to report any bank or brokerage accounts held outside of Belgium on your annual tax return.

#### GERMANY

##### *Notifications*

**Exchange Control Notification.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you use a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for you. In addition, you must report any receivables, payables, or debts in foreign currency exceeding an amount of €5,000,000 in any month.

#### UNITED KINGDOM

##### *Terms and Conditions*

**Vesting.** This provision supplements Section 2 of the Agreement:

The grant of the Award does not provide any right for you to receive a cash payment and the Vested Units will be settled in Shares only.

**Responsibility for Taxes.** The following provision supplements Section 9 of the Agreement:

If payment or withholding of the Tax-Related Items (including the Employer’s Liability, as defined below) is not made within ninety (90) days of the event giving rise to the Tax-Related Items (the “**Due Date**”) or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, the amount of any uncollected Tax-Related Items will constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at the then-current official rate of Her Majesty’s Revenue and Customs (“**HMRC**”), it will be immediately due and repayable, and the Company or the Employer may recover it at any time thereafter by any of the means referred to in Section 9.2 of the Agreement. Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you will not be eligible for such a loan to cover the Tax-Related Items. In the event that you are a director or executive officer and the Tax-Related Items are not collected from or paid by you by the Due Date, the amount of any uncollected Tax-Related Items will constitute a benefit to you on which additional income tax and national insurance contributions (including the Employer’s Liability, as defined below) will be payable. You acknowledge that the Company or the Employer may recover such amounts from you by any of the means referred to in Section 9.2 of the Agreement. However, you are also responsible for reporting and paying any income tax and national insurance contributions (including the Employer’s Liability, as defined below) due on this additional benefit directly to HMRC under the self-assessment regime.

**Joint Election.** As a condition of your participation in the Plan, you agree to accept any liability for secondary Class 1 national insurance contributions (the **“Employer’s Liability”**) which may be payable by the Company and/or the Employer in connection with the Award and any event giving rise to Tax-Related Items. To accomplish the foregoing, you agree to execute the following joint election with the Company (the **“Joint Election”**), the form of such Joint Election being formally approved by HMRC, and any other consent or elections required to accomplish the transfer of the Employer’s Liability to you. You further agree to execute such other joint elections as may be required between yourself and any successor to the Company and/or the Employer. You further agree that the Company and/or the Employer may collect the Employer’s Liability by any of the means set forth in Section 9.2 of the Agreement.

If you do not enter into a Joint Election prior to vesting of the Award or any other event giving rise to Tax-Related Items, you will forfeit the Units and any benefits in connection with the Award, and any Shares that have been issued will be returned to the Company at no cost to the Company, without any liability to the Company and/or the Employer.

ITRON, INC.

AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

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**Important Note on the Joint Election to Transfer  
Employer National Insurance Contributions**

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As a condition of participation in the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “Plan”) and the vesting of the restricted stock unit award (the “Award”) that has been granted to you by Itron, Inc. (the “Company”), you are required to enter into a joint election to transfer to you any liability for employer national insurance contributions (the “Employer’s Liability”) that may arise in connection with the Award, or in connection with future restricted stock unit awards, granted to you by the Company under the Plan (the “Joint Election”).

If you do not agree to enter into the Joint Election, the Award will be worthless, as (under the terms of the Restricted Stock Unit Award Agreement), you will not be able to vest in the Award or receive any benefit in connection with the Award.

By entering into the Joint Election:

- I you agree that any Employer’s Liability that may arise in connection with or pursuant to the vesting of the Award (and the acquisition of shares of the Company’s common stock) or other taxable events in connection with the Award will be transferred to you; and
- I you authorise the Company and/or your employer to recover an amount sufficient to cover this liability by any method set forth in the Restricted Stock Unit Award Agreement and/or the Joint Election.

*Indicating your acceptance of the Restricted Stock Unit Award Agreement indicates your agreement to be bound by the terms of the Joint Election.*

**Please read the terms of the Joint Election carefully before  
accepting the Restricted Stock Unit Award Agreement  
and the Joint Election.**

**Please print and keep a copy of the Joint Election  
for your records.**

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**Restricted Stock Units**  
**for Employees in the United Kingdom**

**FORM OF ELECTION TO TRANSFER THE EMPLOYER'S SECONDARY**  
**CLASS 1 NATIONAL INSURANCE LIABILITY TO THE EMPLOYEE**

**1. Parties**

This Election is between:

- (A) You, the individual who has obtained access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**"), and who is eligible to receive a restricted stock unit award pursuant to the terms and conditions of the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the "**Plan**"), and
- (B) Itron, Inc. of 2111 N. Molter Road, Lake Liberty, Washington 99019, U.S.A. (the "**Company**") which may grant restricted stock unit awards under the Plan and is entering this Election on behalf of the Employer.

**2. Purpose of Election**

2.1 This Election relates to the Employer's secondary Class 1 national insurance contributions (the "**Employer's Liability**") which may arise on the occurrence of a "**Taxable Event**" pursuant to paragraph 3B(1A) of Schedule 1 of the Social Security Contributions and Benefits Act 1992, including but not limited to:

- (i) the acquisition of securities pursuant to the restricted stock unit award (pursuant to section 477(3)(a) ITEPA); and/or
- (ii) the assignment or release of the restricted stock unit award in return for consideration (pursuant to section 477(3)(b) ITEPA); and/or
- (iii) the receipt of a benefit in connection with the restricted stock unit award other than a benefit within (i) or (ii) above (pursuant to section 477(3)(c) ITEPA).

In this Election, ITEPA means the Income Tax (Earnings and Pensions) Act 2003.

- 2.2 This Election is made in accordance with paragraph 3B(1) of Schedule 1 to the Social Security Contributions and Benefits Act 1992.
- 2.3 This Election applies to all restricted stock unit awards granted to the Employee under the Plan, on or after 8 August 2007 up to the termination date of the Plan.
- 2.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the Social Security Contributions and Benefits Act 1992, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- 2.5 This Election will not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part 7 of ITEPA 2003 (employment income: securities with artificially depressed market value).

**3. The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Taxable Event is hereby transferred to the Employee. The Employee understands that by clicking on the acceptance of the Restricted Stock Unit Award button where indicated, he or she will become personally liable for the Employer's Liability covered by this Election.

**4. Payment of the Employer's Liability**

- 4.1 Notwithstanding that pursuant to this Election, the Employer's Liability is transferred to the Employee, the Employee authorises the Employer and the Employer agrees, to remit the Employer's Liability to Her Majesty's Revenue and Customs ("**HMRC**") on behalf of the Employee. The Employee agrees to pay to the Employer the Employer's Liability on demand at any time on or after the Taxable Event.
- 4.2 Without limitation to Clause 4.1 above, the Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time on or after the Taxable Event:
  - (i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Taxable Event; and/or
  - (ii) directly from the Employee by payment in cash or cleared funds; and/or
  - (iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect

of the restricted stock unit award; and/or

(iv) through any other method set forth in the Restricted Stock Unit Award Agreement entered into between the Employee and the Company.

4.3 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee until full payment of the Employer's Liability is received.

**5. Duration of Election**

5.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the UK Employer on the date on which the Employer's Liability becomes due.

5.2 This Election will continue in effect until the earliest of the following:

- (i) such time as both the Employee and the Company agree in writing that it should cease to have effect;
- (ii) the date the Company serves written notice on the Employee terminating its effect;
- (iii) the date HMRC withdraws approval of this Form of Election; or
- (iv) the date the Election ceases to have effect in accordance with its terms in respect of any outstanding restricted stock unit awards granted under the Plan.

**Acceptance by the Employee**

**The Employee acknowledges that by clicking on the acceptance of the Restricted Stock Unit Award button where indicated, the Employee agrees to be bound by the terms of this Election as stated above.**

**Acceptance by the Company**

The Company acknowledges that by arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election as stated above.

[INSERT SCANNED SIGNATURE]

[Name]  
[Title]  
Itron, Inc.  
[Date]

**Schedule to Form of Election – Employing Companies**

The Employing Companies to which this Form of Election relates are:

**(1) Itron Metering Solutions UK Limited**

|                            |   |
|----------------------------|---|
| Registered Office:         | Langer Road,<br>Felixstowe, Suffolk, IP11 2ER<br>United Kingdom |
| Company Number:            | 04274515  |
| Corporation Tax District:  |   |
| Corporation Tax Reference: |   |
| PAYE District:             |   |
| PAYE Reference:            |   |

**ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**LONG TERM PERFORMANCE  
RESTRICTED STOCK UNIT AWARD NOTICE  
FOR PARTICIPANTS IN FRANCE**

Itron, Inc. (the “**Company**”) hereby grants to Participant a performance restricted stock unit award (the “**Award**”). The Award is subject to all the terms and conditions set forth in this Performance Restricted Stock Unit Award Notice (the “**Award Notice**”), the Performance Restricted Stock Unit Award Agreement, including Appendices A and B (the “**Agreement**”), the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “**U.S. Plan**”), and the Rules of the Itron, Inc. 2000 Stock Incentive Plan for the Grant of Restricted Stock Units to Participants in France (the “**French RSU Plan**” and together with the U.S. Plan, the “**Plan**”), all of which are incorporated into the Award Notice in their entirety.

**Participant:** «First\_Name» «Last\_Name»

**Grant Date:** «Grant Date»

**Performance Period:** January 1, 2010 to December 31, 2010

**Number of Performance Restricted Stock Units (“PSUs”):** The actual number of PSUs that become eligible for vesting according to the Vesting Schedule below shall be determined based on the attainment of the 2010 Performance Goals specified in Appendix A, as assessed by the Plan Administrator as soon as reasonably practicable after the end of the Performance Period.

The minimum number of PSUs is zero (0).

The target number of PSUs is: «# of Units»

The maximum number of PSUs is: «# of Units»

**Vesting Schedule:** The actual number of PSUs that become eligible for vesting based on the attainment of the 2010 Performance Goals shall vest in three equal installments on January 1, 2012, January 1, 2013 and January 1, 2014 (each, a “Vest Date”).

**Additional Terms/Acknowledgement:** This Award is subject to all the terms and conditions set forth in this Award Notice, the Agreement and the Plan which are attached to and incorporated into this Award Notice in their entirety.

By signing and returning this Award Notice and Agreement providing for the terms and conditions of my grant, I confirm having read and understood the documents relating to this grant (the Performance Restricted Stock Unit Award Agreement, including the Appendices, the U.S. Plan, the French RSU Plan and the U.S. Plan Prospectus) which were provided to me in English language. I accept the terms of those documents accordingly.

*En signant et renvoyant la présente Notice d'Attribution et le Contrat décrivant les termes et conditions de mon attribution, je confirme ainsi avoir lu et compris les documents relatifs à cette attribution (le Contrat d'Attribution d'Actions Gratuites soumises à des Conditions de Performance, incluant les Annexes, le Plan Américain, le Sous-Plan pour la France et le Prospectus Américain) qui m'ont été communiqués en langue anglaise. J'en accepte les termes en connaissance de cause.*

«First\_Name» «Last\_Name»

I accept this award subject to the terms and conditions stated herein.

«Electronically Signed»

Attachments:

1. Performance Restricted Stock Unit Award Agreement, including Appendices A and B
2. U.S. Plan
3. French RSU Plan
4. U.S. Plan Prospectus



**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**LONG TERM PERFORMANCE**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**FOR PARTICIPANTS IN FRANCE**

Pursuant to your Performance Restricted Stock Unit Award Notice (the “**Award Notice**”) and this Performance Restricted Stock Unit Award Agreement, including Appendices A and B (this “**Agreement**”), Itron, Inc. (the “**Company**”) has granted you a performance restricted stock unit award (the “**Award**”) under its Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”) and the Rules of the Itron, Inc. 2000 Stock Incentive Plan for the Grant of Restricted Stock Units to Participants in France (the “**French RSU Plan**” and together with the U.S. Plan, the “**Plan**”). Capitalized terms not expressly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan, as applicable.

The Award is intended to qualify for the favorable tax and social security treatment in France applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended. However, certain events may affect the qualified status of the Award and the Company does not make any undertaking or representation to maintain the qualified status of the Award. If the Award does not retain its qualified status, the favorable tax and social security treatment will not apply and you will be required to pay your portion of social security contributions resulting from the Award.

Moreover, if you relocate to another country, any special terms and conditions applicable to restricted stock unit awards granted in such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

In addition, the Company reserves the right to impose other requirements on the Award and any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

The details of the Award are as follows:

**1. Number of Units Subject to Award**

This Award is a performance based award which is based on targets set by the Plan Administrator at the beginning of the performance year (calendar year 2010 in this case) (the “**Performance Period**”). Performance goals are set forth in Appendix A along with your target number of Units for the Performance Period. At the end of the Performance Period, the Plan Administrator shall determine the actual number of Units that are eligible for vesting under the Award, in accordance with Appendix A and the performance goals set forth therein. The Plan Administrator will communicate this number to you as soon as practicable after the end of the Performance Period. The Units will vest in accordance with Section 2 below.

**2. Vesting and Settlement**

The Award will vest to the extent the performance goals set forth in Appendix A are attained as determined by the Plan Administrator and according to the vesting schedule set forth in the Award Notice (the “**Vesting Schedule**”). Performance restricted stock units that have vested and are no longer subject to forfeiture according to the Vesting Schedule are referred to herein as “**Vested Units**.” Performance restricted stock units that have not vested and remain subject to forfeiture under the Vesting Schedule are referred to herein as “**Unvested Units**.” The Unvested and Vested Units are collectively referred to herein as the “**Units**”. The Award will terminate and the Unvested Units will be subject to forfeiture upon termination of your employment as set forth in Section 4 below.

Unless otherwise provided in this Agreement, as soon as practicable after the Vesting Date, the Company will settle the Vested Units by issuing to you one Share for each Vested Unit, subject to the provisions of Section 7 below.

**3. Corporate Transaction/Change in Control**

In the event of a Corporate Transaction (including a Related Party Transaction) during the Performance Period or the period between the end of the Performance Period and the Vesting Date that does not meet the definition of Change in Control set forth in Appendix B, your Award will remain unaffected.

In the event of a Change in Control (as defined in Appendix B) during the Performance Period, the number of PSUs subject to the Award shall be the greater of (a) the target number of PSUs subject to the Award or (b) the actual number of PSUs subject to the Award as determined based on the attainment of the performance goals if the Plan Administrator determines that the attainment of the performance goals may be determined as of the date of the Change in Control, pro rated based on the portion of the Performance Period that has elapsed between the Date of Grant and the date of the Change in Control.

In the event of a Change in Control (as defined in Appendix B) during the period between the end of the Performance Period and the Vesting Date, any Unvested Units will accelerate in vesting and become Vested Units immediately prior to such Change in Control.

**4. Termination of Employment**

**4.1 Death**

If your employment terminates during the Performance Period by reason of death, the actual number of Units that become eligible for vesting (based on the attainment of the performance goals as assessed after the end of the Performance Period) will become transferable to your heirs. The Company will issue the Shares subject to such Units to your heirs after the end of the Performance Period, provided they contact the Company to request the issuance of the Shares within six (6) months following your death. If your heirs do not request the issuance of the Shares within six (6) months of your death, all of the Units will be forfeited to the Company.

If your employment terminates during the period between the end of the Performance Period and the Vesting Date by reason of death, the actual number of Units that have become eligible for vesting will become transferable to your heirs. The Company will issue the Shares subject to the Units to your

heirs upon their request, provided they contact the Company with such a request within six (6) months following your death. If your heirs do not request the issuance of the Shares within six (6) months of your death, the Units will be forfeited to the Company.

#### **4.2 Disability**

If your employment terminates during the Performance Period by reason of Disability (as defined in the French RSU Plan), the number of Units that become eligible for vesting according to the Vesting Schedule (based on the attainment of the performance goals as assessed after the end of the Performance Period) shall be pro-rated based on the number of calendar days of employment with the Company or a Related Corporation during the Performance Period (rounded down to the nearest whole number) and such Units shall vest and be settled in accordance with the Vesting Schedule and Section 2 above.

If your employment terminates during the period between the end of the Performance Period and the Vesting Date by reason of Disability (as defined in the French RSU Plan), the Unvested Units shall vest and be settled in accordance with the Vesting Schedule and Section 2 above.

#### **4.3 Other**

If your employment terminates for any other reason during the Performance Period or the period between the end of the Performance Period and the Vesting Date, any Unvested Units will be forfeited upon termination of your employment.

### **5. No Rights as Shareholder**

You shall not have voting or other rights as a shareholder of the Company with respect to the Units.

### **6. Transferability of Units**

Units shall not be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

### **7. Transferability of Shares**

#### **7.1 Holding Period**

You are required to hold the Shares issued pursuant to the vesting of the Units for two years as measured from the Vesting Date or such other period as is required to comply with the minimum mandatory holding period applicable to Shares underlying French-qualified Restricted Stock Units (the "**Holding Period**"), even if you are no longer an employee or corporate officer, as applicable, of a French Entity. As from the end of the Holding Period, the corresponding Shares shall be freely transferable, subject to applicable legal and regulatory provisions in force and in particular to the provisions of Section 7.2 below.

This Holding Period requirement shall not apply to your heirs should they acquire Shares under the Plan pursuant to Section 4.1 above nor shall it apply if you terminate employment due to Disability (as defined in the French RSU Plan).

#### **7.2 Closed Period**

As long as the Award and the Shares issued upon vesting of the Units maintain their qualified status and to the extent such restriction is applicable under French law, the Shares may not be sold during a Closed Period (as defined in the French RSU Plan).

This Closed Period restriction shall not apply to your heirs should they acquire Shares under the Plan pursuant to Section 4.1 above nor shall it apply if you terminate employment due to Disability (as defined in the French RSU Plan).

#### **7.3 Shareholding Restrictions**

If you qualify as a managing corporate officer (*i.e.*, "*mandataires sociaux*," *Président du Conseil d'Administration*, *Directeur Général*, *Directeur Général Délégué*, *Membre du Directoire*, *Gérant de Sociétés par actions*), or have a comparable position in any company of the Itron group of companies including at the Company, and you are subject to shareholding restrictions under French law, you must hold 20% of the Shares issued upon vesting of the Units and you may not sell such Shares until you cease to serve as a managing corporate officer (or cease to have a comparable position as described herein), if required under French law.

#### **7.4 Compliance with Transfer Restrictions**

To ensure compliance with the restrictions on the transfer of Shares described in Sections 7.1, 7.2 and 7.3 above, the Company may require that the Shares be held with Fidelity or any brokerage firm designated by the Company (or according to any procedure implemented by the Company) until such Shares are sold.

### **8. Securities Law Compliance**

**8.1** You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

**8.2** You hereby agree that you will in no event sell or distribute all or any part of the shares of Common Stock that you receive pursuant to settlement of this Award (the "**Shares**") unless (a) there is an effective registration statement under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and any applicable state and foreign securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company

otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to register the Shares with the U.S. Securities and Exchange Commission or any foreign securities regulator and has not represented to you that it will so register the Shares.

**8.3** You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any regulator under the Securities Act or any other applicable securities act (the “**Acts**”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

**8.4** You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

## **9. Book Entry Registration of Shares**

The Company will issue the Shares by registering the Shares in book entry form with the Company’s transfer agent in your name and the applicable restrictions will be noted in the records of the Company’s transfer agent and in the book entry system.

## **10. Responsibility for Taxes**

**10.1** Regardless of any action the Company or your employer (the “**Employer**”) take with respect to any and all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company and/or the Employer. You further acknowledge that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the granting or vesting of the Award, the settlement of Vested Units, the issuance of Shares upon settlement of the Vested Units, the subsequent sale of Shares acquired upon settlement of the Vested Units and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax and/or social insurance contribution result. Further, if you have become subject to tax and/or social insurance contributions in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

**10.2** Prior to any relevant taxable or tax and/or social insurance contribution withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and or the Employer to satisfy all Tax-Related Items.

(a) In this regard, you hereby irrevocably appoint Fidelity or any stock plan service provider or brokerage firm designated by the Company for such purpose (the “**Agent**”) as your Agent, and authorize the Agent, to:

- (i) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the settlement date for any Vested Unit, the minimum number of Shares (rounded up to the next whole number) sufficient to generate proceeds to cover the Tax-Related Items and all applicable fees and commissions due to, or required to be collected by, the Agent;
- (ii) Remit directly to the Company the cash amount necessary to cover the Tax-Related Items;
- (iii) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of Shares referred to in clause (i) above; and
- (iv) Remit any remaining funds to you.

(b) Alternatively, or in addition to or in combination with the withholding mechanism described in Section 10.2(a), you authorize the Company and/or the Employer, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring you to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from your wages or other cash compensation paid to you by the Company and/or the Employer, within legal limits; and/or
- (iii) withholding in Shares to be issued upon settlement of the Vested Units.

(c) If the amount withheld is greater than the actual Tax-Related Items, the difference will be refunded to you as soon as practicable. To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax and/or social insurance contribution purposes, you will be deemed to have been issued the full number of Shares subject to the Vested Units notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. The Company may refuse to issue or deliver Shares to you if you fail to comply with your obligations in connection with the Tax-Related Items.

**10.3** You acknowledge that the authorization and instruction to the Agent set forth in Section 10.2(a)(i) above to sell Shares to cover the Tax-Related Items is intended to comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (regarding trading of the Company’s securities on the basis of material nonpublic information) (a “**10b5-1 Plan**”). This 10b5-1 Plan is being adopted to permit you to sell a number of Shares issued upon settlement of Vested Units sufficient to pay the Tax-Related Items.

You acknowledge that the broker is under no obligation to arrange for the sale of Shares at any particular price. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. You acknowledge that it may not be possible to sell Shares during the term of this 10b5-1 Plan due to (a) a legal or

contractual restriction applicable to you or to the broker, (b) a market disruption, (c) rules governing order execution priority on the NASDAQ or other exchange where the Shares may be traded, (d) a sale effected pursuant to this 10b5-1 Plan that fails to comply (or in the reasonable opinion of the Agent's counsel is likely not to comply) with the Securities Act, or (e) if the Company determines that sales may not be effected under this 10b5-1 Plan. In the event of the Agent's inability to sell Shares, you will continue to be responsible for the Tax-Related Items.

You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the 10b5-1 Plan. You acknowledge that this 10b5-1 Plan is subject to the terms of any policy adopted now or hereafter by the Company governing the adoption of 10b5-1 plans. The Agent is a third party beneficiary of Section 10.2(a)(i) and this 10b5-1 Plan.

## 11. Nature of Grant

In accepting the grant, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of performance restricted stock units, or benefits in lieu of performance restricted stock units, even if performance restricted stock units have been granted repeatedly in the past;

(c) all decisions with respect to future grants of performance restricted stock units, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship;

(e) you are voluntarily participating in the Plan;

(f) the Award and the Shares subject to the Award are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of your employment contract, if any;

(g) the Award and the Shares subject to the Award are not intended to replace any pension rights or compensation;

(h) the Award and the Shares subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Related Corporation;

(i) the grant of the Award and your participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Related Corporation;

(j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and, in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or the Employer, waive the ability, if any, to bring any such claim and release the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(l) in the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the Award, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Company's Chief Executive Officer shall have the exclusive discretion to determine when you are no longer actively employed for purposes of the Award (including whether or not a transfer of employment between or among the Company and its Related Corporations or a change in status from an employee to a consultant, agent, advisor or independent contractor will constitute a termination of active employment for purposes of the Award); and

(m) the Award and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take over or transfer of liability.

## 12. No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan. You acknowledge that you have either consulted with competent advisors independent of the Company to obtain advice concerning the receipt of the Award and the acquisition or disposition of any Shares to be issued pursuant to the Award in light of your specific situation or had the opportunity to consult with such advisors but chose not to do so.

## 13. Data Privacy

***You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Award materials by and among, as applicable, the Employer, the Company and its Related Corporations for the exclusive purpose of implementing, administering and managing your participation in the Plan.***

*You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).*

*You understand that Data will be transferred to Fidelity or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than France. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.*

#### **14. Electronic Delivery and Participation**

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

#### **15. Language**

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

#### **16. General Provisions**

**16.1 Successors and Assigns.** The provisions of this Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

**16.2 Section 409A.** For purposes of U.S. taxpayers, the Units and the settlement of the Units are intended to either be exempt from Section 409A of the Code under the “short-term deferral” exception or comply with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Plan Administrator may, at any time and without your consent, modify the terms of the Award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance. The Company makes no representation or covenant to ensure that the Units, settlement of the Units or other payment hereunder are exempt from or compliant with Section 409A of the Code and will have no liability to you or any other party if the settlement of the Units or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Plan Administrator with respect thereto.

**16.3 Governing Law and Choice of Venue.** The Award and the provisions of this Agreement will be construed and administered in accordance with and governed by the laws of the State of Washington without giving effect to such state’s principles of conflict of laws. For the purposes of litigating any dispute that arises under this grant of this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Washington and agree that such litigation shall be conducted in the courts of Spokane County, Washington, or the federal courts for the United States for the Eastern District of Washington, where this grant is made and/or to be performed.

**16.4 Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**16.5 Notice.** Any notice required or permitted hereunder shall be made in writing and sent to the following address:

Itron, Inc.  
Attn. General Counsel  
2111 N. Molter Road  
Liberty Lake, WA 99019  
USA

**APPENDIX A**

[INSERT 2010 PERFORMANCE GOALS]

APPENDIX B

ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

LONG TERM PERFORMANCE  
RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR PARTICIPANTS IN FRANCE

For purposes of this Agreement, a “*Change in Control*” shall be deemed to have occurred if any of the events set forth in any of the following paragraphs shall have occurred:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding Shares or the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in subsection(c) below;

(b) a change in the composition of the Board during any two-year period such that the individuals who, as of the date of this Agreement, constitute the Board (the “*Incumbent Board*”) cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to the beginning of the two-year period, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened solicitation of proxies or consents by or on behalf of an Person other than the Board shall not be considered a member of the Incumbent Board;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation immediately following which members of the Incumbent Board constitute a majority of the members of the board of directors (or similar body) of the surviving entity or, if the surviving entity is a subsidiary, any parent thereof, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company’s then outstanding securities; or the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For clarity, a Change in Control shall not be deemed to have occurred in the event of a reincorporation of the Company.

For Purposes of this Appendix B, “*Beneficial Owner*” shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

For purposes of this Appendix B, “*Person*” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates (as such term is set forth in Rule 12-b2 promulgated under Section 12 of the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**  
**RESTRICTED STOCK UNIT AWARD NOTICE**  
**ALL PARTICIPANTS (EXCLUDING FRANCE)**

Itron, Inc. (the “**Company**”) hereby grants to Participant a restricted stock unit award (the “**Award**”). The Award is subject to all the terms and conditions set forth in this Restricted Stock Unit Award Notice (the “**Award Notice**”), the Restricted Stock Unit Award Agreement, including Appendices A and B (the “**Agreement**”) and the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”), all of which are incorporated into the Award Notice in their entirety.

**Participant:** <<First\_Name>> <<Last\_Name>>

**Grant Date:** <<Grant Date>>

**Number of Restricted Stock Units:** <<# of Units>>

**Vesting Schedule:** The Award will vest with respect to one-third of the Restricted Stock Units on each of the first, second and third anniversaries of the Grant Date (each, a “**Vest Date**”)

**Additional Terms/Acknowledgement:** This Award is subject to all the terms and conditions set forth in this Award Notice, the Agreement, and the Plan which are attached to and incorporated into this Award Notice in their entirety.

<<First\_Name>> <<Last\_Name>>

I accept this award subject to the terms and conditions stated herein.

<<Electronically Signed>>

Attachments:

1. Restricted Stock Unit Award Agreement, including Appendices A and B
2. 2000 Stock Incentive Plan
3. Plan Prospectus



**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**ALL PARTICIPANTS (EXCLUDING FRANCE)**

Pursuant to your Restricted Stock Unit Award Notice (the “**Award Notice**”) and this Restricted Stock Unit Award Agreement, including Appendices A and B (this “**Agreement**”), Itron, Inc. (the “**Company**”) has granted you a restricted stock unit award (the “**Award**”) under its Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”) for the number of restricted stock units indicated in your Award Notice. Capitalized terms not expressly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of the Award are as follows:

**1. Vesting**

The Award will vest according to the vesting schedule set forth in the Award Notice (the “**Vesting Schedule**”). One share of Common Stock will be issuable for each restricted stock unit that vests. Restricted stock units that have vested and are no longer subject to forfeiture according to the Vesting Schedule are referred to herein as “**Vested Units**.” Restricted stock units that have not vested and remain subject to forfeiture under the Vesting Schedule are referred to herein as “**Unvested Units**.” Except as provided in Section 2 below, the Unvested Units will vest (and to the extent so vested cease to be Unvested Units remaining subject to forfeiture) in accordance with the Vesting Schedule (the Unvested and Vested Units are collectively referred to herein as the “**Units**”). The Award will terminate and the Unvested Units will be forfeited upon termination of your employment for any reason.

**2. Corporate Transaction/Change in Control**

In the event of a Corporate Transaction (including a Related Party Transaction) that does not meet the definition of Change in Control set forth in Appendix A, your Award will remain unaffected. In the event of a Change in Control as defined in Appendix A, any Unvested Units will accelerate in vesting and become Vested Units immediately prior to such Change in Control.

**3. Settlement of Vested Units.**

Vested Units shall be settled within 30 days following (a) the applicable Vest Date, or (b) if earlier, the date the Units become vested in connection with a Change in Control pursuant to Section 2 above.

**4. Securities Law Compliance**

**4.1** You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

**4.2** You hereby agree that you will in no event sell or distribute all or any part of the shares of Common Stock that you receive pursuant to settlement of this Award (the “**Shares**”) unless (a) there is an effective registration statement under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and any applicable state and foreign securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to register the Shares with the U.S. Securities and Exchange Commission or any foreign securities regulator and has not represented to you that it will so register the Shares.

**4.3** You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any regulator under the Securities Act or any other applicable securities act (the “**Acts**”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

**4.4** You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

**5. Transfer Restrictions**

Units shall not be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

**6. No Rights as Shareholder**

You shall not have voting or other rights as a shareholder of the Company with respect to the Units.

## 7. Book Entry Registration of Shares

The Company will issue the Shares by registering the Shares in book entry form with the Company's transfer agent in your name and the applicable restrictions will be noted in the records of the Company's transfer agent and in the book entry system.

## 8. Responsibility for Taxes

**8.1** Regardless of any action the Company or your employer (the "**Employer**") take with respect to any and all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("**Tax-Related Items**"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company and/or the Employer. You further acknowledge that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the granting or vesting of the Award, the settlement of Vested Units, the issuance of Shares upon settlement of the Vested Units, the subsequent sale of Shares acquired upon settlement of the Vested Units and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

**8.2** Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

(a) In this regard, you hereby irrevocably appoint Fidelity or any stock plan service provider or brokerage firm designated by the Company for such purpose (the "**Agent**") as your Agent, and authorize the Agent, to:

- (i) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the settlement date for any Vested Unit, the minimum number of Shares (rounded up to the next whole number) sufficient to generate proceeds to cover the Tax-Related Items and all applicable fees and commissions due to, or required to be collected by, the Agent;
- (ii) Remit directly to the Company the cash amount necessary to cover the Tax-Related Items;
- (iii) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of Shares referred to in clause (i) above; and
- (iv) Remit any remaining funds to you.

(b) Alternatively, or in addition to or in combination with the withholding mechanism described in Section 8.2(a), you authorize the Company and/or the Employer, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring you to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from your wages or other cash compensation paid to you by the Company and/or the Employer; and/or
- (iii) withholding in Shares to be issued upon settlement of the Vested Units.

(c) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you will be deemed to have been issued the full number of Shares subject to the Vested Units notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. The Company may refuse to issue or deliver Shares to you if you fail to comply with your obligations in connection with the Tax-Related Items.

**8.3** You acknowledge that the authorization and instruction to the Agent set forth in Section 8.2(a)(i) above to sell Shares to cover the Tax-Related Items is intended to comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (regarding trading of the Company's securities on the basis of material nonpublic information) (a "**10b5-1 Plan**"). This 10b5-1 Plan is being adopted to permit you to sell a number of Shares issued upon settlement of Vested Units sufficient to pay the Tax-Related Items.

You acknowledge that the broker is under no obligation to arrange for the sale of Shares at any particular price. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. You acknowledge that it may not be possible to sell Shares during the term of this 10b5-1 Plan due to (a) a legal or contractual restriction applicable to you or to the broker, (b) a market disruption, (c) rules governing order execution priority on the NASDAQ or other exchange where the Shares may be traded, (d) a sale effected pursuant to this 10b5-1 Plan that fails to comply (or in the reasonable opinion of the Agent's counsel is likely not to comply) with the Securities Act, or (e) if the Company determines that sales may not be effected under this 10b5-1 Plan. In the event of the Agent's inability to sell Shares, you will continue to be responsible for the Tax-Related Items.

You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the 10b5-1 Plan. You acknowledge that this 10b5-1 Plan is subject to the terms of any policy adopted now or hereafter by the Company governing the adoption of 10b5-1 plans. The Agent is a third party beneficiary of Section 8.2(a)(i) and this 10b5-1 Plan.

## 9. Nature of Grant

In accepting the grant, you acknowledge, understand and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted repeatedly in the past;
- (c) all decisions with respect to future grants of restricted stock units, if any, will be at the sole discretion of the Company;
- (d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time;
- (e) you are voluntarily participating in the Plan;
- (f) the Award and the Shares subject to the Award are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of your employment contract, if any;
- (g) the Award and the Shares subject to the Award are not intended to replace any pension rights or compensation;
- (h) the Award and the Shares subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Related Corporation;
- (i) the grant of the Award and your participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Related Corporation;
- (j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and, in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or the Employer, waive the ability, if any, to bring any such claim and release the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;
- (l) in the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the Award, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Company's Chief Executive Officer shall have the exclusive discretion to determine when you are no longer actively employed for purposes of the Award (including whether or not a transfer of employment between or among the Company and its Related Corporations or a change in status from an employee to a consultant, agent, advisor or independent contractor will constitute a termination of active employment for purposes of the Award); and
- (m) the Award and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take over or transfer of liability.

## 10. No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan. You acknowledge that you have either consulted with competent advisors independent of the Company to obtain advice concerning the receipt of the Award and the acquisition or disposition of any Shares to be issued pursuant to the Award in light of your specific situation or had the opportunity to consult with such advisors but chose not to do so.

## 11. Data Privacy

*You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Award materials by and among, as applicable, the Employer, the Company and its Related Corporations for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

*You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

*You understand that Data will be transferred to Fidelity or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.*

## **12. Electronic Delivery and Participation**

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

## **13. Language**

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

## **14. General Provisions**

**14.1 Successors and Assigns.** The provisions of this Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

**14.2 Section 409A.** For purposes of U.S. taxpayers, the settlement of the Units is intended to either be exempt from Section 409A of the Code under the "short-term deferral" exception, and in any event in compliance with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Plan Administrator may, at any time and without your consent, modify the terms of the Award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance. The Company makes no representation or covenant to ensure that the Units, settlement of the Units or other payment hereunder are exempt from or compliant with Section 409A of the Code and will have no liability to you or any other party if the settlement of the Units or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Plan Administrator with respect thereto.

**14.3 Governing Law and Choice of Venue.** The Award and the provisions of this Agreement will be construed and administered in accordance with and governed by the laws of the State of Washington without giving effect to such state's principles of conflict of laws. For the purposes of litigating any dispute that arises under this grant of this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Washington and agree that such litigation shall be conducted in the courts of Spokane County, Washington, or the federal courts for the United States for the Eastern District of Washington, where this grant is made and/or to be performed.

**14.4 Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**14.5 Notice.** Any notice required or permitted hereunder shall be made in writing and sent to the following address:

Itron, Inc.  
Attn. General Counsel  
2111 N. Molter Road  
Liberty Lake, WA USA 99019

## **15. Appendix B**

Notwithstanding any provisions in this Agreement, the Award shall be subject to any special terms and conditions set forth in Appendix B to this Agreement for your country ("**Appendix B**"). Moreover, if you relocate to one of the countries included in Appendix B, the special terms and conditions for such country

will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Appendix B constitutes part of this Agreement.

## **16. Imposition of Other Requirements**

The Company reserves the right to impose other requirements on your participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

APPENDIX A

ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT  
ALL PARTICIPANTS (EXCLUDING FRANCE)

For purposes of this Agreement, a “**Change in Control**” shall be deemed to have occurred if any of the events set forth in any of the following paragraphs shall have occurred:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding Shares or the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in subsection(c) below;

(b) a change in the composition of the Board during any two-year period such that the individuals who, as of the date of this Agreement, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to the beginning of the two-year period, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened solicitation of proxies or consents by or on behalf of an Person other than the Board shall not be considered a member of the Incumbent Board;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation immediately following which members of the Incumbent Board constitute a majority of the members of the board of directors (or similar body) of the surviving entity or, if the surviving entity is a subsidiary, any parent thereof, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company’s then outstanding securities; or the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For clarity, a Change in Control shall not be deemed to have occurred in the event of a reincorporation of the Company.

For purposes of this Appendix A, “**Beneficial Owner**” shall have the meaning set forth in Rule 13d-3 of the Exchange Act.

For purposes of this Appendix A, “**Person**” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates (as such term is set forth in Rule 12-b2 promulgated under Section 12 of the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

## APPENDIX B

### ITRON, INC. AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

#### RESTRICTED STOCK UNIT AWARD AGREEMENT ALL PARTICIPANTS (EXCLUDING FRANCE)

##### *Terms and Conditions*

This Appendix B includes additional terms and conditions that govern the restricted stock unit award (the “**Award**”) granted to you under the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “**Plan**”) if you reside in one of the countries listed below. Capitalized terms not expressly defined in this Appendix B but defined in the Plan or the Restricted Stock Unit Award Agreement (the “**Agreement**”) shall have the same definitions as in the Plan and/or the Agreement, as applicable.

##### *Notifications*

This Appendix B also includes information regarding exchange control and other issues of which you should be aware with respect to your participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of February 2010. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time that the Award vests or the Shares acquired under the Plan are sold.

In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, or if you transfer employment to another country after the Award is granted, the information contained herein may not be applicable to you.

#### ARGENTINA

##### *Notifications*

**Securities Law Notification.** Neither the Award nor the underlying Shares are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

**Exchange Control Notification.** In the event that you transfer proceeds in excess of US\$2,000,000 from the sale of Shares into Argentina in a single month, you will be required to place 30% of any proceeds in excess of US\$2,000,000 in a non-interest-bearing dollar-denominated mandatory deposit account for a holding period of 365 days.

#### AUSTRALIA

##### *Terms and Conditions*

**Vesting.** This provision supplements Section 1 of the Agreement:

The grant of the Award does not provide any right for you to receive a cash payment and the Vested Units will be settled in Shares only.

##### *Notifications*

**Securities Law Notification.** If you acquire Shares under the Plan and subsequently offer the Shares for sale to a person or entity resident in Australia, such an offer may be subject to disclosure requirements under Australian law and you should obtain legal advice regarding any applicable disclosure requirements prior to making any such offer.

#### BELGIUM

##### *Notifications*

**Tax Reporting Notification.** If you are a Belgian resident, you are required to report any bank or brokerage accounts held outside of Belgium on your annual tax return.

#### BRAZIL

##### *Terms and Conditions*

**Compliance with the Law.** In accepting the grant of the Award, you acknowledge your agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the Award and the sale of the Shares acquired under the Plan.

### ***Notifications***

**Exchange Control Notification.** If you are a resident or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include Shares acquired under the Plan.

## **CANADA**

### ***Terms and Conditions***

**Vesting.** This provision supplements Section 1 of the Agreement:

The grant of the Award does not provide any right for you to receive a cash payment and the Vested Units will be settled in Shares only.

**Nature of Grant.** The following provision replaces Section 9(l) of the Agreement:

In the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the Award, if any, will terminate effective as of the earlier of (a) the date on which your employment is terminated, or (b) the date on which you receive a notice of termination; the Company's Chief Executive Officer shall have the exclusive discretion to determine when you are no longer actively employed for purposes of the Award (including whether or not a transfer of employment between or among the Company and its Related Corporations or a change in status from an employee to a consultant, agent, advisor or independent contractor will constitute a termination of active employment for purposes of the Award).

## **CHILE**

### ***Notifications***

**Securities Law Notification.** Neither the Company nor Shares acquired under the Plan are registered with the Chilean Registry of Securities or under the control of the Chilean Superintendence of Securities.

**Exchange Control Notification.** Exchange control regulations will apply if your aggregate investments abroad are equal to or greater than US\$5,000,000

**Tax Reporting and Registration Notification.** You must file Tax Form 1851 "Annual Sworn Statement Regarding Investments Held Abroad" in relation to any Shares acquired under the Plan that are held abroad. In addition, if you wish to receive credit in Chile for any tax paid abroad on any dividends received pursuant to the Shares, you must register the acquisition of Shares with the Chilean Internal Revenue Service (the "**CIRS**") and also file Tax Form 1853 "Annual Sworn Statement Regarding Credits for Taxes Paid Abroad." These forms must be submitted through the CIRS web page at [www.sii.cl](http://www.sii.cl).

Registration of the acquisition of Shares with the CIRS will also provide evidence of the acquisition price of the Shares which you will need when the Shares are sold. It may also be possible for you to provide other evidence in the form of the Agreement or a report of the price paid for the Shares and the number of Shares acquired and sold; however, neither the Company nor Fidelity (or any other stock plan service provider designated by the Company) are under any obligation to provide you with such a report. *You should consult with your personal legal and tax advisors regarding how to register with the CIRS (if desired).*

## **CHINA**

### ***Terms and Conditions***

**Vesting.** This provision supplements Section 1 of the Agreement.

To facilitate compliance with applicable laws or regulations in China, you agree and acknowledge that the Company or the Agent is entitled to (a) immediately sell all Shares issued to you upon settlement of the Vested Units (on your behalf pursuant to this authorization), either at the time the Vested Units are settled or when you cease employment with the Employer, the Company or a Related Corporation, or (b) require that any Shares acquired under the Plan be held with the Agent until the Shares are sold. You also agree to sign any forms and/or consents required by the Agent to effectuate the sale of Shares in case you cease employment and you acknowledge that the Agent is under no obligation to arrange for the sale of the Shares at any particular price. In any event, when the Shares acquired under the Plan are sold, the proceeds of the sale of the Shares, less any applicable Tax-Related Items and broker's fees or commissions, will be remitted to you in accordance with applicable exchange control law and regulations, as further described below.

**Exchange Control Requirements.** You understand and agree that, pursuant to local exchange control requirements, you will be required to repatriate the cash proceeds from the sale of the Shares acquired under the Plan to China. You further understand that, under local law, such repatriation of the cash proceeds may need to be effectuated through a special exchange control account established by the Company, a Related Corporation or the Employer, and you hereby consent and agree that any cash proceeds from the sale of Shares acquired under the Plan may be transferred to such special account prior to being delivered to you. You also understand that the Company will deliver the proceeds to you as soon as possible, but there may be delays in distributing the funds to you due to exchange control requirements in China. Proceeds may be paid to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid to you in U.S. dollars, you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid to you in local currency, the Company is under no obligation to secure any particular exchange conversion rate and the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

## **GERMANY**

### ***Notifications***



**Exchange Control Notification.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you use a German bank to transfer a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for you. In addition, you must report any receivables, payables, or debts in foreign currency exceeding an amount of €5,000,000 in any month.

## HUNGARY

### **Notifications**

**Social Insurance Notification.** This provision supplements Section 8.1 of the Agreement:

Pursuant to the Social Insurance Act (Act. No. LXXX of 1997 on Social Insurance Contributions), you are responsible for paying both the employee portion and the employer portion of social insurance contributions due in connection with the Award.

## INDIA

### **Notifications**

**Exchange Control Notification.** You understand that you must repatriate any proceeds from the sale of Shares acquired under the Plan to India and convert the proceeds into local currency within ninety (90) days of receipt. You will receive a foreign inward remittance certificate (“**FIRC**”) from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of the proceeds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

## INDONESIA

### **Notifications**

**Exchange Control Information.** If you remit funds (including proceeds from the sale of Shares) into Indonesia, the Indonesian bank through which the transaction is made will submit a report of the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a more detailed description of the transaction must be included in the report and you may be required to provide information about the transaction (e.g., the relationship between you and the transferor of the funds, the source of the funds, etc.) to the bank in order for the bank to complete the report.

## ITALY

### **Terms and Conditions**

**Data Privacy.** This provision replaces Section 11 of the Agreement:

*You understand that the Employer, the Company and any Related Corporation may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Related Corporation, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor and will process such data for the exclusive purpose of implementing, managing and administering the Plan (“Data”) and in compliance with applicable laws and regulations.*

*You also understand that providing the Company with Data is mandatory for compliance with local law and necessary for the performance of the Plan and that your refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. The controller of personal data processing is Itron, Inc. with registered offices at 2111 N. Molter Road, Liberty Lake, Washington 99019, U.S.A., and, pursuant to Legislative Decree no. 196/2003, its representative in Italy is Baerbel Wouters, with registered offices at Via Gorky, 105, 20092 Cinisello Balsamo, Milan, Italy.*

*You understand that Data will not be publicized, but it may be accessible by the Employer and its internal and external personnel in charge of processing of such Data and by the data processor (the “Processor”), if any. An updated list of Processors and other transferees of Data is available upon request from the Employer. Furthermore, Data may be transferred to banks, other financial institutions, or brokers involved in the management and administration of the Plan. You understand that Data may also be transferred to the independent registered public accounting firm engaged by the Company. You further understand that the Company and/or any Related Corporation will transfer Data among themselves as necessary for the purpose of implementing, administering and managing your participation in the Plan, and that the Company and/or any Related Corporation may each further transfer Data to third parties assisting the Company in the implementation, administration, and management of the Plan, including any requisite transfer of Data to a broker or other third party with whom you may elect to deposit any Shares acquired upon vesting of the Units. Such recipients may receive, possess, use, retain, and transfer Data in electronic or other form, for the sole purpose of implementing, administering, and managing your participation in the Plan. You understand that these recipients may be acting as controllers, Processors or persons in charge of processing, as the case may be, in accordance with local law and may be located in or outside the European Economic Area in countries such as in the United States that might not provide the same level of protection as intended under Italian data privacy laws. Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Data as soon as it has completed all the necessary legal obligations connected with the management and administration of the Plan.*

*You understand that Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.*

*The processing activity, including communication, the transfer of Data abroad, including outside of the European Economic Area, as herein specified and pursuant to applicable laws and regulations, does not require your consent thereto as the processing is necessary to the performance of contractual*

**obligations related to implementation, administration and management of the Plan. You understand that, pursuant to Section 7 of the Legislative Decree no. 196/2003, you have the right to, including but not limited to, access, delete, update, correct, or terminate, for legitimate reason, the Data processing. You should contact the Employer in this regard.**

**Furthermore, you are aware that Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting your human resources department.**

**Plan Document Acknowledgment.** In accepting the grant of the Award, you acknowledge that you have received a copy of the Plan and the Agreement and have reviewed the Plan and the Agreement, including this Appendix B, in their entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix B.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Agreement and this Appendix B: Section 1: Vesting; Section 2: Corporate Transaction; Section 8: Responsibility for Taxes; Section 9: Nature of Grant; Section 12: Electronic Delivery and Participation; Section 13: Language; Section 14.3: Governing Law and Choice of Venue; Section 16: Imposition of Other Requirements; and the Data Privacy provision above.

#### **Notifications**

**Exchange Control Notification.** You are required to report in your annual tax return: (a) any transfers of cash or Shares to or from Italy exceeding €10,000; (b) any foreign investments or investments held outside of Italy exceeding €10,000 if such investments (e.g., Shares) may give rise to taxable income in Italy; and (c) the amount of the transfers to and from Italy which have had an impact during the calendar year on your foreign investments or investments held outside of Italy. You may be exempt from the requirement in (a) if the transfer or investment is made through an authorized broker resident in Italy, as the broker will generally comply with the reporting obligation on your behalf.

### **LUXEMBOURG**

#### **Notifications**

**Exchange Control Notification.** You are required to report any inward remittances of funds to the *Banque Central de Luxembourg* and/or the *Service Central de La Statistique et des Études Économiques* within fifteen (15) working days following the month during the transaction occurred. If a Luxembourg financial institution is involved in the transaction, it generally will fulfill the reporting obligation on your behalf; otherwise, you will have to report the transaction yourself.

### **MALAYSIA**

#### **Notifications**

**Securities Law Notification.** You should be aware of the Malaysian insider trading rules summarized below.

Under the Malaysian Capital Markets and Services Act, 2007, you are prohibited from acquiring Shares or rights to Shares (e.g., an Award) or selling Shares when you are in possession of information which is not generally available and which you know or should know will have a material effect on the Company's stock price once such information is generally available.

**Director Notification Obligation.** If you are a director of a Malaysian Related Corporation, you are subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian Related Corporation in writing when you acquire or dispose of an interest (e.g., an Award or Shares) in the Company or a Related Corporation. Such notifications must be made within fourteen (14) days of acquiring or disposing of any interest in the Company or a Related Corporation.

### **NETHERLANDS**

#### **Notifications**

**Securities Law Notification.** You should be aware of Dutch insider trading rules which may impact the sale of Shares acquired under the Plan. In particular, you may be prohibited from effecting certain Share transactions if you have insider information regarding the Company.

It is your responsibility to comply with the following Dutch insider trading rules:

Under Article 46 of the Act on the Supervision of the Securities Trade 1995, anyone who has "inside information" related to the Company is prohibited from effectuating a transaction in securities in or from the Netherlands. "Inside information" is knowledge of a detail concerning the issuer to which the securities relate that is not public and which, if published, would reasonably be expected to affect the stock price, regardless of the development of the price. The insider could be any employee of the Company or a Related Corporation in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain employees of the Company working at a Related Corporation in the Netherlands (including you) may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the employee had such inside information.

### **PORTUGAL**

#### **Notifications**

**Exchange Control Notification.** If you acquire Shares upon settlement of the Vested Units, the acquisition of the Shares should be reported to the *Banco de Portugal* for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on your behalf. If the Shares are not deposited with a commercial bank or financial intermediary in Portugal, you are responsible for submitting the report to the *Banco de Portugal*.

## POLAND

**Exchange Control Notification.** If you transfer funds in excess of €15,000 into Poland in connection with the sale of Shares acquired under the Plan, the funds must be transferred via a bank account. You are required to retain the documents connected with a foreign exchange transaction for a period of five (5) years, as measured from the end of the year in which such transaction occurred. If you hold Shares acquired under the Plan and/or keep a bank account abroad, you will have reporting duties to the National Bank of Poland. *You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting duties.*

## RUSSIA

### **Notifications**

**Exchange Control Notification.** You must repatriate to Russia the proceeds from the sale of Shares and any cash dividends received in relation to the Shares within a reasonably short time of receipt. Such funds must be initially credited to you through a foreign currency account opened in your name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks subject to the following limitations: (i) the foreign account may be opened only for individuals; (ii) the foreign account may not be used for business activities; and (iii) you must give notice to the Russian tax authorities about the opening or closing of each foreign account within one month of the account opening or closing, as applicable.

**Securities Law Notification.** The Agreement, the Plan and all other materials you may receive regarding the Award and participation in the Plan do not constitute advertising or an offering of securities in Russia. The issuance of Shares under the Plan has not and will not be registered in Russia and, therefore, the Shares described in any Plan documents may not be offered or placed in public circulation in Russia. In no event will Shares be delivered to you in Russia; all Shares acquired under the Plan will be maintained on your behalf in the United States. You are not permitted to sell Shares directly to a Russian legal entity or resident.

## SINGAPORE

### **Notifications**

**Securities Law Notification.** The grant of the Award is being made pursuant to the “Qualifying Person” exemption” under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the Award is subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Award in Singapore, unless such sale or offer in is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

**Director Notification Requirement.** If you are a director, associate director or shadow director<sup>1</sup> of a Singapore Related Corporation, you are subject to certain notification requirements under the Singapore Companies Act, regardless of whether you are a Singapore resident or employed in Singapore. Among these requirements is the obligation to notify the Singapore Related Corporation in writing when you receive or dispose of an interest (*e.g.*, Units, Shares) in the Company or a Related Corporation. These notifications must be made within two (2) days of acquiring or disposing of any interest in the Company or any Related Corporation or within two (2) days of becoming a director, associate director or shadow director if such an interest exists at that time.

## SOUTH AFRICA

### **Terms and Conditions**

**Responsibility for Taxes.** The following provision supplements Section 8 of the Agreement:

In accepting the grant of the Award, you agree that, immediately upon vesting of the Award, you will notify the Employer of the amount of any gain realized. If you fail to advise the Employer of the gain realized upon vesting, you may be liable for a fine. You will be solely responsible paying any difference the actual tax liability resulting from the Award and the amount withheld by the Company or the Employer.

### **Notifications**

**Exchange Control Notification.** You are solely responsible for ensuring compliance with and applicable exchange control laws and regulations in South Africa. Because no transfer of funds from South Africa is required in connection with the Award, no filing or reporting requirements should apply when the Award is granted or when Shares are issued upon vesting of the Units. *However, because exchange control regulations change frequently and without notice, you should consult your legal advisor prior to the acquisition or sale of Shares under the Plan to ensure compliance with current regulations.* As noted above, you are responsible for complying with South African exchange control laws and regulations, and neither the Company nor the Employer will be liable for any fines or penalties resulting from your failure to comply with any applicable requirements.

## SPAIN

### **Terms and Conditions**

**Nature of Grant.** The following provision supplements Section 9 of the Agreement:

In accepting the grant of the Award, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Awards to individuals who may be employees of the Company or a Related Corporation throughout the world. The decision is limited and entered into based upon the express assumption and condition that any grant will not bind the Company or a Related Corporation, other than as expressly set forth in the Agreement. Consequently, you understand that the Award is granted on the assumption and condition that the Award and any Shares acquired upon settlement of the Vested Units are not part of any employment contract (whether with the Company or a Related Corporation) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation), or any other right whatsoever. Furthermore, you understand that you will not be entitled to continue vesting in the Award once your active employment with the Company or a Related Corporation ceases. In addition, you understand that this grant would not be made but for the assumptions and conditions set forth above; thus, you acknowledge and freely accept that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, then the grant of or any right to the Award and the underlying Shares shall be null and void.

### **Notifications**

**Exchange Control Notification.** You must declare the acquisition of Shares to the *Spanish Dirección General de Comercio e Inversiones* (the “DGCI”), the Bureau for Commerce and Investments, which is a department of the Ministry of Industry, Tourism and Commerce for statistical purposes. You must also declare the ownership of any Shares in a foreign company (including Shares acquired under the Plan) with the Directorate of Foreign Transactions each January while the Shares are owned. In addition, the sale of Shares must be declared to the DGCI within one month after the sale.

When receiving foreign currency payments derived from the ownership of Shares (*i.e.*, dividends or sale proceeds), you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the following information: (i) your name, address, and tax identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) any further information that may be required.

### **SWEDEN**

There are no country-specific provisions.

### **UNITED ARAB EMIRATES**

There are no country-specific provisions.

### **UNITED KINGDOM**

### **Terms and Conditions**

**Vesting.** This provision supplements Section 1 of the Agreement:

The grant of the Award does not provide any right for you to receive a cash payment and the Vested Units will be settled in Shares only.

**Responsibility for Taxes.** The following provision supplements Section 8 of the Agreement:

If payment or withholding of the Tax-Related Items (including the Employer’s Liability, as defined below) is not made within ninety (90) days of the event giving rise to the Tax-Related Items (the “**Due Date**”) or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, the amount of any uncollected Tax-Related Items will constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at the then-current official rate of Her Majesty’s Revenue and Customs (“**HMRC**”), it will be immediately due and repayable, and the Company or the Employer may recover it at any time thereafter by any of the means referred to in Section 8.2 of the Agreement. Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you will not be eligible for such a loan to cover the Tax-Related Items. In the event that you are a director or executive officer and the Tax-Related Items are not collected from or paid by you by the Due Date, the amount of any uncollected Tax-Related Items will constitute a benefit to you on which additional income tax and national insurance contributions (including the Employer’s Liability, as defined below) will be payable. You acknowledge that the Company or the Employer may recover such amounts from you by any of the means referred to in Section 8.2 of the Agreement. However, you are also responsible for reporting and paying any income tax and national insurance contributions (including the Employer’s Liability, as defined below) due on this additional benefit directly to HMRC under the self-assessment regime.

**Joint Election.** As a condition of your participation in the Plan, you agree to accept any liability for secondary Class 1 national insurance contributions (the “**Employer’s Liability**”) which may be payable by the Company and/or the Employer in connection with the Award and any event giving rise to Tax-Related Items. To accomplish the foregoing, you agree to execute the following joint election with the Company (the “**Joint Election**”), the form of such Joint Election being formally approved by HMRC, and any other consent or elections required to accomplish the transfer of the Employer’s Liability to you. You further agree to execute such other joint elections as may be required between yourself and any successor to the Company and/or the Employer. You further agree that the Company and/or the Employer may collect the Employer’s Liability by any of the means set forth in Section 8.2 of the Agreement.

If you do not enter into a Joint Election prior to vesting of the Award or any other event giving rise to Tax-Related Items, you will forfeit the Units and any benefits in connection with the Award, and any Shares that have been issued will be returned to the Company at no cost to the Company, without any liability to the Company and/or the Employer.



ITRON, INC.

AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

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**Important Note on the Joint Election to Transfer  
Employer National Insurance Contributions**

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As a condition of participation in the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “Plan”) and the vesting of the restricted stock unit award (the “Award”) that has been granted to you by Itron, Inc. (the “Company”), you are required to enter into a joint election to transfer to you any liability for employer national insurance contributions (the “Employer’s Liability”) that may arise in connection with the Award, or in connection with future restricted stock unit awards, granted to you by the Company under the Plan (the “Joint Election”).

If you do not agree to enter into the Joint Election, the Award will be worthless, as (under the terms of the Restricted Stock Unit Award Agreement), you will not be able to vest in the Award or receive any benefit in connection with the Award.

By entering into the Joint Election:

- I you agree that any Employer’s Liability that may arise in connection with or pursuant to the vesting of the Award (and the acquisition of shares of the Company’s common stock) or other taxable events in connection with the Award will be transferred to you; and
- I you authorise the Company and/or your employer to recover an amount sufficient to cover this liability by any method set forth in the Restricted Stock Unit Award Agreement and/or the Joint Election.

*Indicating your acceptance of the Restricted Stock Unit Award Agreement indicates your agreement to be bound by the terms of the Joint Election.*

**Please read the terms of the Joint Election carefully before  
accepting the Restricted Stock Unit Award Agreement  
and the Joint Election.**

**Please print and keep a copy of the Joint Election  
for your records.**

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**Restricted Stock Units**  
**for Employees in the United Kingdom**

**FORM OF ELECTION TO TRANSFER THE EMPLOYER'S SECONDARY**  
**CLASS 1 NATIONAL INSURANCE LIABILITY TO THE EMPLOYEE**

**1. Parties**

This Election is between:

- (A) You, the individual who has obtained access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**"), and who is eligible to receive a restricted stock unit award pursuant to the terms and conditions of the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the "**Plan**"), and
- (B) Itron, Inc. of 2111 N. Molter Road, Lake Liberty, Washington 99019, U.S.A. (the "**Company**") which may grant restricted stock unit awards under the Plan and is entering this Election on behalf of the Employer.

**2. Purpose of Election**

2.1 This Election relates to the Employer's secondary Class 1 national insurance contributions (the "**Employer's Liability**") which may arise on the occurrence of a "**Taxable Event**" pursuant to paragraph 3B(1A) of Schedule 1 of the Social Security Contributions and Benefits Act 1992, including but not limited to:

- (i) the acquisition of securities pursuant to the restricted stock unit award (pursuant to section 477(3)(a) ITEPA); and/or
- (ii) the assignment or release of the restricted stock unit award in return for consideration (pursuant to section 477(3)(b) ITEPA); and/or
- (iii) the receipt of a benefit in connection with the restricted stock unit award other than a benefit within (i) or (ii) above (pursuant to section 477(3)(c) ITEPA).

In this Election, ITEPA means the Income Tax (Earnings and Pensions) Act 2003.

2.2 This Election is made in accordance with paragraph 3B(1) of Schedule 1 to the Social Security Contributions and Benefits Act 1992.

2.3 This Election applies to all restricted stock unit awards granted to the Employee under the Plan, on or after 8 August 2007 up to the termination date of the Plan.

2.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the Social Security Contributions and Benefits Act 1992, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

2.5 This Election will not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part 7 of ITEPA 2003 (employment income: securities with artificially depressed market value).

**3. The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Taxable Event is hereby transferred to the Employee. The Employee understands that by clicking on the acceptance of the Restricted Stock Unit Award button where indicated, he or she will become personally liable for the Employer's Liability covered by this Election.

**4. Payment of the Employer's Liability**

4.1 Notwithstanding that pursuant to this Election, the Employer's Liability is transferred to the Employee, the Employee authorises the Employer and the Employer agrees, to remit the Employer's Liability to Her Majesty's Revenue and Customs ("**HMRC**") on behalf of the Employee. The Employee agrees to pay to the Employer the Employer's Liability on demand at any time on or after the Taxable Event.

4.2 Without limitation to Clause 4.1 above, the Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time on or after the Taxable Event:

- (i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Taxable Event; and/or
- (ii) directly from the Employee by payment in cash or cleared funds; and/or
- (iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect

of the restricted stock unit award; and/or

(iv) through any other method set forth in the Restricted Stock Unit Award Agreement entered into between the Employee and the Company.

4.3 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee until full payment of the Employer's Liability is received.

**5. Duration of Election**

5.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the UK Employer on the date on which the Employer's Liability becomes due.

5.2 This Election will continue in effect until the earliest of the following:

- (i) such time as both the Employee and the Company agree in writing that it should cease to have effect;
- (ii) the date the Company serves written notice on the Employee terminating its effect;
- (iii) the date HMRC withdraws approval of this Form of Election; or
- (iv) the date the Election ceases to have effect in accordance with its terms in respect of any outstanding restricted stock unit awards granted under the Plan.

**Acceptance by the Employee**

**The Employee acknowledges that by clicking on the acceptance of the Restricted Stock Unit Award button where indicated, the Employee agrees to be bound by the terms of this Election as stated above.**

**Acceptance by the Company**

**The Company acknowledges that by arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election as stated above.**

[INSERT SCANNED SIGNATURE]

[Name]  
[Title]  
Itron, Inc.  
[Date]



**Schedule to Form of Election – Employing Companies**

The Employing Companies to which this Form of Election relates are:

**(1) Itron Metering Solutions UK Limited**

|                            |   |
|----------------------------|---|
| Registered Office:         | Langer Road,<br>Felixstowe, Suffolk, IP11 2ER<br>United Kingdom |
| Company Number:            | 04274515  |
| Corporation Tax District:  |   |
| Corporation Tax Reference: |   |
| PAYE District:             |   |
| PAYE Reference:            |   |

**UNITED STATES**

There are no country-specific provisions.

**ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD NOTICE  
FOR PARTICIPANTS IN FRANCE**

Itron, Inc. (the “**Company**”) hereby grants to Participant a restricted stock unit award (the “**Award**”). The Award is subject to all the terms and conditions set forth in this Restricted Stock Unit Award Notice (the “**Award Notice**”), the Restricted Stock Unit Award Agreement, including Appendix A (the “**Agreement**”), the Itron, Inc. Amended and Restated 2000 Stock Incentive Plan (the “**U.S. Plan**”) and the Rules of the Itron, Inc. 2000 Stock Incentive Plan for the Grant of Restricted Stock Units to Participants in France (the “**French RSU Plan**” and together with the U.S. Plan, the “**Plan**”), all of which are incorporated into the Award Notice in their entirety.

**Participant:** <<First\_Name>> <<Last\_Name>>

**Grant Date:** <<Grant Date>>

**Number of Restricted Stock Units:** <<# of Units>>

**Vesting Schedule:** The Award will vest in full on the second anniversary of the Date of Grant (the “**Vest Date**”)

**Additional Terms/Acknowledgement:** This Award is subject to all the terms and conditions set forth in this Award Notice, the Agreement, and the Plan which are attached to and incorporated into this Award Notice in their entirety.

By signing and returning this Award Notice and Agreement providing for the terms and conditions of my grant, I confirm having read and understood the documents relating to this grant (the Restricted Stock Unit Award Agreement, the U.S. Plan, the French RSU Plan and the U.S. Plan Prospectus) which were provided to me in English language. I accept the terms of those documents accordingly.

*En signant et renvoyant la présente Notice d’Attribution et le Contrat décrivant les termes et conditions de mon attribution, je confirme ainsi avoir lu et compris les documents relatifs à cette attribution (le Contrat d’Attribution d’Actions Gratuites, le Plan Américain, le Sous-Plan pour la France et le Prospectus Américain) qui m’ont été communiqués en langue anglaise. J’en accepte les termes en connaissance de cause.*

<<First\_Name>> <<Last\_Name>>

I accept this award subject to the terms and conditions stated herein.

<<Electronically Signed>>

**Attachments:**

1. Restricted Stock Unit Award Agreement, including Appendix A
2. U.S. Plan
3. French RSU Plan
4. U.S. Plan Prospectus

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR PARTICIPANTS IN FRANCE**

Pursuant to your Restricted Stock Unit Award Notice (the “**Award Notice**”) and this Restricted Stock Unit Award Agreement (this “**Agreement**”), Itron, Inc. (the “**Company**”) has granted you a restricted stock unit award (the “**Award**”) under its Amended and Restated 2000 Stock Incentive Plan (the “**U.S. Plan**”) and the Rules of the Itron, Inc. 2000 Stock Incentive Plan for the Grant of Restricted Stock Units to Participants in France (the “**French RSU Plan**”) and together with the U.S. Plan, the “**Plan**”) for the number of restricted stock units indicated in your Award Notice. Capitalized terms not expressly defined in this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The Award is intended to qualify for the favorable tax and social security treatment in France applicable to shares granted for no consideration under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended. However, certain events may affect the qualified status of the Award and the Company does not make any undertaking or representation to maintain the qualified status of the Award. If the Award does not retain its qualified status, the favorable tax and social security treatment will not apply and you will be required to pay your portion of social security contributions resulting from the Award.

Moreover, if you relocate to another country, any special terms and conditions applicable to restricted stock unit awards granted in such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

In addition, the Company reserves the right to impose other requirements on the Award and any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

The details of the Award are as follows:

**1. Vesting and Settlement**

The Award will vest according to the vesting schedule set forth in the Award Notice (the “**Vesting Schedule**”). Restricted stock units that have vested and are no longer subject to forfeiture according to the Vesting Schedule are referred to herein as “**Vested Units**.” Restricted stock units that have not vested and remain subject to forfeiture under the Vesting Schedule are referred to herein as “**Unvested Units**.” Except as provided in Section 3 below, the Unvested Units will vest (and to the extent so vested cease to be Unvested Units remaining subject to forfeiture) in accordance with the Vesting Schedule (the Unvested and Vested Units are collectively referred to herein as the “**Units**”).

Unless otherwise provided in this Agreement, as soon as practicable after the Vesting Date, the Company will settle the Vested Units by issuing to you one Share for each Vested Unit, subject to the provisions of Section 6 below.

**2. Corporate Transaction/Change in Control**

In the event of a Corporate Transaction (including a Related Party Transaction) that does not meet the definition of Change of Control in Appendix A, your Award will remain unaffected. In the event of a Change of Control as defined in Appendix A, any Unvested Units will accelerate in vesting and become Vested Units immediately prior to such transaction.

**3. Termination of Employment**

If your employment terminates during the Units' vesting period by reason of death, the Units will become transferable to your heirs. The Company will issue the Shares subject to the Units to your heirs upon their request, provided they contact the Company with such a request within six (6) months following your death. If your heirs do not request the issuance of the Shares within six (6) months of your death, the Units will be forfeited to the Company.

If your employment terminates during the Units' vesting period for any reason other than death, any Unvested Units will be forfeited to the Company.

**4. No Rights as Shareholder**

You shall not have voting or other rights as a shareholder of the Company with respect to the Units.

**5. Transferability of Units**

Units shall not be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

**6. Transferability of Shares**

**6.1 Holding Period**

You are required to hold the Shares issued pursuant to the vesting of the Units for two years as measured from the Vesting Date or such other period as is required to comply with the minimum mandatory holding period applicable to Shares underlying French-qualified Restricted Stock Units (the “**Holding Period**”), even if you are no longer an employee or corporate officer, as applicable, of a French Entity. As from the end of the Holding Period, the corresponding Shares shall be freely transferable, subject to applicable legal and regulatory provisions in force and in particular to the provisions of Section 6.2 below.

This Holding Period requirement shall not apply to your heirs should they acquire Shares under the Plan pursuant to Section 3 above nor shall it apply if you terminate employment due to Disability (as defined in the French RSU Plan).

## 6.2 Closed Period

As long as the Award and the Shares issued upon vesting of the Units maintain their qualified status and to the extent such restriction is applicable under French law, the Shares may not be sold during a Closed Period (as defined in the French RSU Plan).

This Closed Period restriction shall not apply to your heirs should they acquire Shares under the Plan pursuant to Section 3 above nor shall it apply if you terminate employment due to Disability (as defined in the French RSU Plan).

## 6.3 Shareholding Restrictions

If you qualify as a managing corporate officer (*i.e.*, “*mandataires sociaux*,” *Président du Conseil d’Administration*, *Directeur Général*, *Directeur Général Délégué*, *Membre du Directoire*, *Gérant de Sociétés par actions*), or have a comparable position in any company of the Itron group of companies including at the Company, and you are subject to shareholding restrictions under French law, you must hold 20% of the Shares issued upon vesting of the Units and you may not sell such Shares until you cease to serve as a managing corporate officer (or cease to have a comparable position as described herein), if required under French law.

## 6.4 Compliance with Transfer Restrictions

To ensure compliance with the restrictions on the transfer of Shares described in Sections 6.1, 6.2 and 6.3. above, the Company may require that the Shares be held with Fidelity or any brokerage firm designated by the Company (or according to any procedure implemented by the Company) until such Shares are sold.

## 7. Securities Law Compliance

7.1 You represent and warrant that you (a) have been furnished with a copy of the prospectus for the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

7.2 You hereby agree that you will in no event sell or distribute all or any part of the Shares unless (a) there is an effective registration statement under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”) and any applicable state and foreign securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to register the Shares with the U.S. Securities and Exchange Commission or any foreign securities regulator and has not represented to you that it will so register the Shares.

7.3 You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any regulator under the Securities Act or any other applicable securities act (the “*Acts*”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

7.4 You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

## 8. Book Entry Registration of Shares

The Company will issue the Shares by registering the Shares in book entry form with the Company’s transfer agent in your name and the applicable restrictions will be noted in the records of the Company’s transfer agent and in the book entry system.

## 9. Responsibility for Taxes

9.1 Regardless of any action the Company or your employer (the “*Employer*”) take with respect to any and all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company and/or the Employer. You further acknowledge that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the granting or vesting of the Award, the settlement of Vested Units, the issuance of Shares upon settlement of the Vested Units, the subsequent sale of Shares acquired upon settlement of the Vested Units and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax and/or social insurance contribution result. Further, if you have become subject to tax and/or social insurance contributions in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

9.2 Prior to any relevant taxable or tax and/or social insurance contribution withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and or the Employer to satisfy all Tax-Related Items.

(a) In this regard, you hereby irrevocably appoint Fidelity or any stock plan service provider or brokerage firm designated by the Company for such purpose (the “*Agent*”) as your Agent, and authorize the Agent, to:

(i) Sell on the open market at the then prevailing market price(s), on your behalf, as soon as practicable on or after the settlement date

for any Vested Unit, the minimum number of Shares (rounded up to the next whole number) sufficient to generate proceeds to cover the Tax-Related Items and all applicable fees and commissions due to, or required to be collected by, the Agent;

- (ii) Remit directly to the Company the cash amount necessary to cover the Tax-Related Items;
- (iii) Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale of Shares referred to in clause (i) above; and
- (iv) Remit any remaining funds to you.

(b) Alternatively, or in addition to or in combination with the withholding mechanism described in Section 9.2(a), you authorize the Company and/or the Employer, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by:

- (i) requiring you to pay to the Company or the Employer any amount of the Tax-Related Items; and/or
- (ii) withholding any amount of the Tax-Related Items from your wages or other cash compensation paid to you by the Company and/or the Employer, within legal limits; and/or
- (iii) withholding in Shares to be issued upon settlement of the Vested Units.

(c) If the amount withheld is greater than the actual Tax-Related Items, the difference will be refunded to you as soon as practicable. To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax and/or social insurance contribution purposes, you will be deemed to have been issued the full number of Shares subject to the Vested Units notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. The Company may refuse to issue or deliver Shares to you if you fail to comply with your obligations in connection with the Tax-Related Items.

**9.3** You acknowledge that the authorization and instruction to the Agent set forth in Section 9.2(a)(i) above to sell Shares to cover the Tax-Related Items is intended to comply with the requirements of Rule 10b5-1(c)(1)(i)(B) under the Exchange Act and to be interpreted to comply with the requirements of Rule 10b5-1(c) under the Exchange Act (regarding trading of the Company's securities on the basis of material nonpublic information) (a "**10b5-1 Plan**"). This 10b5-1 Plan is being adopted to permit you to sell a number of Shares issued upon settlement of Vested Units sufficient to pay the Tax-Related Items.

You acknowledge that the broker is under no obligation to arrange for the sale of Shares at any particular price. You further acknowledge that you will be responsible for all brokerage fees and other costs of sale, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. You acknowledge that it may not be possible to sell Shares during the term of this 10b5-1 Plan due to (a) a legal or contractual restriction applicable to you or to the broker, (b) a market disruption, (c) rules governing order execution priority on the NASDAQ or other exchange where the Shares may be traded, (d) a sale effected pursuant to this 10b5-1 Plan that fails to comply (or in the reasonable opinion of the Agent's counsel is likely not to comply) with the Securities Act, or (e) if the Company determines that sales may not be effected under this 10b5-1 Plan. In the event of the Agent's inability to sell Shares, you will continue to be responsible for the Tax-Related Items.

You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the 10b5-1 Plan. You acknowledge that this 10b5-1 Plan is subject to the terms of any policy adopted now or hereafter by the Company governing the adoption of 10b5-1 plans. The Agent is a third party beneficiary of Section 9.2(a)(i) and this 10b5-1 Plan.

## **10. Nature of Grant**

In accepting the grant, you acknowledge, understand and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted repeatedly in the past;
- (c) all decisions with respect to future grants of restricted stock units, if any, will be at the sole discretion of the Company;
- (d) your participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship;
- (e) you are voluntarily participating in the Plan;
- (f) the Award and the Shares subject to the Award are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or the Employer, and which is outside the scope of your employment contract, if any;
- (g) the Award and the Shares subject to the Award are not intended to replace any pension rights or compensation;
- (h) the Award and the Shares subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Related Corporation;

(i) the grant of the Award and your participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Related Corporation;

(j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and, in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or the Employer, waive the ability, if any, to bring any such claim and release the Company and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(l) in the event of termination of your employment (whether or not in breach of local labor laws), your right to vest in the Award, if any, will terminate effective as of the date that you are no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Company's Chief Executive Officer shall have the exclusive discretion to determine when you are no longer actively employed for purposes of the Award (including whether or not a transfer of employment between or among the Company and its Related Corporations or a change in status from an employee to a consultant, agent, advisor or independent contractor will constitute a termination of active employment for purposes of the Award); and

(m) the Award and the benefits under the Plan, if any, will not necessarily transfer to another company in the case of a merger, take over or transfer of liability.

#### **11. No Advice Regarding Grant**

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan. You acknowledge that you have either consulted with competent advisors independent of the Company to obtain advice concerning the receipt of the Award and the acquisition or disposition of any Shares to be issued pursuant to the Award in light of your specific situation or had the opportunity to consult with such advisors but chose not to do so.

#### **12. Data Privacy**

*You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement and any other Award materials by and among, as applicable, the Employer, the Company and its Related Corporations for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

*You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

*You understand that Data will be transferred to Fidelity or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than France. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.*

#### **13. Electronic Delivery and Participation**

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

#### **14. Language**

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

#### **15. General Provisions**

**15.1 Successors and Assigns.** The provisions of this Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

**15.2 Section 409A.** For purposes of U.S. taxpayers, the settlement of the Units is intended to either be exempt from Section 409A of the Code under the "short-term deferral" exception, and in any event in compliance with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Plan Administrator may, at any time and without your

consent, modify the terms of the Award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance. The Company makes no representation or covenant to ensure that the Units, settlement of the Units or other payment hereunder are exempt from or compliant with Section 409A of the Code and will have no liability to you or any other party if the settlement of the Units or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Plan Administrator with respect thereto.

**15.3 Governing Law and Choice of Venue.** The Award and the provisions of this Agreement will be construed and administered in accordance with and governed by the laws of the State of Washington without giving effect to such state's principles of conflict of laws. For the purposes of litigating any dispute that arises under this grant of this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Washington and agree that such litigation shall be conducted in the courts of Spokane County, Washington, or the federal courts for the United States for the Eastern District of Washington, where this grant is made and/or to be performed.

**15.4 Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**15.5 Notice.** Any notice required or permitted hereunder shall be made in writing and sent to the following address:

Itron, Inc.  
Attn. General Counsel  
2111 N. Molter Road  
Liberty Lake, WA 99019  
USA



APPENDIX A

ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR PARTICIPANTS IN FRANCE

For purposes of this Agreement, a “*Change in Control*” shall be deemed to have occurred if any of the events set forth in any of the following paragraphs shall have occurred:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding Shares or the combined voting power of the Company’s then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in subsection(c) below;

(b) a change in the composition of the Board during any two-year period such that the individuals who, as of the date of this Agreement, constitute the Board (the “*Incumbent Board*”) cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to the beginning of the two-year period, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened solicitation of proxies or consents by or on behalf of an Person other than the Board shall not be considered a member of the Incumbent Board;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation immediately following which members of the Incumbent Board constitute a majority of the members of the board of directors (or similar body) of the surviving entity or, if the surviving entity is a subsidiary, any parent thereof, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company’s then outstanding securities; or

the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For clarity, a Change in Control shall not be deemed to occur in the event of a reincorporation of the Company.

For Purposes of this Appendix A, “*Beneficial Owner*” shall have the meaning set forth in Rule 13d-3 of the Exchange Act.

For purposes of this Appendix A, “*Person*” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates (as such term is set forth in Rule 12-b2 promulgated under Section 12 of the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

**ITRON, INC.  
AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**STOCK OPTION GRANT NOTICE**

Itron, Inc. (the "Company") hereby grants to Participant an option (the "Option") to purchase shares of the Company's common stock.

**Participant:** <<Name>> <<SSN>>  
**Grant Date:** <<Grant Date>>  
**Number of Shares Subject to Option:** <<Option Granted>>  
**Grant Price (per Share):** <<Grant Price>>  
**Option Expiration Date:** <<Expiration Date>>

**Type of Option:** <<Incentive Stock Option>>  
<<Nonqualified Stock Option>>

**Vesting and Exercisability Schedule:** 33-1/3% of the Option will vest and become exercisable on the one-year anniversary of the Grant Date. An additional 33-1/3% of the Option will vest and become exercisable each year thereafter so that the entire Option will be fully vested and exercisable three years from the Grant Date.

**Additional Terms:** The Option is subject to all the terms and conditions set forth in this Stock Option Grant Notice (this "Grant Notice"), the Stock Option Agreement, and the Company's Amended and Restated 2000 Stock Incentive Plan (the "Plan"), which are attached to and incorporated into this Grant Notice in their entirety.

<<Name>>  
I accept the Option subject to the terms and conditions stated herein.  
<<electronically signed>> \_\_\_\_\_

- Attachments:**
1. Stock Option Agreement
  2. 2000 Stock Incentive Plan
  3. Plan Prospectus

**ITRON, INC.**  
**AMENDED AND RESTATED 2000 STOCK INCENTIVE PLAN**

**STOCK OPTION AGREEMENT**

Pursuant to your Stock Option Grant Notice (the "Grant Notice"), Itron, Inc. (the "Company") has granted you an Option (the "Option") under its Amended and Restated 2000 Stock Incentive Plan (the "Plan") to purchase the number of shares of the Company's common stock (the "Shares") indicated in your Grant Notice at the price (the "Grant Price") indicated in your Grant Notice. Capitalized terms not expressly defined in this Stock Option Agreement or the Grant Notice have the same definitions as in the Plan.

The details of the Option are as follows:

1. **Vesting and Exercisability.** Subject to the limitations contained herein, the Option will vest and become exercisable as provided in your Grant Notice.
2. **Securities Law Compliance.** At the present time, the Company has an effective registration statement on file with the U.S. Securities and Exchange Commission with respect to the Shares. The Company intends to maintain this registration but has no obligation to do so. In the event that such registration ceases to be effective, you will not be able to exercise the Option unless exemptions from registration under U.S. federal and state (and, where applicable, foreign) securities laws are available, which exemptions from registration are very limited and might be unavailable. The exercise of the Option must also comply with other applicable laws and regulations governing the Option, and you may not exercise the Option if the Company determines that such exercise would not be in material compliance with such laws and regulations. In addition, you agree not to sell any of the Shares received under this Option at a time when applicable laws or Company policies prohibit a sale.
3. **Type of Option.** Your Grant Notice specifies the type of Option granted to you, which may be an Incentive Stock Option or a Nonqualified Stock Option, or both. Of the total number of options granted to you, the number of Incentive Stock Options shall be determined in accordance with the limits set forth in the Code and related regulations. Incentive Stock Options are governed by the Code and related regulations as described below:

- (a) **Incentive Stock Option Qualification.** If all or a portion of the Option is intended to qualify as an Incentive Stock Option under U.S. federal income tax law, the Company does not represent or guarantee that the Option qualifies as such.

If the aggregate Fair Market Value (determined as of the Grant Date) of the Shares subject to the Option and all other Incentive Stock Options you hold that first become exercisable during any calendar year exceeds \$100,000, any excess portion will be treated as a Nonqualified Stock Option, unless the rules and regulations governing the \$100,000 limit for Incentive Stock Options are amended. A portion of the Option may be treated as a Nonqualified Stock Option if certain events cause exercisability of the Option to accelerate.

- (b) **Notice of Disqualifying Disposition.** To obtain certain tax benefits afforded to Incentive Stock Options, you must hold the Shares issued upon the exercise of the Option for two years after the Grant Date and one year after the date of exercise. You may be subject to the alternative minimum tax at the time of exercise.

***By accepting the Incentive Stock Option, you agree to promptly notify the Company if you dispose of any of the Shares within one year from the date you exercise all or part of your Option or within two years from the Grant Date.***

**The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the Shares underlying the Option. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan. You acknowledge that you have either consulted with competent advisors independent of the Company to obtain advice concerning the receipt of the Option and the acquisition or disposition of any Shares to be issued pursuant to the exercise of the Option in light of your specific situation or had the opportunity to consult with such advisors but chose not to do so.**

4. **Method of Exercise.** You may exercise the Option upon notice and payment of the Grant Price by any of the following methods, unless disallowed by law:

- (a) broker assisted exercise; or
- (b) Shares already owned by you.

You may elect to receive the proceeds of the exercise in either cash or Shares; *provided, however*, that if your Option is an Incentive Stock Option and you take the proceeds of its exercise in cash, you may not receive the benefit of the intended tax treatment of your Incentive Stock Option, as explained above in Section 3(b).

5. **Term of Option.** This Option shall expire ten years from the Grant Date thereof, but shall be subject to earlier termination as follows:

- (a) **Unvested Options.** In the event you cease to be an employee of the Company or a Related Corporation for any reason, the unvested portion of the Option shall terminate immediately.
- (b) **Vested Options.**
  - (i) **Termination of Employment.** In the event you cease to be an employee of the Company or a Related Corporation for any reason other than death, Disability, Retirement (as defined below) or Cause, the vested portion of the Option shall remain exercisable until the earlier of (A) 90 days after the date you cease to be an employee of the Company or a Related Corporation or (B) the date on which the Option expires by its terms.
  - (ii) **Death or Disability.** In the event of your death or Disability while an employee of the Company or a Related Corporation, the

vested portion of the Option shall remain exercisable until the earlier of (A) one year following the date of death or Disability or (B) the date on which the Option expires by its terms. Upon death, the exercisable portion of the Option may be exercised by the personal representative of your estate, the person(s) to whom your rights under the Option have passed by will or the applicable laws of descent and distribution, or the beneficiary you have designated pursuant to the Plan.

(iii) **Retirement.** In the event you cease to be an employee of the Company or a Related Corporation due to Retirement, the vested portion of the Option shall remain exercisable until the earlier of (A) three years following the date of Retirement or (B) the date on which the Option expires by its terms. For purposes of this Stock Option Agreement, "Retirement" means retirement on or after the earlier of (i) age 65 or (ii) age 55 plus ten years of employment with the Company and/or a Related Corporation.

(iv) **Cause.** The unvested and vested portion of the Option will automatically expire at the time the Company first notifies you of your termination of employment for Cause, unless the Plan Administrator determines otherwise. If your employment relationship is suspended pending an investigation of whether you will be terminated for Cause, all your rights under the Option likewise will be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after your termination of employment, any Option you then hold may be immediately terminated by the Plan Administrator.

**Notwithstanding anything to the contrary contained herein, if your Option is an Incentive Stock Option and assuming it does not otherwise expire by its terms, to qualify for the beneficial tax treatment afforded Incentive Stock Options, your Option must be exercised within (i) three months after termination of employment for reasons other than death or Disability, and (ii) one year after termination of employment due to death or Disability.**

**It is your responsibility to be aware of the date the Option terminates.**

6. **Limited Transferability.** During your lifetime only you can exercise the Option. The Option is not transferable except by will or by the applicable laws of descent and distribution, except to the extent permitted by the Plan Administrator. The Plan provides for exercise of the Option by a beneficiary designated on a Company-approved form or the personal representative of your estate.

7. **Withholding Taxes.** Regardless of any action the Company (or your employer, if different) takes with respect to any and all income or withholding tax (including federal, state, local and non-U.S. tax), social insurance, payroll tax or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company. You further acknowledge that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (b) does not commit to and is under no obligation to structure the terms of the grant or any aspect of this Option to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any taxable or tax withholding event, as applicable, you acknowledge that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, you authorize the Company or its agent, at the Company's discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following methods:

- withholding from wages or other cash compensation otherwise payable to you by the Company, and/or
- withholding from the proceeds of the sale of Shares acquired upon exercise of the Option, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization; and/or
- withholding in Shares to be issued upon exercise of the Option.

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you will be deemed to have been issued the full number of Shares subject to the exercised portion of the Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

The Company may refuse to honor the exercise and refuse to deliver the Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this section.

8. **Section 409A.** The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan, this Stock Option Agreement or the Grant Notice or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Plan Administrator determines are necessary or appropriate to ensure that this Option qualifies for exemption from, or complies with the requirements of, Section 409A of the Code; provided, however, that the Company makes no representation that the Option will be exempt from or will comply with, Section 409A of the Code, and makes no undertaking to preclude Section 409A of the Code from applying to the Option or to ensure that it complies with Section 409A of the Code.

9. **Option Not an Employment or Service Contract.** Nothing in the Plan or any award under the Plan will be deemed to be an employment contract or limit in any way the right of the Company to terminate your employment at any time, with or without cause.

10. **Successors and Assigns.** This Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

11. **Data Privacy.** You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Grant Notice by and among, as applicable, the Company and its Related Corporations and any stock plan service provider, including any designated broker, that may assist the Company with the Plan (presently or in the future) for the exclusive purpose of implementing, administering and managing your participation in the Plan.

12. **Electronic Delivery and Participation.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

13. **Imposition of Other Requirements.** If you relocate to another country, any special terms and conditions applicable to stock options granted in such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

In addition, the Company reserves the right to impose other requirements on the Option and any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

14. **Governing Law and Choice of Venue.** The Option and the provisions of this Agreement will be construed and administered in accordance with and governed by the laws of the State of Washington without giving effect to such state's principles of conflict of laws. For the purposes of litigating any dispute that arises under this grant of this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Washington and agree that such litigation shall be conducted in the courts of Spokane County, Washington, or the federal courts for the United States for the Eastern District of Washington, where this grant is made and/or to be performed.

15. **Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

16. **Notice.** Any notice required or permitted hereunder shall be made in writing and sent to the following address:

Itron, Inc.  
Attn. General Counsel  
2111 N. Molter Road  
Liberty Lake, WA USA 99019

CHANGE IN CONTROL SEVERANCE AGREEMENT FOR EXECUTIVE OFFICERS

THIS AGREEMENT, dated [insert date], is made by and between Itron, Inc. (the "Company"), and [ ] (the "Executive").

WHEREAS, the Company considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its stockholders; and

WHEREAS, the Executive has made and is expected to make a significant contribution to the Company; and

WHEREAS, the Company, as a publicly held corporation, recognizes that the possibility of a Change in Control may exist, and that such possibility and the uncertainty and questions which it may raise among management may result in the departure or distraction of the Executive in the performance of the Executive's duties, to the detriment of the Company and its stockholders; and

WHEREAS, it is in the best interests of the Company and its stockholders to reinforce and encourage the continued attention and dedication of management personnel, including the Executive, to their assigned duties without distraction and to ensure the continued availability to the Company of the Executive in the event of a Change in Control;

THEREFORE, in consideration of the foregoing and other respective covenants and agreements of the parties herein contained, the parties hereto agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in Section 16.
2. Term of Agreement. The term of this Agreement (the "Term") shall commence on [DATE] and shall continue in effect through [INSERT SECOND ANNIVERSARY OF PRECEDING DATE]; provided, however, that commencing on [SUCH SECOND ANNIVERSARY] and each [MONTH/DATE OF ANNIVERSARY] thereafter, the Term shall automatically be extended for one additional year unless, not later than [ONE YEAR PRIOR TO ANNIVERSARY MONTH/DATE], the Company or the Executive shall have given notice not to extend the Term; and further provided, however, that if a Change in Control shall have occurred during the Term, the Term shall expire on the last day of the twenty-fourth (24<sup>th</sup>) month following the month in which such Change in Control occurred.
3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants in Section 4 and Section 15, the Company, under the conditions described herein, shall pay the Executive the Severance Payments and the other payments and benefits described herein. Except as provided in Section 5.3, no Severance Payments shall be payable under this Agreement unless there shall have been (or, pursuant to the second sentence of Section 6.1, there shall be deemed to have been) a termination of the Executive's employment with the Company following a Change in Control and during the Term. This Agreement shall not be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the Company, the Executive shall not have any right to be retained in the employ of the Company.
4. The Executive's Covenants. Subject to the terms and conditions of this Agreement, in the event of a Potential Change in Control, the Executive shall remain in the employ of the Company until the earliest of (i) a date which is six (6) months from the date of the first occurrence of a Potential Change in Control, (ii) the date of a Change in Control, (iii) the date of termination by the Executive of the Executive's employment for Good Reason or by reason of death, Disability or Retirement, or (iv) the termination by the Company of the Executive's employment for any reason.
5. Compensation Other Than Severance Payments; Equity Award Treatment.

5.1 If the Executive's employment shall be terminated for any reason following a Change in Control, the Company shall pay the Base Salary to the Executive through the Date of Termination, together with all compensation and benefits payable to the Executive through the Date of Termination under the terms of the Company's compensation and benefit plans, programs or arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason (including, without limitation, a payment in respect of the Executive's accrued and unused vacation, determined without regard to any adverse change to the vacation accrual or payout policy occurring following the Change in Control).

5.2 If the Executive's employment shall be terminated for any reason following a Change in Control, the Company shall pay to the Executive the Executive's normal post-termination compensation and benefits as such payments become due. Such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Company's retirement, insurance and other compensation or benefit plans, programs and arrangements as in effect immediately prior to the Date of Termination or, if more favorable to the Executive, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason, subject to the application of 6.1(D) hereof.

5.3 Notwithstanding anything to the contrary contained in any equity plan or arrangement of the Company or any agreement between the Company and the Executive (but subject to the provisions of Section 14.3 hereof), upon the occurrence of a Change in Control, each outstanding stock option, restricted stock or other equity or equity-based award granted to the Executive (other than Long Term Performance Plan awards) shall become immediately and fully vested and (if applicable) exercisable as of the date of such Change in Control. In the case of Long Term Performance Plan awards outstanding as of the Change in Control, such awards shall be vested at the greater of target or actual performance for the year (which shall be determined by the Board if the Board concludes that such performance may be determined as of the date of the Change in Control), which amount shall be paid out pro-rata within five days following the Change in Control, based on the portion of the performance period which has elapsed as of the date of the Change in Control.

6. Severance Payments and Benefits.

6.1 If the Executive's employment is terminated within twenty-four (24) months following a Change in Control, other than (a) by the Company for Cause, (b) by reason of death or Disability, or (c) by the Executive without Good Reason, then the Company shall pay the Executive the amounts, and provide the Executive the benefits, described in this Section 6.1 ("Severance Payments"), and, if applicable, Section 6.2, in addition to any payments and benefits to which the Executive is entitled under Section 5. For purposes of this Agreement, the Executive's employment shall be deemed to have been terminated within twenty-four (24) months following a Change in Control and during the Term by the Company without Cause or by the Executive with Good Reason, if (i) the Executive's employment is terminated by the Company without Cause during a Potential Change in Control Period, or (ii) the Executive terminates Executive's employment for Good Reason during a Potential Change in Control Period. In the event that the Executive's employment is terminated in the manner described in the preceding sentence, a Change in Control shall be deemed to have occurred immediately preceding such termination for purposes of Section 5.3 hereof. Except as described above, the Executive shall not be entitled to benefits pursuant to this Section 6.1 unless a Change in Control shall have occurred during the Term.

(A) The Company shall pay to the Executive a lump sum severance payment, in cash, equal to [INSERT SEVERANCE MULTIPLIER—3x, 2.5x, 2x, 1x] times the sum of (a) the Base Salary, and (b) the target annual bonus available to the Executive pursuant to the Company's annual bonus plan in which the Executive participates in respect of the fiscal year in which the Date of Termination occurs (without giving effect to any event or circumstance constituting Good Reason).

(B) For the [INSERT SEVERANCE PERIOD—36, 30, 24, 12] month period immediately following the Date of Termination, the Company shall arrange to provide the Executive and Executive's dependents life, disability and health insurance benefits substantially similar to those provided to the Executive and Executive's dependents immediately prior to the Date of Termination or, if more favorable to the Executive, those provided to the Executive and Executive's dependents immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater after-tax cost to the Executive than the cost to the Executive immediately prior to such date or occurrence. The cost of providing the benefits set forth in this Section 6.1(B) shall be in addition to (and shall not reduce) the Severance Payments. Benefits otherwise receivable by the Executive pursuant to this Section 6.1(B) shall be reduced to the extent the Executive becomes eligible to receive comparable benefits at comparable cost from a new employer or pursuant to a government-sponsored health insurance or health care program.

(C) The Company shall pay to the Executive an amount in respect of the Executive's annual cash bonus compensation for the fiscal year in which the Date of Termination occurs at the greater of target or actual performance for the year, which amount shall be paid out pro-rata, based on the portion of the performance period which has elapsed as of the date of Termination. In addition, if the Date of Termination occurs during the Term and following the year in which the Change in Control occurs, the Executive's Long Term Performance Plan award outstanding as of the Date of Termination (which shall be determined without regard to any event or circumstance constituting Good Reason) shall be vested at the greater of target or actual performance for the year, which amount shall be paid out pro-rata based on the portion of the performance period which has elapsed as of the date of Termination. If the Date of Termination occurs in the same year as the Change in Control, the amount paid under the preceding sentence shall be offset by amounts paid out in respect of the Long Term Performance Plan pursuant to Section 5.3. All equity or equity based awards which have been granted to the Executive following the Change in Control shall be vested upon the Date of Termination.

## 6.2 Gross Up. [Only applicable to executives with prior CIC agreements]

(A) Subject to Section 6.2(E) and Section 6.2(F), whether or not the Executive becomes entitled to the Severance Payments, if any of the payments or benefits received or to be received by the Executive (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in a Change in Control or any Person affiliated with the Company or such Person) (all such payments and benefits, excluding the Gross-Up Payment, being hereinafter referred to as the "Total Payments") will be subject to the Excise Tax, the Company shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes and Excise Tax upon the Gross-Up Payment, shall be equal to the Total Payments.

(B) For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) all of the Total Payments shall be treated as "parachute payments" (within the meaning of section 280G(b)(2) of the Code) unless, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Executive and selected by the accounting firm which was, immediately prior to the Change in Control, the Company's independent auditor (the "Auditor"), such payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of section 280G(b)(4)(A) of the Code, (ii) all "excess parachute payments" within the meaning of section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax unless, in the opinion of Tax Counsel, such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of section 280G(b)(4)(B) of the Code) in excess of the Base Amount allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax, and (iii) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Auditor in accordance with the principles of sections 280G(d)(3) and (4) of the Code. If there has not been a Date of Termination with respect to the Executive, the Company shall cause the Gross-Up Payment to be calculated within 30 days of a written request to that effect from the Executive.

(C) Upon Executive's request, the Company shall promptly provide the Executive with a written statement setting forth the manner in which calculations were made pursuant to this Section 6.2 including, without limitation, any opinions or other advice the Company has received from Tax Counsel or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

(D) In the event that the Excise Tax is finally determined to be less than the amount taken into account hereunder in calculating the Gross-Up Payment, the Executive shall repay to the Company, within five (5) business days following the time that the amount of such reduction in the Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction (plus that portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income and employment taxes imposed on the Gross-Up Payment being repaid by the Executive, to the extent that such repayment results in a reduction in the Excise Tax and a dollar-for-dollar reduction in the Executive's taxable income and wages for purposes of federal, state and local income and employment taxes), plus interest on the amount of such repayment at 120% of the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder in calculating the Gross-Up Payment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by the Executive with respect to such excess) within five (5) business days following the time that the amount of such excess is finally determined, provided that such additional payment shall only be made to the extent that the payment (or the right to the payment)

does not result in taxation under section 409A of the Code, including pursuant to Treasury Regulation Section 1.409A-3(d) (in which case the payment shall be made in no event later than the end of the calendar year following the calendar year in which the calculation of the Executive's excise tax liability under section 280G of the Code may be calculated). The Executive and the Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Total Payments.

(E) Notwithstanding the foregoing provisions of this Section 6.2, if it shall be determined that the Executive is entitled to a Gross-Up Payment with respect to a Change in Control occurring prior to the third anniversary of the date of this Agreement, but the Total Payments do not exceed 105% of the greatest amount that could be paid to the Executive such that the receipt of Total Payments would not give rise to any Excise Tax (the "Reduced Amount"), then no Gross-Up Payment shall be made to the Executive and the Total Payments, in the aggregate, shall be reduced to the Reduced Amount. If a reduction is required, the reduction shall be applied to the cash payment otherwise payable pursuant to Section 6.1(A) hereof.

(F) The Executive will not be entitled to a Gross-Up Payment under this Agreement with respect to any Change in Control occurring on or after the third anniversary of the date of this Agreement, but shall continue to remain entitled to a Gross-Up Payment with respect to any Change in Control occurring prior to the third anniversary of the date of this Agreement in accordance with this Section 6.2, even if the Date of Termination occurs following the third anniversary of the date of this Agreement. In the event (1) the Executive's entitlement to a Gross-Up Payment is eliminated pursuant to this Section 6.2(F) and (2) the Reduced Amount (reduced by applicable taxes) exceeds the net amount of the Total Payments which would be retained by the Executive after deduction of any Excise Tax (and all other applicable taxes) on the Total Payments, the Total Payments shall be reduced to the Reduced Amount. If a reduction is required, the reduction shall be applied to the payment otherwise payable pursuant to Section 6.1(A) hereof.

6.3 Except as set forth below or as required by the operation of Section 14.3, the payments provided in subsection (A) of Section 6.1 and in Section 6.2 shall be made not later than the fifth day following the Date of Termination (or, in the case of Section 6.2, if there is no Date of Termination, then the fifth day following date on which the Gross-Up Payment is calculated for purposes of Section 6.2, which calculation shall be done not later than the 30<sup>th</sup> day following the date upon which there occurs a change in ownership or control of the Company for purposes of section 280G of the Code), provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate, as determined in good faith by the Company or, in the case of payments under Section 6.2, in accordance with Section 6.2, of the minimum amount of such payments to which the Executive is clearly entitled and shall pay the remainder of such payments (together with interest on the unpaid remainder (or on all such payments to the extent the Company fails to make such payments when due) at 120% of the rate provided in section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth (30<sup>th</sup>) day after the occurrence of a Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Executive, payable on the fifth (5<sup>th</sup>) business day after demand by the Company (together with interest at 120% of the rate provided in section 1274(b)(2)(B) of the Code). At the time that payments are made under this Agreement, the Company shall provide the Executive with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from Tax Counsel, the Auditor or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement). The payments provided in Section 6.1(C) will be paid not later than 75 days following the end of the calendar year in which the Date of Termination occurs, unless another payment date is required by the operation of Section 14.3.

6.4 The Company shall pay to the Executive all legal fees and expenses incurred by the Executive in disputing in good faith any issue hereunder relating to the termination of the Executive's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided hereunder. Such payments shall be made within five (5) business days after delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require. The Executive's reimbursement rights described in this Section 6.4 shall remain in effect for the life of the Executive, provided, that, in order for the Executive to be entitled to reimbursement hereunder, the Executive must submit the written reimbursement request described above within 180 days following the date upon which the applicable fee or expense is incurred.

## 7. Termination Procedures and Compensation During Dispute.

7.1 Notice of Termination. After a Change in Control, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 10. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail any facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds (2/3) of the entire membership of the Board at a meeting of the Board which was called and held for the purpose of considering such termination (after reasonable notice to the Executive and an opportunity for the Executive, together with the Executive's counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Executive was guilty of conduct set forth in clause (i), (ii) or (iii) of the definition of Cause herein, and specifying the particulars thereof in detail.

7.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment after a Change in Control, shall mean (i) if the Executive's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that the Executive shall not have returned to the full-time performance of the Executive's duties during such thirty (30) day period), and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than thirty (30) days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than fifteen (15) days nor more than sixty (60) days, respectively, from the date the Company's right to cure set forth in Section 16.16 expires).

7.3 Dispute Concerning Termination. If within ten (10) days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 7.3), the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be extended until the earlier of (i) the date on which the Term ends or (ii) the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been



perfected); provided, however, that the Date of Termination shall be extended by a notice of dispute given by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

7.4 Compensation During Dispute. If the Date of Termination is extended in accordance with Section 7.3, the Company shall continue to pay the Executive the full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, the Base Salary) and continue the Executive as a participant in all compensation, benefit and insurance plans in which the Executive was participating when the notice giving rise to the dispute was given, until the Date of Termination, as determined in accordance with Section 7.3. Amounts paid under this Section 7.4 are in addition to all other amounts due under this Agreement (other than those due under Section 5.1) and shall not be offset against or reduce any other amounts due under this Agreement.

8. No Mitigation. If the Executive's employment with the Company terminates following a Change in Control, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 6 or Section 7.4. Except as set forth in Section 6.1(B), the amount of any payment or benefit provided for or referenced in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

9. Entire Agreement; Binding Agreement.

9.1 This Agreement supersedes any other agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof (including the Change in Control Agreement by and between the Company and the Executive dated [INSERT DATE]) which have been made by either party; provided, however, that this Agreement shall not supersede any agreement setting forth the terms and conditions of the Executive's employment with the Company or any subsidiary of the Company.

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the last known residence address of the Executive or in the case of the Company, to its principal office to the attention of the General Counsel of the Company with a copy to its clerk or Secretary, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Washington. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Sections 6, 7 and 15) shall survive such expiration.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Settlement of Disputes; Arbitration; 409A Compliance.

14.1 All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within sixty (60) days after notification by the Board that the Executive's claim has been denied.

14.2 Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Seattle, Washington in accordance with the rules of the American Arbitration Association then in effect; provided, however, that the evidentiary standards set forth in this Agreement shall apply. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding any provision of this Agreement to the contrary, the Executive shall be entitled to seek specific performance of the Executive's right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

14.3 It is the intention of the Company and the Executive that this Agreement not result in taxation of the Executive under Section 409A of the Code and the regulations and guidance promulgated thereunder and that the Agreement shall be construed in accordance with such intention. Without limiting the generality of the foregoing, the Company and the Executive agree as follows:

(A) Notwithstanding anything to the contrary herein, if the Executive is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code) with respect to the Company, any amounts (or benefits) otherwise payable to or in respect of him under this Agreement pursuant to the Executive's termination of employment with the Company shall be delayed, to the extent required so that taxes are not

imposed on the Executive pursuant to Section 409A of the Code, and shall be paid upon the earliest date permitted by Section 409A(a)(2) of the Code;

(B) For purposes of this Agreement, the Executive's employment with the Company will not be treated as terminated unless and until such termination of employment constitutes a "separation from service" for purposes of Section 409A of the Code;

(C) To the extent necessary to comply with the provisions of Section 409A of the Code and the guidance issued thereunder (1) reimbursements to or tax gross-ups of the Executive as a result of the operation of Section 6.1(B), Section 6.2 or Section 6.4 hereof shall be made not later than the end of the calendar year following the year in which the reimbursable expense is incurred or applicable tax is paid and shall otherwise be made in a manner that complies with the requirements of Treasury Regulation Section 1.409A-3(i)(1)(iv), (2) if Executive is a "specified employee" (within the meaning of Section 409A(a)(2)(B)(i) of the Code), any reimbursements to the Executive as a result of the operation of such sections with respect to a reimbursable event within the first six months following the Date of Termination which are required to be delayed pursuant to Section 14.1(A) shall be made as soon as practicable following the date which is six months and one day following the Date of Termination (subject to clause (A) of this sentence); and

(D) If the provisions of Section 5.3 or 6.1(C) are applicable to an equity or equity-based award subject to the provisions of Section 409A of the Code and the immediate payment of the award contemplated by such sections would result in taxation under Section 409A, payment of such awards shall be made upon the earliest date upon which such payment may be made without resulting in taxation under Section 409A of the Code.

15. Non-Solicitation; Non-Disparagement.

15.1 During the period commencing on the Date of Termination and ending upon the first anniversary of the Date of Termination, the Executive shall not, directly or indirectly: (i) recruit, hire or solicit for employment or engagement, any person who is employed by the Company or any Affiliate, or (ii) solicit (A) any client or customer doing business with the Company or any Affiliate, as of the Date of Termination and with whom or which the Executive had any contact or involvement during the Executive's employment with the Company or (B) any prospective client or customer of the Company or any Affiliate whom or which is a prospective client of the Company or any Affiliate as of the Date of Termination and with whom or which the Executive had any contact or involvement during the Executive's employment with the Company to adversely alter its relationship or cease doing business with the Company or any Affiliate.

15.2 Following the Date of Termination and thereafter, the Executive shall not, directly or indirectly, make disparaging remarks about the Company or any Affiliate or any of their respective directors, officers or employees.

16. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

16.1 "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

16.2 "Auditor" shall have the meaning set forth in Section 6.2.

16.3 "Base Amount" shall have the meaning set forth in section 280G(b)(3) of the Code.

16.4 "Base Salary" shall mean the annual base salary in effect for the Executive immediately prior to a Change in Control, as such salary may be increased from time to time during the Term (in which case such increased amount shall be the Base Salary for purposes hereof), but without giving effect to any reduction thereto.

16.5 "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

16.6 "Board" shall mean the Board of Directors of the Company.

16.7 "Cause" for termination by the Company of the Executive's employment shall mean (i) the willful and continued failure by the Executive (other than any such failure resulting from (A) the Executive's incapacity due to physical or mental illness, (B) any such actual or anticipated failure after the issuance of a Notice of Termination by the Executive for Good Reason or (C) the Company's active or passive obstruction of the performance of the Executive's duties and responsibilities) to perform substantially the duties and responsibilities of the Executive's position with the Company after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed such duties or responsibilities; (ii) the conviction of the Executive by a court of competent jurisdiction for felony criminal conduct; or (iii) the willful engaging by the Executive in fraud or dishonesty which is demonstrably and materially injurious to the Company or its reputation, monetarily or otherwise. No act, or failure to act, on the Executive's part shall be deemed "willful" unless committed, or omitted by the Executive in bad faith and without reasonable belief that the Executive's act or failure to act was in, or not opposed to, the best interest of the Company.

16.8 A "Change in Control" shall be deemed to have occurred if any of the events set forth in any one of the following paragraphs shall have occurred:

(A) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in Section 16.8(C)(i);

(B) a change in the composition of the Board during any two-year period such that the individuals who, as of the date of this agreement, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to the beginning of the two-year period, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be

considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be considered a member of the Incumbent Board;

(C) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation immediately following which members of the Incumbent Board constitute a majority of the members of the board of directors (or similar body) of the surviving entity or, if the surviving entity is a subsidiary, any parent thereof, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 25% or more of the combined voting power of the Company's then outstanding securities; or

(D) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

16.9 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

16.10 "Company" shall mean Itron, Inc. and, except in determining under Section 16.8 whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

16.11 "Date of Termination" shall have the meaning set forth in Section 7.2.

16.12 "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of at least one hundred twenty (120) days, the Company shall have given the Executive a Notice of Termination for Disability, and, within thirty (30) days after such Notice of Termination is given, the Executive shall not have returned to the full-time performance of the Executive's duties. Any question as to the existence of the Executive's Disability upon which the Executive and the Company cannot agree shall be determined by a qualified independent physician selected by the Executive (or, if the Executive is unable to make such selection, it shall be made by any adult member of the Executive's immediate family), and approved by the Company. The determination of such physician made in writing to the Company and to the Executive shall be final and conclusive for all purposes of this Agreement, absent fraud.

16.13 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

16.14 "Excise Tax" shall mean any excise tax imposed under section 4999 of the Code.

16.15 "Executive" shall mean the individual named in the first paragraph of this Agreement.

16.16 "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control, or prior to a Change in Control under the circumstances described in the second sentence of Section 6.1 (treating all references in subsections (A) through (F) below to a "Change in Control" as references to a "Potential Change in Control"), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in subsection (A), (B), (C), (D), (E) or (F) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(A) an adverse change in the Executive's status or position(s) as an officer of the Company as in effect immediately prior to the Change in Control, including, without limitation, any adverse change in the Executive's status or position as a result of a diminution of the Executive's duties or responsibilities (other than, if applicable, any such change directly and solely attributable to the fact that the Company is no longer publicly owned) or the assignment to the Executive of any duties or responsibilities which are inconsistent with such status or position(s), or any removal of the Executive from, or any failure to reappoint or reelect the Executive to, such position(s);

(B) a reduction in the Executive's Base Salary;

(C) a reduction in the Executive's annual bonus opportunity or long term incentive opportunity, as compared to the year immediately preceding the year in which the Change in Control occurs;

(D) the failure to continue provide welfare, pension and fringe benefits which are in each case, in the aggregate, substantially similar to those provided to the Executive immediately prior to Change in Control;

(E) the Company requiring the Executive to be based at an office that is greater than 50 miles from where the Executive's office is located immediately prior to the Change in Control except for required travel on the Company's business to an extent substantially consistent with the business travel obligations which the Executive undertook on behalf of the Company prior to the Change in Control; or

(F) any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place;

Notwithstanding the foregoing, the events described in clauses (B), (C) or (D) above shall not constitute Good Reason hereunder to the extent they are as a result of across the board reductions of the applicable compensation element following the Change in Control which are equally

applicable to all similarly situated employees of the surviving corporation and its Affiliates. The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. In order for Good Reason to exist hereunder, the Executive must provide notice to the Company of the existence of the condition or circumstance described above within 90 days of the initial existence of the condition or circumstance (or, if later, within 90 days of the Executive's becoming aware of such condition or circumstance), and the Company must have failed to cure such condition within 30 days of the receipt of such notice. Subject to the preceding sentence, the Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

16.17 "Gross-Up Payment" shall have the meaning set forth in Section 6.2.

16.18 "Notice of Termination" shall have the meaning set forth in Section 7.1.

16.19 "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

16.20 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following subsections shall have occurred:

(A) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(B) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(C) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 15% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(D) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

16.21 "Potential Change in Control Period" shall commence upon the occurrence of a Potential Change in Control and shall lapse upon the occurrence of a Change in Control or, if earlier (i) with respect to a Potential Change in Control occurring pursuant to Section 16.20(A), immediately upon the abandonment or termination of the applicable agreement, (ii) with respect to a Potential Change in Control occurring pursuant to Section 16.20(B), immediately upon a public announcement by the applicable party that such party has abandoned its intention to take or consider taking actions which if consummated would result in a Change in Control or (iii) with respect to a Potential Change in Control occurring pursuant to Section 16.20(C) or (D), upon the one year anniversary of the occurrence of a Potential Change in Control (or such earlier date as may be determined by the Board).

16.22 "Retirement" shall be deemed the reason for the termination by the Executive of the Executive's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

16.23 "Severance Payments" shall have the meaning set forth in Section 6.1.

16.24 "Tax Counsel" shall have the meaning set forth in Section 6.2.

16.25 "Term" shall mean the period of time described in Section 2 (including any extension, continuation or termination described therein).

16.26 "Total Payments" shall mean those payments so described in Section 6.2.

**17. Benefit Offset. [This section is applicable to any Executive who resides in a country outside of the United States who may be eligible to receive severance benefits under the laws of the other country.]**

Notwithstanding any other provision to the contrary set forth herein, if there is a Change in Control and Executive's employment is terminated such that Executive would be eligible to receive the severance and termination benefits set forth in this Agreement, any severance or termination payments and benefits received by Executive pursuant to (i) [country] law, or (ii) pursuant to any other agreement Executive may have with the Company (or any direct or indirect subsidiary of the Company), shall be offset against any benefits that may be payable to the Executive pursuant to this Agreement.

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

ITRON, INC.

By: \_\_\_\_\_

Name:

Title:

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EXECUTIVE

Address:

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(Please print carefully)