

**ITRON, INC.**  
**COMPENSATION COMMITTEE CHARTER**  
**Revised December 15, 2016**

**Purpose**

The purpose of the Compensation Committee of Itron, Inc. is to:

- Evaluate and approve executive officer compensation plans, objectives, policies and programs of the Company;
- Evaluate the compensation of the Chief Executive Officer (the "CEO") and make compensation recommendations to the Board;
- Evaluate and approve compensation for the executive officers other than the CEO;
- Evaluate all of the Company's compensation plans to determine if the plan design could present a risk of having a material adverse effect on the Company;
- Fulfill the duties and responsibilities assigned to the Committee in this charter or otherwise assigned to it by the Board of Directors (the "Board");
- Produce the annual report on executive compensation and review and discuss with management the Company's compensation disclosures in each case as required by the Securities and Exchange Commission (the "SEC") to be included in the Company's proxy statement; and
- Review executive and management development programs.

**Membership Requirements and Committee Structure**

The Committee will be comprised of three or more directors, as determined annually by the Board as set forth below. Each director will (a) meet the independence requirements established by the Board, the National Association of Securities Dealers Automated Quotation ("NASDAQ"), applicable federal and state securities laws, and any other rules and regulations applicable to the Company from time to time, (b) be a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and (c) be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code (the "Code").

**Appointment and Removal of Members**

The members of the Committee will be appointed by the Board on the recommendation of the Corporate Governance Committee. The Board may remove any member from the Committee at any time, with or without cause. The Board will designate a Committee Chair annually. In the absence of a member designated by the Board to serve as Committee Chair, the members of the Committee may appoint from among their number a person to preside at Committee meetings. Vacancies on the Committee may be filled through appointment by the Board at any time.

**Delegation of Authority by the Committee**

The Committee, when appropriate, may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Board or to Company officers.

## **Responsibilities and Authority of the Committee**

- 1) *Compensation Philosophy.* Develop and maintain an executive compensation philosophy for the Company, establish and annually review and approve policies regarding executive compensation consistent with such philosophy, and keep the Board informed of such philosophy and policies.
- 2) *CEO Compensation.* Evaluate all elements of the CEO's compensation on an annual basis including base salary, annual and long-term incentives, equity-based compensation, perquisites (if any), retirement plans, and all other compensation and benefit plans in which the CEO is eligible to participate. When reviewing compensation for the CEO, the CEO shall not be present during voting or any deliberations related to the CEO's compensation. Determine and recommend to the Board for approval, CEO compensation which takes into account the performance of the CEO (as evaluated by the Corporate Governance Committee and reported in summary form to the Chair of the Compensation Committee), the performance of the Company, compensation data of a relevant group of comparable companies, and other data or factors that may be relevant in establishing the CEO's compensation, including any data provided by any compensation consultant retained by the Committee.
- 3) *Other Executive Officer Compensation.* Evaluate and approve all elements of compensation for the executive officers of the Company (excluding the CEO) on an annual basis, including base salary, annual and long-term incentives, equity-based compensation, perquisites (if any), retirement plans, and all other compensation and benefit plans in which the executive officer is eligible to participate. In approving the compensation for executive officers, the Committee will take into account the executive's performance (as summarized by the CEO), the Committee's own view of the executive's performance (provided the Committee has sufficient interaction with the executive to form such a view), the performance of the Company, compensation data of a relevant group of comparable companies, and other data or factors that may be relevant in establishing the executive's compensation, including any data provided by any compensation consultant retained by the Committee.
- 4) *Incentive Plans.* Recommend to the Board for its approval and, where appropriate, submission to the Company's shareholders, incentive compensation plans and equity-based compensation plans.
- 5) *Stock Ownership Guidelines.* Establish stock ownership guidelines, and annually review executive stock ownership and monitor progress toward meeting ownership guidelines.
- 6) *Tax Qualified Plans.* Recommend to the Board for Board action, adoption of any Internal Revenue Service tax-qualified retirement plans and all plan amendments that are non-administrative in nature; fulfill ERISA fiduciary and non-fiduciary functions by approving and recommending to the Board for Board action:
  - The designation of the trustee and the execution of trust agreements for any such plan or plans;
  - The termination, merger or consolidation of any such plan or plans; and

- The extension of plan participation to employees of affiliates or subsidiaries.
- 7) *Nonqualified Plans.* Recommend to the Board for Board action, all nonqualified benefit plans and all plan amendments that are non-administrative in nature; approve and recommend to the Board for its action:
- The designation of the trustee and the execution of trust agreements for any such plan or plans;
  - Any amendments necessary for compliance of such plans with Section 409A of the Code;
  - The termination, merger or consolidation of any such plan or plans; and
  - The extension of plan participation to employees of affiliates or subsidiaries.
- 8) *Plan Participation and Compliance.* Annually review plan administration, participation, and regulatory compliance of nonqualified plans.
- 9) *Plan Goals.* Review management's recommendations for other nonexecutive corporate incentive plans and annually review plan goals and results.
- 10) *Development Programs.* Review annually the Company's executive and management development programs.
- 11) *Committee Minutes.* Provide minutes of Committee meetings to the Board and report promptly to the Board on any significant matters arising from the Committee's work, including awards for top executives and special executive employment, compensation, and retirement arrangements.
- 12) *Risk Assessment.* Annually review the design of the Company's compensation plans and policies to determine if the plan design could present a risk of having a material adverse effect on the Company.
- 13) *CD&A.* Review and discuss with management the Compensation Discussion and Analysis ("CD&A") and related disclosures required by the SEC in the annual proxy statement, including specific Committee review and input regarding:
- The discussion of factors important to understanding the objectives, policies, and philosophy underlying the executive compensation programs (including any disclosure of performance targets pursuant to Item 402(b) of SEC Regulation S-K);
  - The information presented in the Summary Compensation Table and other supporting tabular disclosures, including narrative descriptions as required; and
  - The information and descriptive narrative provided in other disclosures, including post-employment payments, director compensation, and Committee governance.
- 14) *Say-on-Pay.* Oversee the Company's submissions to shareholders on executive compensation matters, including advisory votes on executive compensation ("Say-on-Pay") and the frequency of such votes, incentive and other executive compensation plans, and amendments to such plans. As needed, be available to consult with investors having questions about executive compensation.
- 15) *Proxy Report.* Prepare the Compensation Committee Report required by the rules of the SEC to be furnished with the Company's annual proxy statement.

- 16) *Annual Review of Compensation Levels & Programs.* Periodically (and at least annually) review executive compensation programs and total compensation levels, including:
  - Determining whether program elements are properly coordinated and achieve intended objectives;
  - Conducting comparative analyses of total compensation relative to market;
  - Quantifying maximum payouts to executives under performance-based incentive plans and total payments under a variety of termination conditions, including upon a change-in-control; and
  - Determining the impact of tax and accounting rules changes.
- 17) *Independence Assessment of Consultants.* In its sole discretion, retain or obtain the advice of a compensation consultant, external legal counsel, or other adviser (“External Adviser”), and be directly responsible for the appointment, compensation and oversight of the work of any such External Adviser, including the determination of appropriate fees or funding for the reasonable compensation of such External Adviser to be paid by the Company. No External Adviser will have a vote at any meeting. The Committee may select or receive advice from an External Adviser only after taking into consideration the following factors related to the independence of such External Adviser (and conducting a similar assessment at least annually of each External Adviser):
  - The provision of other services to the Company by the External Adviser;
  - The amount of fees received from the Company by the External Adviser, as a percentage of the total revenue of the External Adviser;
  - The policies and procedures of the External Adviser that are designed to prevent conflicts of interest;
  - Any business or personal relationship of the External Adviser with a member of the Committee;
  - Any shares of common stock of the Company owned by the External Adviser; and
  - Any business or personal relationship of the External Adviser with an executive officer of the Company.
- 18) *Plan Administrator.* Perform such duties and responsibilities as may be assigned to the Committee under the terms of any of the Company's compensation plans.
- 19) *Charter Review.* Review and re-assess this charter at least annually and, if appropriate, recommend changes to the Board.
- 20) *Evaluation of Committee.* Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations for improvement.
- 21) *Other Duties.* Perform any other activities consistent with this charter, the Company's Bylaws, and governing law, as the Committee or the Board deems necessary, or as may be required by NASDAQ or federal securities laws.

### **Meetings**

The Committee will establish a meeting calendar annually, which will include at least four quarterly meetings for the year. The Committee may hold such other meetings as are necessary

or appropriate for the Committee to fulfill its responsibilities. A secretary will be designated at each meeting to record meeting minutes. The Committee will meet in executive session absent members of the Company's management or other persons who are not Committee members, after each regularly scheduled quarterly meeting.

A majority of the members of the Committee will be sufficient to constitute a quorum, and a majority of the quorum will be sufficient to adopt any resolution or take any action. Meetings may be called by the Chair or by any two Committee members and may be held telephonically or in person or by other communications equipment by which all persons participating can hear each other.