



Corporate - Policy

SUPERSEDES: ISSUE NO. 1	PAGE: 1 of 6	ISSUE NO: 2	DATE: 8/2/10	APPROVED BY: Finance and Legal	DOCUMENT NO. C-A615
TITLE: Reporting and Investigating Suspected Violation of Company Policy					

1.0 **PURPOSE**

The purpose of this Policy is to establish policies and procedures for reporting and investigating suspected violations of Company policies or the Company's Code of Conduct ("Code"). This Policy has been approved by the Company's Board of Directors. This Policy is not meant to be the exclusive means for reporting suspected violations of Company policies or the Code but is intended to describe reporting tools which are available to all employees of the Company.

This Policy provides a process through which employees and others, either directly or anonymously and confidentially, can notify representatives of the Company and the Audit and Finance Committee of suspected violations of Company policy or the Company's Code. In addition, this Policy establishes a mechanism for responding to, and keeping records of, any notification by employees and others regarding any such violations or potential violations, or concerns.

2.0 **SCOPE**

This Policy applies to all directors, officers, and employees (including temporary employees) of Itron and any Company subsidiary that we own or manage, directly or indirectly.

3.0 **POLICY**

3.1. **Conduct Covered by This Policy**

Suspected violations of Company policies or the Code should be reported in accordance with this Policy.

3.2 **Reporting Suspected Violations or Concerns**

Itron has an open door policy and recommends that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with someone in the



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Legal Department, Human Resources Department, or anyone in management whom you are comfortable approaching. Supervisors and managers are required to report suspected violations of Company policy or the Code to the Company's Compliance Officer who will investigate all reported violations.

Itron Legal Department-Spokane Office	509-891-3050
Itron Legal Department-Brussels Office	+32 2 642 88 45

An employee may also report suspected violations of Company policy or the Code by calling Itron's Ethics Line toll free. Itron has retained a third-party service (EthicsPoint) to staff the Ethics Line. Toll-free telephone numbers are listed on the EthicsPoint website under "File A Report." Select the country you are referencing and the direct phone number will appear at the bottom of the page. Employees may also report suspected violations by filing reports through the web page hosted by EthicsPoint at <https://secure.ethicspoint.com/domain/media/en/gui/3256/report.html>.

Copies of all complaints will be received by the Company's Compliance Officer. If you wish that a complaint be forwarded directly to the Audit and Finance Committee and not the Compliance Officer, please specify that when reporting through the Company's Ethics Line. The Compliance Officer shall investigate all complaints using inside or outside resources. To the fullest extent reasonably practicable, all complaints or concerns will be handled in a confidential (and, if requested, anonymous) manner. The Company, including the Compliance Officer and Audit and Finance Committee, has no way of knowing a person's identity should he or she choose to remain anonymous. In no event will information concerning the complaint or concern be released to persons without a specific need to know about it. Investigation of complaints and concerns will be prompt.

All reports involving the following shall be reported immediately to the Chair of the Audit and Finance Committee:

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- Any report alleging falsification of accounting, auditing, or financial records
- Any report alleging a failure to disclose or report a financial transaction
- Any report alleging a falsification or unlawful destruction of business records
- Any report alleging unlawful or improper payouts
- Any report alleging insider trading
- Any report in which the caller specifically requests that a copy of the report be sent to the Board or any committee
- Any report involving any senior executive of the Company or business unit

The Compliance Officer and Audit and Finance Committee Chair shall determine how best to investigate these matters. The Audit and Finance Committee shall have the authority to retain any outside legal, accounting, or other expertise as it deems necessary to conduct the investigation.

3.3 Compliance Officer

The Company's Compliance Officer is responsible for investigating and resolving all reported complaints under this Policy. He shall have direct access to the Audit and Finance Committee. The Compliance Officer shall prepare regular reports to the Audit and Finance Committee stating the nature of complaints that have been received, the status of each investigation, and any remedial action taken.

The Company's Compliance Officer shall be the Company's General Counsel.

3.4 Corrective Action

The Compliance Officer (or the Audit and Finance Committee in relevant cases), with the input of Company management, will determine the validity of a complaint or concern and take any corrective action he deems appropriate. Directors, officers and employees that are found to have violated any laws, governmental regulations or Company policies will face appropriate, case specific disciplinary action, which may include demotion or discharge.

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3.5 No Retaliation for Submitting Complaints, Providing Information or Participating in Investigation

Neither the Company nor any of its employees may retaliate or discriminate against any employee who: (a) submits a report of a suspected violation; (b) lawfully provides information regarding any conduct which the employee reasonably believes violates Company policy or the Code or (c) participates in or otherwise assists with an investigation even if after investigation the Company determines that there has not been a violation. An employee's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the applicable complaint or concern.

3.6 Retention of Complaints and Documents

All complaints submitted by an employee regarding an alleged violation or concern will remain confidential (and anonymous, if requested) to the fullest extent reasonably practicable within the legitimate needs of law and any ensuing inquiry. In addition, all written statements, along with the results of any investigations relating thereto, shall be retained by the Company in accordance with the Company's document retention policy.

3.7 Compliance with this Policy

All employees must cooperate with any investigation initiated pursuant to this Policy.

This Policy is not intended to limit the rights of employees to report alleged violations relating to any matters to proper governmental and regulatory authorities.

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Appendix A – Written Report Format

When submitting a report to the Company's Compliance Officer, please provide information for the following items:

- 1) Are you an employee of Itron?
- 2) Do you wish to remain anonymous for this report?
- 3) If you want Itron to know your identity please provide your first and last name, telephone number, email address, and best time(s) to communicate with you.
- 4) Provide your best estimate of the type of violation, e.g., fraud, sexual harassment, etc.
- 5) Please identify the person(s) engaged in this behavior.
- 6) Do you suspect or know that a supervisor or management is involved? If yes, then who?
- 7) Is management aware of this problem? Identify the manager or contact on this matter.
- 8) What is the general nature of this problem?
- 9) Where did this incident or violation occur?
- 10) Please provide the specific or approximate time this incident occurred.
- 11) How long do you think this problem has been going on?
- 12) How did you become aware of this violation?
- 13) Please identify any persons who have attempted to conceal this problem and the steps they took to conceal it.
- 14) Please provide all details regarding the alleged violation, including the locations of witnesses and any other information that could be valuable in the evaluation and ultimate resolution of this situation.

