UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 5, 2010**

ITT CORPORATION

(Exact name of registrant as specified in its charter)

Indiana	**1-5672**	**13-5158950**
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*

1133 Westchester Avenue **White Plains, New York**	**10604**
(Address of principal executive offices)	*(Zip Code)*

(914) 641-2000
(Registrant's telephone number, including area code)

NOT APPLICABLE
(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 (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o 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.

On March 5, 2010, the Compensation and Personnel Committee (the “Committee”) of the Board of Directors of ITT Corporation (the “Company”) approved base salaries for 2010 and long-term incentive opportunities for the individuals expected to be named executive officers in the Proxy Statement for our 2010 Annual Meeting of Shareholders (the “2010 Annual Meeting”). All decisions with respect to compensation for Steven R. Loranger, Chairman, President and Chief Executive Officer, were made solely by the Committee. Additional information with respect to the compensation arrangements for the named executive officers will be set forth in the Proxy Statement for the 2010 Annual Meeting.

Base Salaries for 2010

The Committee approved new annual base salaries, effective March 8, 2010, for the named executive officers as follows: Mr. Steven R. Loranger, $1,160,000; Ms. Denise L. Ramos, $590,000; Ms. Gretchen W. McClain, $530,000; and Mr. Scott A. Crum, $391,500. The Committee considered the significant promotion and related expansion of responsibilities for Mr. Melcher as President, Defense and Information Solutions, named him as a Senior Vice President of the Company on March 5, 2010, and approved a promotional increase resulting in an annual base salary of $530,000, effective March 8, 2010.

Annual Incentive Awards and Opportunities

For 2009, the named executive officers participated in the Company’s Annual Incentive Plan for Executive Officers (the “AIP”) approved by ITT Corporation’s shareholders in 2008. Amounts to be paid under the AIP are based on the financial performance of the Company and its businesses during the performance year as compared with the annual performance goals established and approved by the Committee at the beginning of the performance year. Under the AIP, the Committee has the authority to modify the awards using negative discretion to reflect individual performance in accordance with the terms of the AIP. The Committee also may award supplemental bonus payments separate from the AIP in its discretion in recognition of additional performance factors.

For performance year 2009 the approved annual performance goals for Messrs. Loranger and Crum and Ms. Ramos were based on 30% on Return on Invested Capital (“ROIC”), 30% on Cash Flow, and 40% on Earnings Per Share performance. For the operating segments, 40% of the annual performance goals were based on Earnings Per Share performance and the remaining 60% of the annual performance goals were weighted as follows: the operating segment performance goals for the named executive officer in the Company’s commercial segments (which exclude the defense industry businesses) are based 12% on ROIC, 12% on Revenue, 18% on Margin Rate, 18% on Cash Flow; the operating segment performance goals for the named executive officer in the Company’s defense segment are based 24% on ROIC, 18% on Revenue, 18% on Cash Flow. Actual payment under the AIP for 2009 could range from 0-200% of the target. On March 5, 2010, the Committee approved the following 2009 payments under the AIP for the named executive officers: Mr. Loranger, $1,909,700; Ms. Ramos, $596,700; Ms. McClain, $474,600; Mr. Melcher, $386,750 and Mr. Crum, $345,800. Ms. McClain received an additional discretionary bonus award of $61,000 for performance year 2009 based on exceptional leadership during difficult economic conditions.

2010 Long Term Incentive Awards and Opportunities

The ITT Corporation 1997 Long-Term Incentive Plan (“LTIP”) approved by shareholders in 1997 authorizes performance awards to be made to key employees of the Company at the discretion of the Committee. Awards granted under this plan are expressed as target cash awards.

The LTIP provides that the Committee shall determine the size and frequency of awards, performance measures, performance goals and performance periods. Payment, if any, of target cash awards generally will be made at the end of the applicable performance period and are based on the Company’s performance as compared with the performance measures approved by the Committee prior to the performance period. Payment, if any, of awards may be made in whole or in part, at the discretion of the Committee.

For the named executive officers, the ITT Corporation Long-Term Incentive Program total award value is determined individually based on the competitive market, individual performance and business performance and is split as follows: 1/3 of the award in non-qualified stock options, 1/3 of the award in restricted shares and 1/3 of the award in target cash based on total shareholder return (“TSR”).

Stock-Based Awards

Effective March 5, 2010, the Committee approved the following stock option grants to the named executive officers under the ITT Corporation 2003 Equity Incentive Plan approved by the Company’s shareholders in 2008 (the “2003 Plan”): Mr. Loranger, 132,265; Ms. Ramos, 26,721; Ms. McClain, 24,049; Mr. Melcher, 24,049; and Mr. Crum, 14,697. The exercise price of the options is $53.49 per share based on the closing price of the Company’s common stock on March 5, 2010. The options granted to Mr. Loranger, Ms. Ramos, Ms. McClain and Messrs Melcher and Crum will vest and become exercisable three years from the date of grant. The term for all options is ten years. Each of the options also provides for accelerated vesting upon death and disability and upon change in control events that are defined in the 2003 Plan, and accelerated vesting on a pro rata basis upon retirement. Unvested options under this award expire upon termination of employment or due to resignation.

Effective March 5, 2010, the Committee approved the following restricted stock grants to the named executive officers under the 2003 Plan: Mr. Loranger, 41,267; Ms. Ramos, 8,337; Ms. McClain, 7,503; Mr. Melcher, 7,503 and Mr. Crum, 4,585. The restricted shares granted to the named executive officers will vest three years from the date of grant. The vesting of these restricted shares accelerates upon change in control events that are defined in the 2003 Plan and accelerates on a pro rata basis upon retirement. Unvested restricted shares under this award expire upon termination of employment or due to resignation.

Long-Term Incentive Plan

On March 5, 2010, the Committee granted target awards under the LTIP for the three-year period beginning January 1, 2010 to the named executive officers as follows: Mr. Loranger, $1,980,000; Ms. Ramos, $400,000; Ms. McClain, $360,000; Mr. Melcher, $360,000; and Mr. Crum, $220,000. The ultimate value, if any, of each of these awards will be determined in accordance with the established performance measurement formula for the target awards granted in 2010. The award amounts set forth above would be the amounts earned and payable if the TSR results in payment at the 100% level. Payment, if any, with respect to the 2010 target awards will be based on the Company’s TSR performance compared with other S&P® Industrial companies.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

10.01	ITT Corporation 2003 Equity Incentive Plan Non-Qualified Stock Option Award Agreement for Non-Employee Directors (amended March 5, 2010)

10.02	ITT Corporation 2003 Equity Incentive Plan Non-Qualified Stock Option Award Agreement for Band A (amended March 5, 2010)
10.03	ITT Corporation 2003 Equity Incentive Plan Non-Qualified Stock Option Award Agreement (amended March 5, 2010)

SIGNATURES

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.

ITT CORPORATION

Date: March 11, 2010

By: /s/ Burt M. Fealing
Burt M. Fealing

Its: Vice President and Corporate Secretary
(Authorized Officer of Registrant)

ITT CORPORATION
2003 EQUITY INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
for
NON-EMPLOYEE DIRECTORS

THIS AGREEMENT, effective as of the __ day of __________20__, by and between ITT Corporation (the "Company") and NAME (the "Optionee"), WITNESSETH:

WHEREAS, the Optionee is now a member of the Board of Directors (the "Board") of the Company and, in recognition of the Optionee's valued services, the Company desires to provide an opportunity for the Optionee to acquire or enlarge stock ownership in the Company pursuant to the provisions of the Company's 2003 Equity Incentive Plan (the "Plan");

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and pursuant to the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Compensation and Personnel Committee of the Board (the "Committee"), the parties hereto hereby agree as follows:

1. **Grant of Options**. In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby confirms the grant on __________, 20__ to the Optionee of the option to purchase from the Company all or any part of an aggregate of ______ Shares (the "Option"), at the purchase price of $______ per Share (the "Exercise Price"). The Option shall be a Nonqualified Stock Option.

2. **Terms and Conditions**. It is understood and agreed that the Option is subject to the following terms and conditions:

(a) **Expiration Date**. The Option shall expire on ________, 20__, or, if the Optionee's service on the Board terminates before that date, on the date specified in subsection (e) below.

(b) **Exercise of Option**. The Option may not be exercised until it has become vested.

(c) **Vesting**. Subject to subsections 2(a) and 2(e), the Option shall vest as follows:

(i) 1/3 of the Option shall vest on ________, 20__,

(ii) 1/3 of the Option shall vest on ________, 20__ and

(iii) 1/3 of the Option shall vest on ________, 20__;

Subject to subsections 2(a) and 2(e), to the extent not earlier vested pursuant to paragraphs (i), (ii), and (iii) of this subsection (c), the Option shall vest in full upon the first to occur of the following events:

(A) termination of the Optionee's service on the Board due to Retirement (as defined below), Disability (as defined below) or death; or

(B) an Acceleration Event (as defined in the Plan).

(d) **Payment of Exercise Price**. Permissible methods for payment of the Exercise Price upon exercise of the Option are described in Section 6.6 of the Plan, or, if the Plan is amended, successor provisions. In addition to the methods of exercise permitted by Section 6.6 of the Plan, the Optionee may exercise all or part of the Option by way of (i) broker-assisted cashless exercise in a manner consistent with the Federal Reserve Board's Regulation T, unless the Committee determines that such exercise method is prohibited by law, or (ii) net-settlement, whereby the Optionee directs the Company to withhold Shares that otherwise would be issued upon exercise of the Option having an aggregate Fair Market Value on the date of the exercise equal to the Exercise Price, or the portion thereof being exercised by way of net-settlement (rounding down to the nearest whole Share).

(e) **Effect of Termination of Board Service**.

If the Optionee's service on the Board terminates before ______, 20_, the Option shall expire on the date set forth below, as applicable:

(i) Retirement, Disability or Death. If the Optionee's service is terminated as a result of the Optionee's Retirement, Disability or death, except as otherwise determined by the Committee, the Option shall expire on the earlier of _________, 20 ___ or the date three years after the termination of the Optionee's service.

(ii) Cause. If the Optionee's service on the Board is terminated for cause (as determined by the Committee), the vested and unvested portions of the Option shall expire on the date of the termination of the Optionee's service.

Retirement. For purposes of this Agreement, the term "Retirement" shall mean the termination of the Optionee's service on the Board for any reason other than death, Disability or cause (as determined by the Committee).

Disability. For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Optionee to perform all of his or her duties as a director, as determined by the Committee upon the basis of such evidence, including independent medical reports and data, as the Committee deems appropriate or necessary.

Acceleration Event. Notwithstanding the foregoing, upon the occurrence of an Acceleration Event (as defined in the Plan), the Option shall be exercisable in full for a period of 60 calendar days beginning on the date that such Acceleration Event occurs and ending on the 60th calendar day following that date; provided, however, that in no event shall the Option be exercisable beyond _________, 20___

(f) **Compliance with Laws and Regulations**. The Option shall not be exercised at any time when its exercise or the delivery of Shares hereunder would be in violation of any law, rule, or regulation that the Company may find to be valid and applicable.

(g) **Optionee Bound by Plan and Rules**. Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by the terms and provisions thereof. Optionee agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee during the life of the Option. Terms used herein and not otherwise defined shall be as defined in the Plan.

This Agreement is issued, and the Option evidenced hereby is granted, in White Plains, New York, and shall be governed and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chairman, President and Chief Executive Officer, or a Vice President, as of the __ day of ___________, 20__.

Agreed to:

ITT Corporation

____
Optionee
(Online acceptance constitutes agreement)

Dated: ____________________

Dated: ___________, 20__

Enclosures

ITT CORPORATION
2003 EQUITY INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION AWARD AGREEMENT
for

BAND A

THIS AGREEMENT (the "Agreement"), effective as of the ___ day of______, 20___by and between ITT Corporation (the "Company") and **name** (the "Optionee"), WITNESSETH:

WHEREAS, the Optionee is now employed by the Company or an Affiliate (as defined in the Company's 2003 Equity Incentive Plan, as amended and restated as of March 1, 2008 (the "Plan")) as an employee, and in recognition of the Optionee's valued services, the Company, through the Compensation and Personnel Committee of its Board of Directors (the "Committee"), desires to provide an opportunity for the Optionee to acquire or enlarge stock ownership in the Company, pursuant to the provisions of the Plan.

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Committee, the parties hereto hereby agree as follows:

1. **Grant of Options**. In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby confirms the grant on ______, 20___ (the "Grant Date") to the Optionee of the option to purchase from the Company all or any part of an aggregate of _____Shares (the "Option"), at the purchase price of $___ per share (the "Option Price" or "Exercise Price"). The Option shall be a Nonqualified Stock Option.

2. **Terms and Conditions**. It is understood and agreed that the Option is subject to the following terms and conditions:

(a) **Expiration Date**. The Option shall expire on______, 20___, or, if the Optionee's employment terminates before that date, on the date specified in subsection (f) below.

(b) **Exercise of Option**. The Option may not be exercised until it has become vested.

(c) **Vesting**. Subject to subsections 2(a) and 2(f), the Option shall vest in full upon the first to occur of the following events:

(i) ______, 20___ or

(ii) an Acceleration Event (as defined in the Plan).

(d) **Payment of Exercise Price**. Permissible methods for payment of the Exercise Price upon exercise of the Option are described in Section 6.6 of the Plan, or, if the Plan is amended, successor provisions. In addition to the methods of exercise permitted by Section 6.6 of the Plan, the Optionee may exercise all or part of the Option by way of (i) broker-assisted cashless exercise in a manner consistent with the Federal Reserve Board's Regulation T, unless the Committee determines that such exercise method is prohibited by law, or (ii) net-settlement, whereby the Optionee directs the Company to withhold Shares that otherwise would be issued upon exercise of the Option having an aggregate Fair

Market Value on the date of the exercise equal to the Exercise Price, or the portion thereof being exercised by way of net-settlement (rounding down to the nearest whole Share).

(e) **Tax Withholding**. The Company shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, all applicable federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to the exercise of the Option. The Optionee may elect to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares that otherwise would be issued upon exercise of the Option, with the number of Shares withheld having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction (rounding down to the nearest whole Share). Any such election shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(f) **Effect of Termination of Employment**.

If the Optionee's employment terminates before (_________, 20__ — option expiration date), the Option shall expire on the date set forth below, as applicable:

(i) Termination due to Death. If the Optionee's employment is terminated as a result of the Optionee's death, the Option shall expire on the earlier of _________, 20__, or the date three years after the termination of the Optionee's employment due to death. If the Option is not vested at the time of the Optionee's termination of employment due to death, the Option shall immediately become 100% vested.

(ii) Termination due to Disability. If the Optionee's employment is terminated as a result of the Optionee's Disability (as defined below), the Option shall expire on the earlier of _________, 20__, or the date five years after the termination of the Optionee's employment due to Disability. If the Option is not vested at the time of the termination of Optionee's employment due to Disability, the Option shall immediately become 100% vested.

(iii) Termination due to Retirement. If the Optionee's employment is terminated as a result of the Optionee's Retirement (as defined below), the Option shall expire on the earlier of _________, 20__, or the date five years after the termination of the Optionee's employment due to Retirement. If the Option is not vested at the time of the Optionee's termination of employment due to Retirement, a prorated portion of the Option shall immediately vest as of the date of the termination of employment (see "Prorated Vesting Upon Retirement" below). Any remaining unvested portion of the Option shall expire as of the date of the termination of the Optionee's employment. For purposes of this subsection 2(f)(iii), the Optionee shall be considered employed during any period in which the Optionee is receiving severance payments (disregarding any delays required to comply with tax or other requirements), and the date of the termination of the Optionee's employment shall be the last day of any such severance period.

(iv) Cause. If the Optionee's employment is terminated by the Company (or an Affiliate, as the case may be) for cause (as determined by the Committee), the vested and unvested portions of the Option shall expire on the date of the termination of the Optionee's employment.

(v) Voluntary Termination or Other Termination by the Company. If the Option is vested and the Optionee's employment is terminated by the Optionee or terminated by the Company (or an Affiliate, as the case may be) for other than cause (as determined by the Committee), and not because of the Optionee's Retirement, Disability, or death, the Option shall expire on the earlier of ________, 20__, or the date three months after the termination of the Optionee's employment. If the Option is not vested on the date the Optionee's employment terminates, the Option shall expire immediately in full on the date of termination of employment, and the Option shall not thereafter be exercisable. For purposes of this subsection 2(f)(v), the Optionee shall be considered employed during any period in which the Optionee is receiving severance payments, and the date of the termination of the Optionee's employment shall be the last day of any such severance period.

Notwithstanding the foregoing, if an Optionee's employment is terminated on or after an Acceleration Event (A) by the Company (or an Affiliate, as the case may be) for other than cause (as determined by the Committee), and not because of the Optionee's Retirement, Disability, or death, or (B) by the Optionee because the Optionee in good faith believed that as a result of such Acceleration Event he or she was unable effectively to discharge his or her present duties or the duties of the position the Optionee occupied just prior to the occurrence of such Acceleration Event, the Option shall in no event expire before the earlier of the date that is 7 months after the Acceleration Event or ________, 20__.

Retirement. For purposes of this Agreement, the term "Retirement" shall mean the termination of the Optionee's employment if, at the time of such termination, the Optionee is eligible to commence receipt of retirement benefits under a traditional formula defined benefit pension plan maintained by the Company or an Affiliate (or would be eligible to receive such benefits if he or she were a participant in such a traditional formula defined benefit pension plan).

Disability. For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Optionee to perform all of his or her duties under the terms of his or her employment, as determined by the Committee upon the basis of such evidence, including independent medical reports and data, as the Committee deems appropriate or necessary.

Prorated Vesting Upon Retirement. The prorated portion of an Option that vests upon termination of the Optionee's employment due to the Optionee's Retirement shall be determined by multiplying the total number of unvested Shares subject to the Option at the time of the termination of the Optionee's employment by a fraction, the numerator of which is the number of full months the Optionee has been continually employed since the Grant Date and the denominator of which is 36. For this purpose, full months of employment shall be based on monthly anniversaries of the Grant Date, not calendar months.

(g) **Compliance with Laws and Regulations**. The Option shall not be exercised at any time when its exercise or the delivery of Shares hereunder would be in violation of any law, rule, or regulation that the Company may find to be valid and applicable.

(h) **Optionee Bound by Plan and Rules**. The Optionee hereby acknowledges receipt of a copy of the Plan and this Agreement and agrees to be bound by the terms and provisions thereof as amended from time to time. The Optionee agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee during the life of the Option. Terms used herein and not otherwise defined shall be as defined in the Plan.

(i) **Governing Law**. This Agreement is issued, and the Option evidenced hereby is granted, in White Plains, New York, and shall be governed and construed in accordance with the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

By signing a copy of this Agreement, the Optionee acknowledges that s/he has received a copy of the Plan, and that s/he has read and understands the Plan and this Agreement and agrees to the terms and conditions thereof. The Optionee further acknowledges that the Option awarded pursuant to this Agreement must be exercised prior to its expiration as set forth herein, that it is the Optionee's responsibility to exercise the Option within such time period, and that the Company has no further responsibility to notify the Optionee of the expiration of the exercise period of the Option.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chairman, President and Chief Executive Officer, or a Vice President, as of the ___ day of _________, 20__.

Agreed to:	**ITT Corporation**
______________________________	
Optionee (Online acceptance constitutes agreement)	
Dated: ____________________	Dated: _________, 20__

Enclosures

ITT CORPORATION
2003 EQUITY INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

THIS AGREEMENT (the "Agreement"), effective as of the ___ day of ________, 20__, by and between ITT Corporation (the "Company") and **name** (the "Optionee"), WITNESSETH:

WHEREAS, the Optionee is now employed by the Company or an Affiliate (as defined in the Company's 2003 Equity Incentive Plan, as amended and restated as of March 1, 2008 (the "Plan")) as an employee, and in recognition of the Optionee's valued services, the Company, through the Compensation and Personnel Committee of its Board of Directors (the "Committee"), desires to provide an opportunity for the Optionee to acquire or enlarge stock ownership in the Company, pursuant to the provisions of the Plan.

NOW, THEREFORE, in consideration of the terms and conditions set forth in this Agreement and the provisions of the Plan, a copy of which is attached hereto and incorporated herein as part of this Agreement, and any administrative rules and regulations related to the Plan as may be adopted by the Committee, the parties hereto hereby agree as follows:

1. **Grant of Options**. In accordance with, and subject to, the terms and conditions of the Plan and this Agreement, the Company hereby confirms the grant on ________, 20__ (the "Grant Date") to the Optionee of the option to purchase from the Company all or any part of an aggregate of ______ Shares (the "Option"), at the purchase price of $___ per Share (the "Option Price" or "Exercise Price"). The Option shall be a Nonqualified Stock Option.

2. **Terms and Conditions**. It is understood and agreed that the Option is subject to the following terms and conditions:

(a) **Expiration Date**. The Option shall expire on ________, 20__, or, if the Optionee's employment terminates before that date, on the date specified in subsection (f) below.

(b) **Exercise of Option**. The Option may not be exercised until it has become vested.

(c) **Vesting**. Subject to subsections 2(a) and 2(f), the Option shall vest in three installments as follows:

(i) 1/3 of the Option shall vest on ________, 20__,

(ii) 1/3 of the Option shall vest on ________, 20__, and

(iii) 1/3 of the Option shall vest on ________, 20__;

Subject to subsections 2(a) and 2(f), to the extent not earlier vested pursuant to paragraphs (i), (ii), and (iii) of this subsection (c), the Option shall vest in full upon an Acceleration Event (as defined in the Plan).

(d) **Payment of Exercise Price**. Permissible methods for payment of the Exercise Price upon exercise of the Option are described in Section 6.6 of the Plan, or, if the Plan is amended, successor provisions. In addition to the methods of exercise permitted by Section 6.6 of the Plan, the Optionee may exercise all or part of the Option by way of (i) broker-assisted cashless exercise in a manner consistent with the Federal Reserve Board's Regulation T, unless the Committee determines that such exercise method is prohibited by law, or (ii) net-settlement, whereby the Optionee directs the Company to withhold Shares that otherwise would be issued upon exercise of the Option having an aggregate Fair Market Value on the date of the exercise equal to the Exercise Price, or the portion thereof being exercised by way of net-settlement (rounding down to the nearest whole Share).

(e) **Tax Withholding**. The Company shall have the power and the right to deduct or withhold, or require the Optionee to remit to the Company, all applicable federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to the exercise of the Option. The Optionee may elect to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares that otherwise would be issued upon exercise of the Option, with the number of Shares withheld having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax that could be imposed on the transaction (rounding down to the nearest whole Share). Any such election shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

(f) **Effect of Termination of Employment**.

If the Optionee's employment terminates before ___________, 20__, the Option shall expire on the date set forth below, as applicable:

(i) Termination due to Death. If the Optionee's employment is terminated as a result of the Optionee's death, the Option shall expire on the earlier of ___________, 20__ or the date three years after the termination of the Optionee's employment due to death. If all or any portion of the Option is not vested at the time of the Optionee's termination of employment due to death, the Option shall immediately become 100% vested.

(ii) Termination due to Disability. If the Optionee's employment is terminated as a result of the Optionee's Disability (as defined below), the Option shall expire on the earlier of ___________, 20__ or the date five years after the termination of the Optionee's employment due to Disability. If all or any portion of the Option is not vested at the time of the termination of the Optionee's employment due to Disability, the Option shall immediately become 100% vested.

(iii) Termination due to Retirement. If the Optionee's employment is terminated as a result of the Optionee's Retirement (as defined below), the Option shall expire on the earlier of ___________, 20__ or the date five years after the termination of the Optionee's employment due to Retirement. If all or any portion of the Option is not vested at the time of the Optionee's termination of employment due to Retirement, a prorated portion of the unvested portion of the Option shall immediately vest as of the date of the termination of employment (see "Prorated Vesting Upon Retirement" below). Any remaining unvested portion of the Option shall expire as of the date of the termination of the Optionee's employment. For purposes of this subsection 2(f)(iii), the Optionee shall be considered employed during any period in which the Optionee is receiving severance payments (disregarding any delays required to comply with tax or other requirements), and the date of the termination of the Optionee's employment shall be the last day of any such severance period.

(iv) Cause. If the Optionee's employment is terminated by the Company (or an Affiliate, as the case may be) for cause (as determined by the Committee), the vested and unvested portions of the Option shall expire on the date of the termination of the Optionee's employment.

(v) Voluntary Termination or Other Termination by the Company. If the Optionee's employment is terminated by the Optionee or terminated by the Company (or an Affiliate, as the case may be) for other than cause (as determined by the Committee), and not because of the Optionee's Retirement, Disability or death, the vested portion of the Option shall expire on the earlier of ___________, 20__ or the date three months after the termination of the Optionee's employment. Any portion of the Option that is not vested (or the entire Option, if no part was vested) as of the date the Optionee's employment terminates shall expire immediately on the date of termination of employment, and such unvested portion of the Option (the entire Option, if no portion was vested on the date of termination) shall not thereafter be exercisable. For purposes of this subsection 2(f)(v), the Optionee shall be considered employed during any period in which the Optionee is receiving severance payments, and the date of the termination of the Optionee's employment shall be the last day of any such severance period.

Notwithstanding the foregoing, if an Optionee's employment is terminated on or after an Acceleration Event (A) by the Company (or an Affiliate, as the case may be) for other than cause (as determined by the Committee), and not because of the Optionee's Retirement, Disability, or death, or (B) by the Optionee because the Optionee in good faith believed that as a result of such Acceleration Event he or she was unable effectively to discharge his or her present duties or the duties of the position the Optionee occupied just prior to the occurrence of such Acceleration Event, the Option shall in no event expire before the earlier of the date that is 7 months after the Acceleration Event or ___________, 20__.

Retirement. For purposes of this Agreement, the term "Retirement" shall mean the termination of the Optionee's employment if, at the time of such termination, the Optionee is eligible to commence receipt of retirement benefits under a traditional formula defined benefit pension plan maintained by the Company or an Affiliate (or would be eligible to receive such benefits if he or she were a participant in such a traditional formula defined benefit pension plan).

Disability. For purposes of this Agreement, the term "Disability" shall mean the complete and permanent inability of the Optionee to perform all of his or her duties under the terms of his or her employment, as determined by the Committee upon the basis of such evidence, including independent medical reports and data, as the Committee deems appropriate or necessary.

Prorated Vesting Upon Retirement. The prorated portion of an Option that vests upon termination of the Optionee's employment due to the Optionee's Retirement shall be determined by multiplying the total number of unvested Shares subject to the Option at the time of the termination of the Optionee's employment by a fraction, the numerator of which is the number of full months the Optionee has been continually employed since the Grant Date and the denominator of which is 36. For this purpose, full months of employment shall be based on monthly anniversaries of the Grant Date, not calendar months.

(g) **Compliance with Laws and Regulations**. The Option shall not be exercised at any time when its exercise or the delivery of Shares hereunder would be in violation of any law, rule, or regulation that the Company may find to be valid and applicable.

(h) **Optionee Bound by Plan and Rules**. The Optionee hereby acknowledges receipt of a copy of the Plan and this Agreement and agrees to be bound by the terms and provisions thereof as amended from time to time. The Optionee agrees to be bound by any rules and regulations for administering the Plan as may be adopted by the Committee during the life of the Option. Terms used herein and not otherwise defined shall be as defined in the Plan.

(i) **Governing Law**. This Agreement is issued, and the Option evidenced hereby is granted, in White Plains, New York, and shall be governed and construed in accordance with the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

By signing a copy of this Agreement, the Optionee acknowledges that s/he has received a copy of the Plan, and that s/he has read and understands the Plan and this Agreement and agrees to the terms and conditions thereof. The Optionee further acknowledges that the Option awarded pursuant to this Agreement must be exercised prior to its expiration as set forth herein, that it is the Optionee's responsibility to exercise the Option within such time period, and that the Company has no further responsibility to notify the Optionee of the expiration of the exercise period of the Option.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its Chairman, President and Chief Executive Officer, or a Vice President, as of the ___ day of ___________, 20__.

Agreed to:

ITT Corporation

____
Optionee
(Online acceptance constitutes agreement)

Dated: ____________________

Dated: ___________, 20__

Enclosures