ILLINOIS TOOL WORKS INC

Form 4

February 19, 2014

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0287 Number:

Expires:

OMB APPROVAL

Check this box if no longer subject to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, 2005

0.5

Section 16. Form 4 or Form 5 obligations may continue.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

Estimated average burden hours per response...

See Instruction

30(h) of the Investment Company Act of 1940 1(b).

(Print or Type Responses)

| 1. Name and Address of Reporting Person ** GARDNER TIMOTHY J | 2. Issuer Name and Ticker or Trading Symbol ILLINOIS TOOL WORKS INC [ITW] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) | | |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--|--|
| (Last) (First) (Middle) ILLINOIS TOOL WORKS INC., 3600 WEST LAKE AVENUE | 3. Date of Earliest Transaction (Month/Day/Year) 02/14/2014 | Director 10% Owner Security Officer (give title Other (specify below) Executive Vice President | | |
| (Street) | 4. If Amendment, Date Original Filed(Month/Day/Year) | 6. Individual or Joint/Group Filing(Check Applicable Line) | | |

GLENVIEW, IL 60026

X Form filed by One Reporting Person Form filed by More than One Reporting

| (City) | (State) | (Zip) Table | e I - Non-D | erivative | Secur | ities Acq | uired, Disposed o | f, or Beneficial | ly Owned |
|--------------------------------------|-----------------------------------------|-------------------------------------------------------------|----------------------------------------|--------------------------------------|------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transactio Code (Instr. 8) | 4. Securi n(A) or D (Instr. 3, | ispose 4 and (A) or | d of (D) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| Common Stock | 02/14/2014 | | M | 5,375 | A | \$ 0 | 19,602 | D | |
| Common Stock | 02/14/2014 | | F | 1,762 | D | \$ 78.77 | 17,840 | D | |
| Common Stock | | | | | | | 2,441 | I | See Footnote (1) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transacti Code (Instr. 8) | 5. Number on Derivative Securities Acquired Disposed (Instr. 3, | (A) or of (D) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title ar Underlyin (Instr. 3 a |
|--------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------|---------------|----------------------------------------------------------|-----------------|-----------------------------------------|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Performance Restricted Stock Unit (granted 2/11/2011) | \$ 0 | 02/14/2014 | | M | ` / | 5,375 | (3) | (3) | Commo Stock |
| Performance Restricted Stock Unit (granted 02/15/2013) | \$0 | | | | | | <u>(4)</u> | <u>(4)</u> | Commo Stock |
| Employee Stock Option | \$ 43.64 | | | | | | 02/12/2011 | 02/12/2020 | Commo |
| Employee Stock Option | \$ 63.25 | | | | | | 02/15/2014(5) | 02/15/2023 | Commo Stock |
| Employee Stock Option | \$ 55.71 | | | | | | 02/10/2013(5) | 02/10/2022 | Commo |
| Performance Restricted Stock Unit (granted 2/10/2012) | \$0 | | | | | | <u>(4)</u> | <u>(4)</u> | Commo Stock |
| Employee Stock Option | \$ 55.81 | | | | | | 02/11/2012(5) | 02/11/2021 | Commo |
| Employee Stock Option | \$ 78.59 | 02/14/2014 | | A | 24,002 | | 02/14/2015(5) | 02/14/2024(5) | Commo |
| Performance Restricted Stock Unit | \$ 0 | 02/14/2014 | | A | 4,241 | | <u>(4)</u> | <u>(4)</u> | Commo Stock |

(granted 2/14/2014) (2)

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

GARDNER TIMOTHY J ILLINOIS TOOL WORKS INC. 3600 WEST LAKE AVENUE GLENVIEW, IL 60026

Executive Vice President

Signatures

Timothy J. Gardner by Maria C. Green, Senior Vice President, General Counsel & Secretary, Attorney-In-Fact POA on File

02/19/2014

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares of common stock allocated to my account in the Illinois Tool Works Inc. Savings & Investment Plan--Information reported as of February 14, 2014.
- (2) Each performance restricted stock unit (PRSU) represents a contingent right to receive one share of the Company's common stock.
- (3) The PRSU award became vested and payable on February 14, 2014.
- (4) Each PRSU vests 100% three years from the date of grant if performance goals are met.
- (5) Options vest in four (4) equal annual installments beginning one year from date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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