

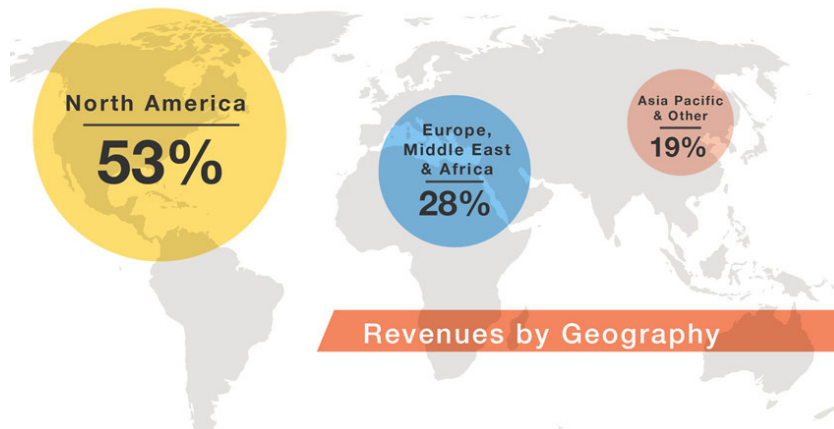
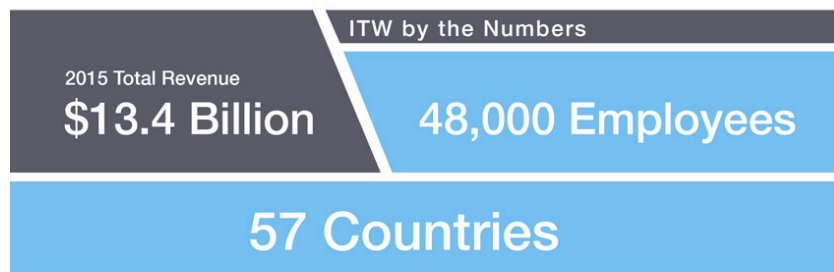


## About ITW: Business Model and Values

ITW is a global, diversified multi-industrial company centered on a differentiated and proprietary business model.

### Company overview

The company is organized into seven diverse segments with one thing in common: **the ability to leverage the ITW Business Model to generate solid growth with best-in-class margins and returns.** These global businesses hold unique positions in markets where highly innovative, customer-focused solutions are required.



A *Fortune* 200 company, ITW employs more than 48,000 women and men in 57 countries who thrive in our decentralized, entrepreneurial culture and adhere to the highest ethical standards. These talented individuals, many of whom have specialized engineering or scientific expertise, contribute to our global leadership in innovation. We are proud of our broad portfolio of over 16,000 granted and pending patents. Our 2015 revenues were \$13.4 billion.

### Leveraging our business model to drive success

The ITW Business Model guides us in everything we do and is rooted in ITW's values. It enables our businesses to focus, innovate and stay close to their customers, gaining deep market insight and creating value-added solutions for a broad array of customers and end markets.

#### Our Business Model

##### 80/20 Management Process

The ITW 80/20 management process is a proprietary operating system that we apply in every ITW business. We **structure and focus our businesses to address our largest and most profitable opportunities**, while eliminating costs, complexity and distractions that don't align with our strengths.

##### 80/20 Management Process

Customer-back innovation has fueled decades of profitable growth at ITW.

**Inventing inspired solutions for our customers to help them address difficult technical challenges or improve their business performance**

has been the central focus of ITW's approach to innovation all the way back to the founding of our company over 100 years ago.

##### Decentralized, Entrepreneurial Culture

Our decentralized, entrepreneurial culture allows us to be **fast, focused and responsive**. Our people are clear about what is expected of them with regard to our business model, our strategy and our values. They thrive in ITW's "flexibility within the framework" culture; they think and act like entrepreneurs, they are accountable and they deliver.



#### Our Values

##### Integrity

Suppliers and customers who work with ITW know they can expect the same treatment no matter where they are: honesty, transparency and a company that always aims to do what's right.

##### Respect

ITW respects insights at all levels and expects the diverse workforce to be embraced with respect and dignity and all views to be recognized.

##### Trust

The company trusts that all ITW colleagues will operate with the highest professional standards and in the best interests of the company at all times.

##### Shared Risk

ITW encourages well-reasoned, prudent risk-taking in an environment where challenges are discussed openly. At ITW, everyone works as part of a team, sharing responsibility for the outcomes of individual risks and decisions.

##### Simplicity

ITW keeps things simple by focusing on the essential core of any business opportunity, challenge, issue or problem.