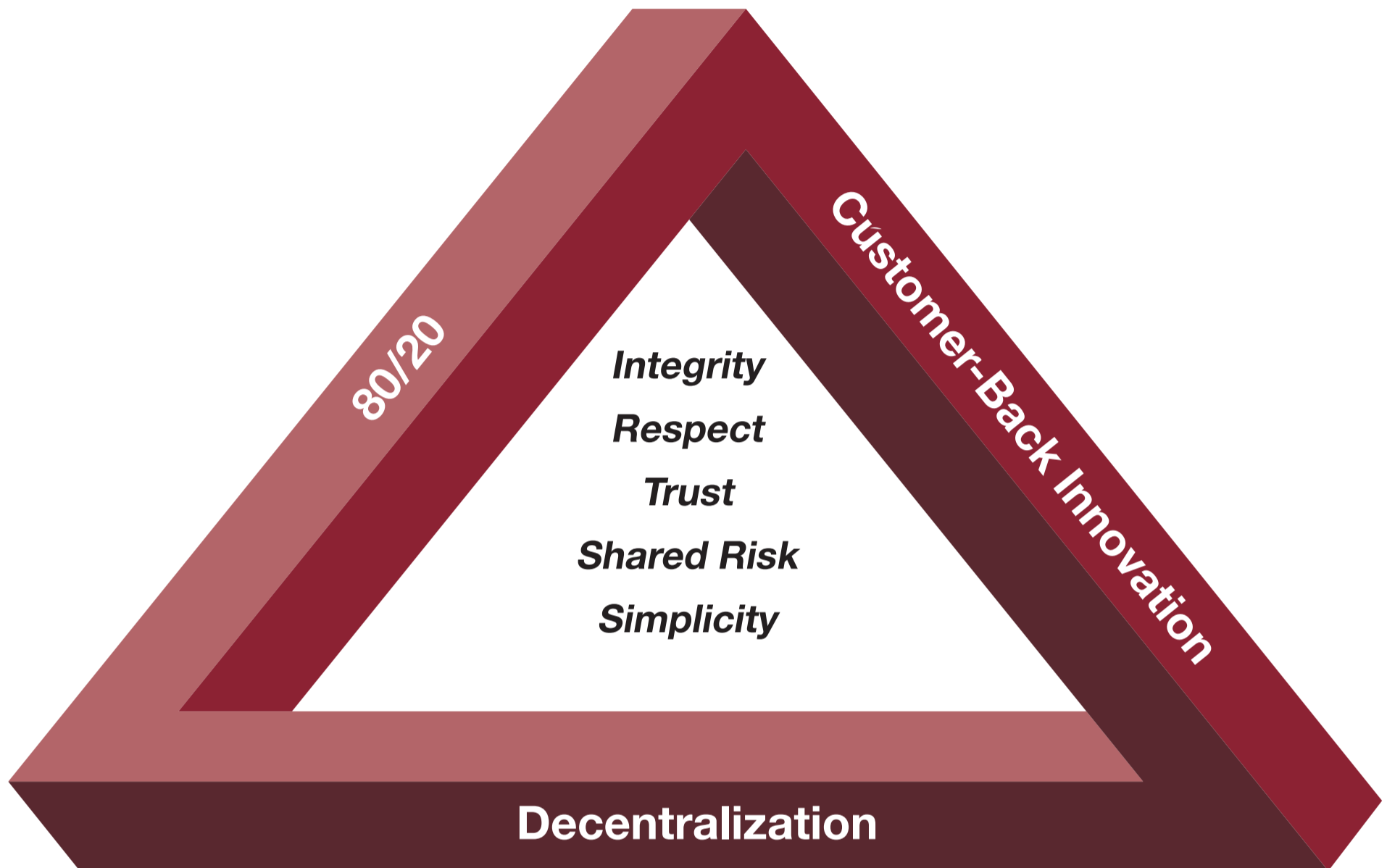


The ITW Edge

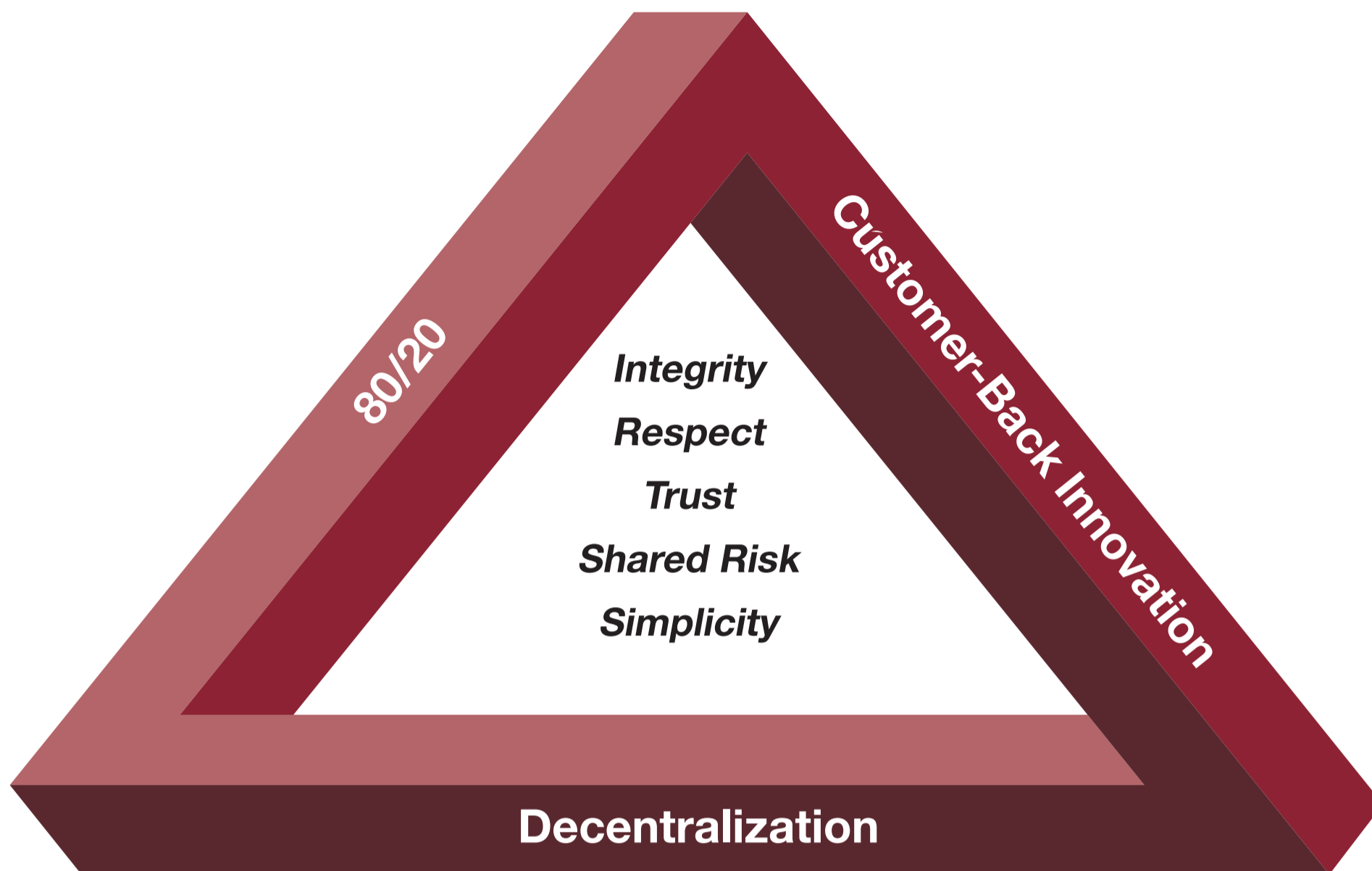


Our Differentiated Business Model is composed of:

- **80/20**
- **Customer-Back Innovation**
- **Decentralization**

Our values support this business model and create a culture that enables our leaders and employees to succeed.

It is the unique combination of our Differentiated Business Model and values that create our competitive edge.



80/20

ITW has a differentiated proprietary operating model that identifies the key customers and profit drivers in a business, and effective ways to leverage them. 80/20 creates simplicity, focus and drives innovation.

The process involves identifying 20% of activities that create 80% of the results through a “front to back” assessment at every stage of evaluating, structuring, and managing the business. Our 80/20 Business Process reduces complexities, promotes efficiencies, identifies innovation opportunities, improves customer service, and delivers superior financial benefits.

Customer-Back Innovation

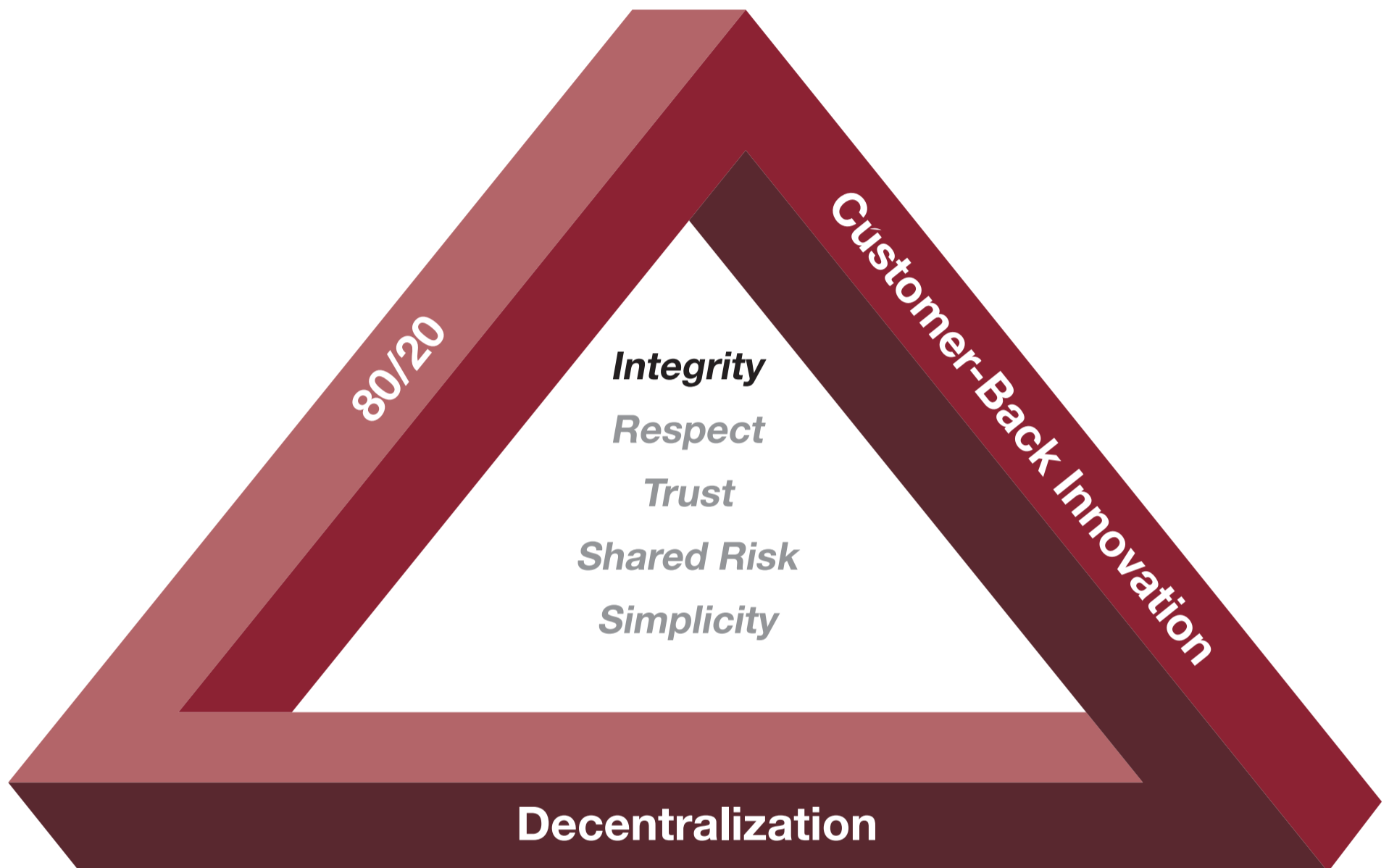
Focusing our innovation efforts on solving important problems for our “80” customers is an essential element of our success. For us, innovation doesn’t start in the engineering lab or R&D center. It starts with our people in the field working with customers to identify their key needs and pain points. Working innovation “from the customer back” sets us apart and our success with this unique approach is reflected by our portfolio of over 12,000 active patents. Customer-Back Innovation is a critical component of ITW’s competitive edge.

Decentralization

At ITW, decentralization means “flexibility within a framework”, allowing our businesses significant decision-making autonomy within ITW’s Enterprise Strategy. This operating approach unleashes our entrepreneurial energy, fosters innovation and drives superior long-term performance by enabling our businesses to customize how they apply ITW’s unique business model in order to best serve their key customers.

We believe decentralization helps us serve our customers better and is a critical component of ITW’s competitive edge.

The ITW Edge **Living our Values**



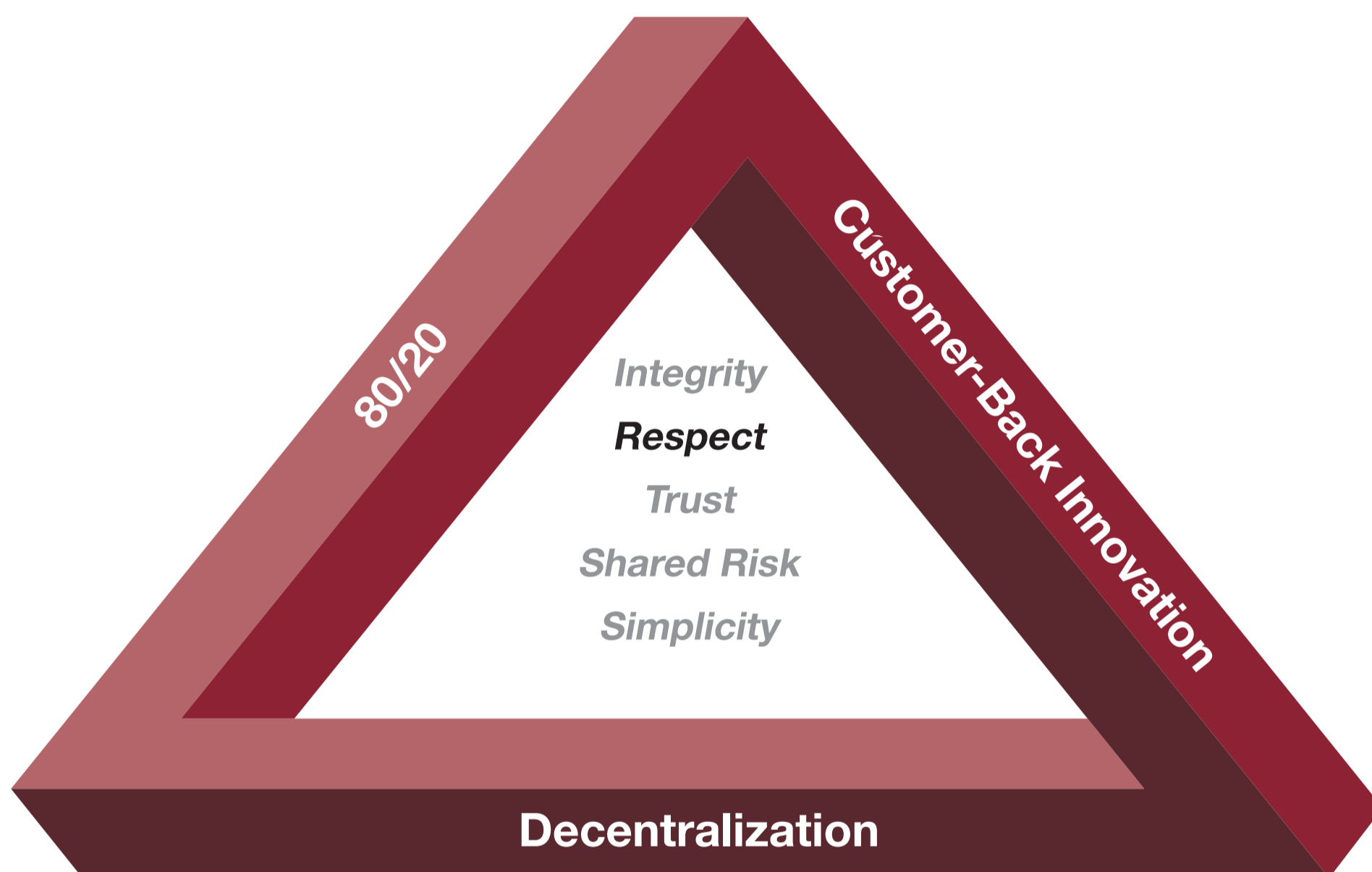
Integrity in all that we do

Despite our many brands and locations, suppliers and customers who work with ITW can expect the same treatment no matter where they are: honesty, transparency, and a company that always tries to do what's right.

There is a unique relationship between our values, as you will see as you read through each of them.

The ITW Edge

Living our Values



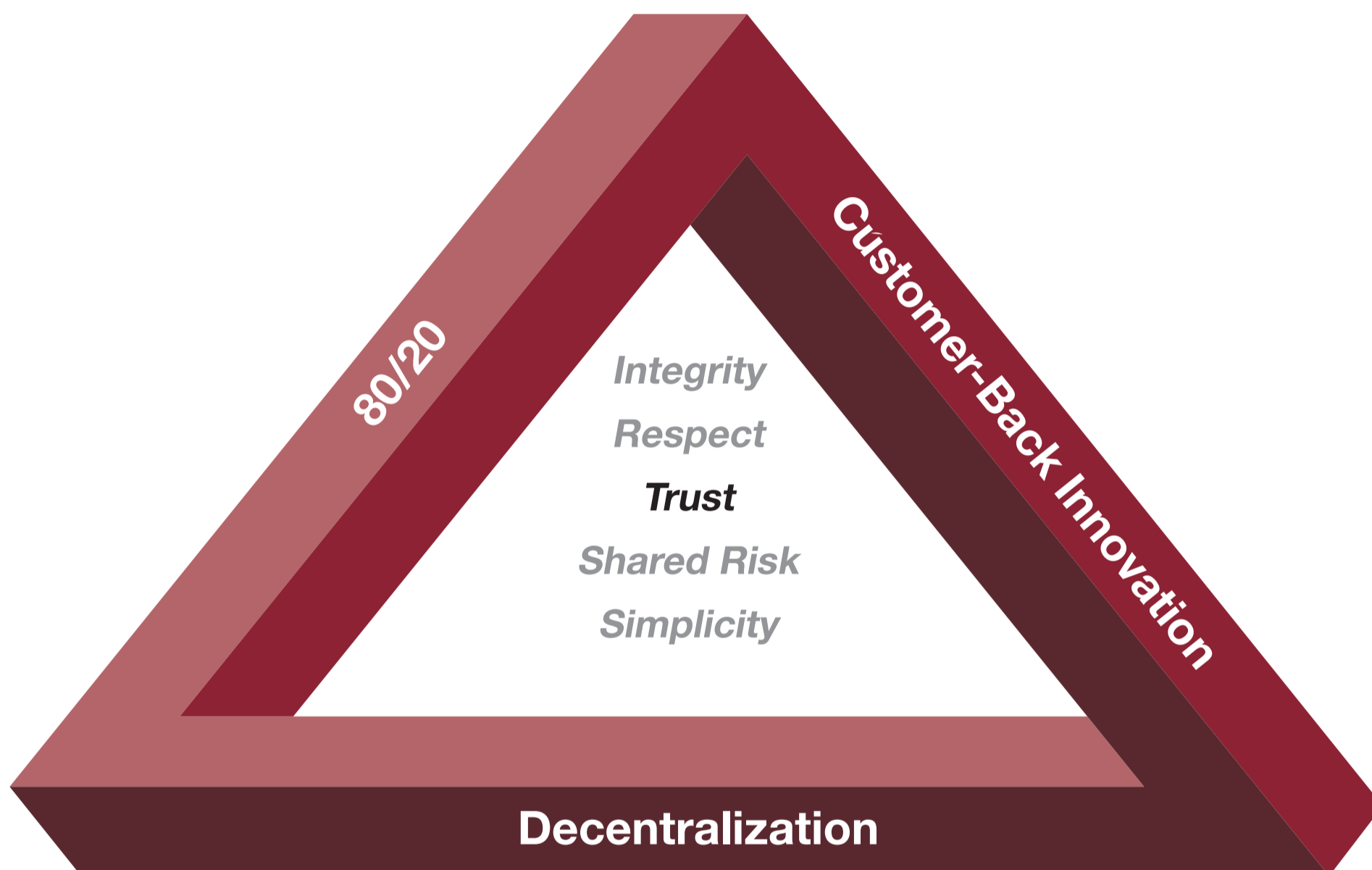
Respect drives performance, innovation, and a commitment to community

ITW has a large and highly diverse workforce, with talented employees who bring the richness of different cultures, languages, and experiences to their work. We expect those differences to be embraced with respect and dignity and for all views to be recognized. Respecting employee insights at all levels, and providing honest assessment, nurtures innovation.

Value connection: You can't have respect without integrity.

The ITW Edge

Living our Values



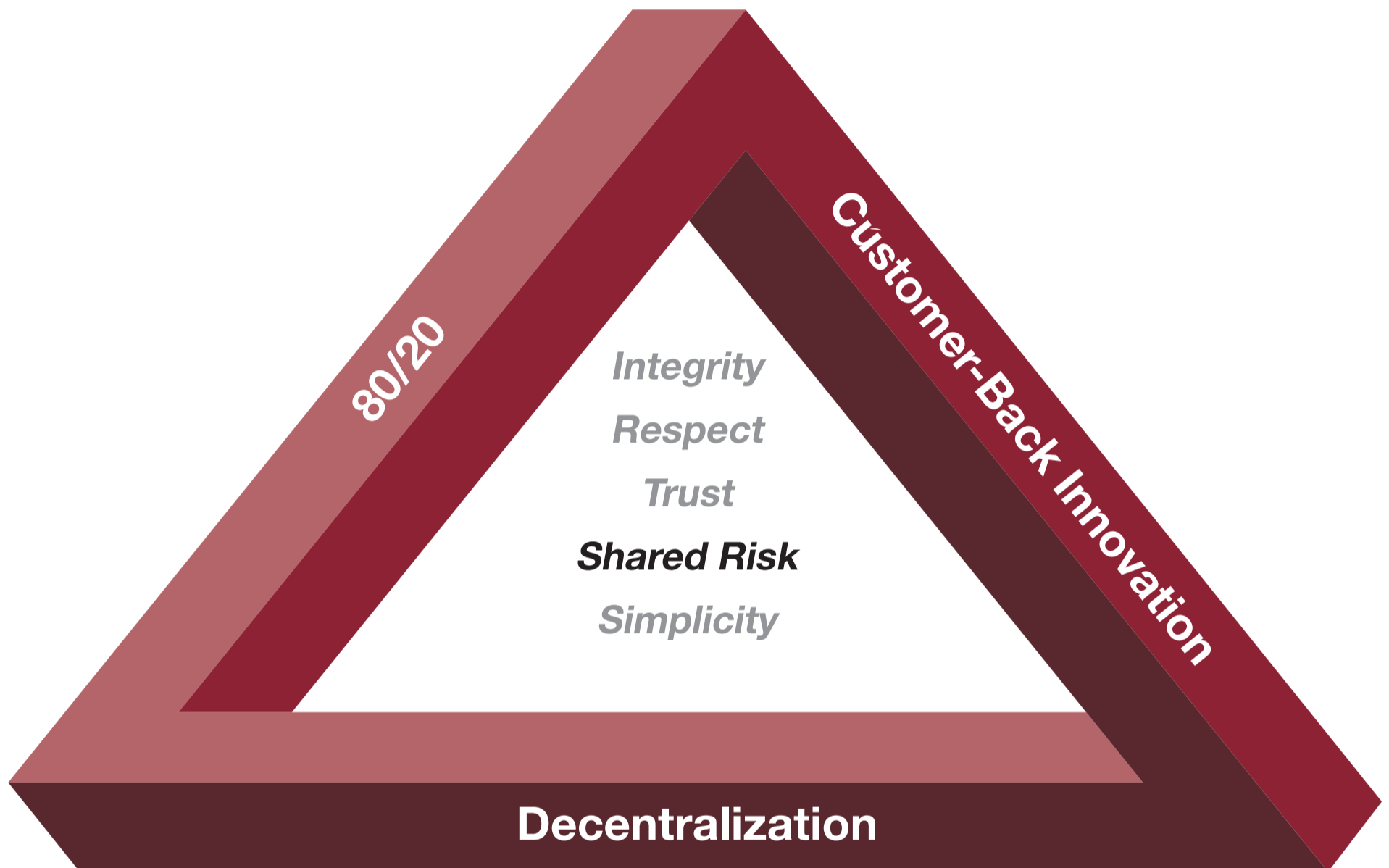
Trust in each other and our company

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

Value connection: You can't have trust without respect.

The ITW Edge

Living our Values



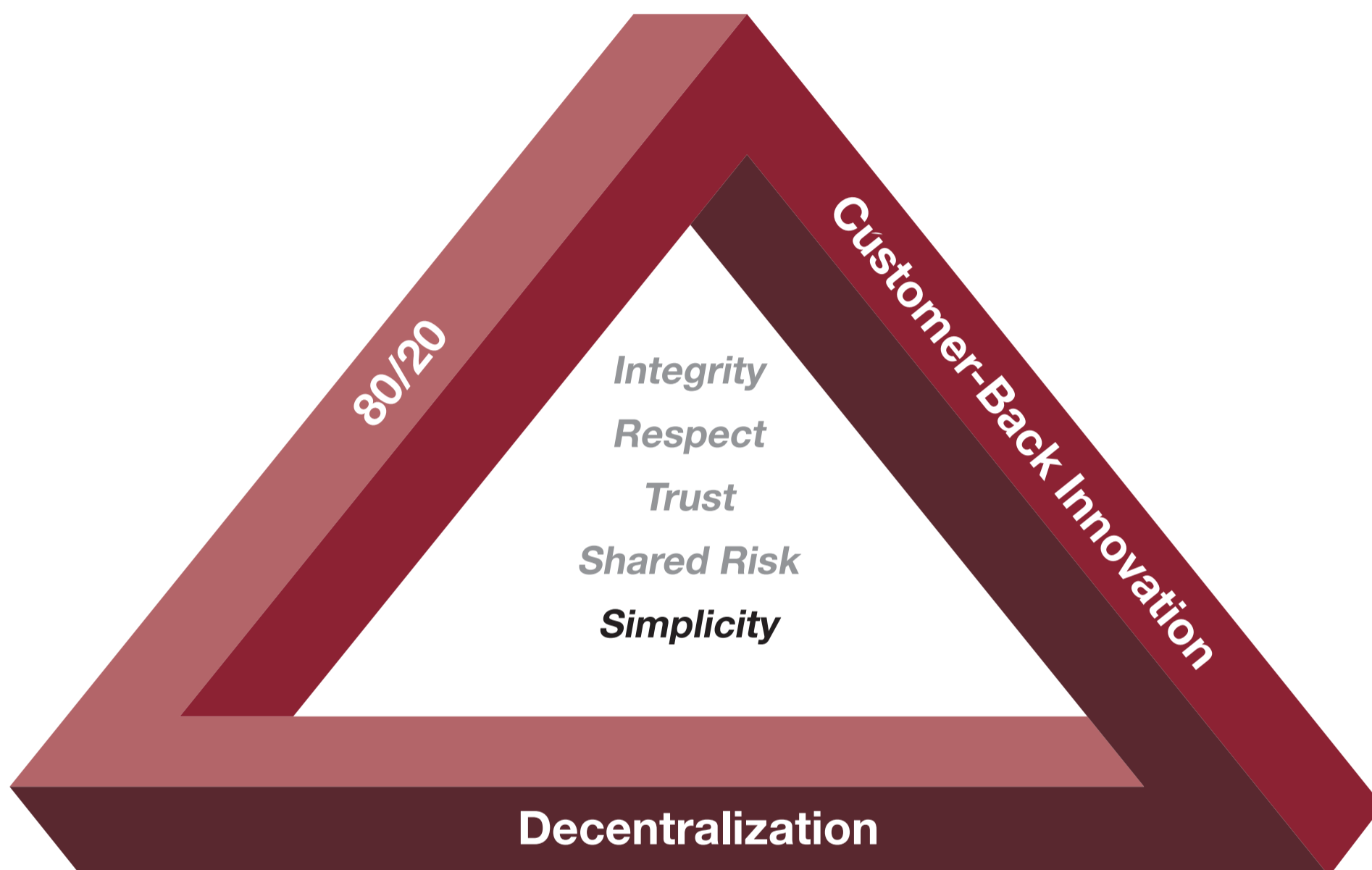
Shared Risk supports bold decision making

As a company built on innovation, we know that mistakes and trial and error can make you stronger, more knowledgeable and might even trigger the next great idea. That's why we encourage well-reasoned, prudent risk taking in an environment where challenges are discussed openly, and information is shared among all. We work as a team, sharing responsibility for the outcomes of individual risks and decisions.

Value connection: You can't support shared risk without trust.

The ITW Edge

Living our Values



Simplicity always

We keep things simple by focusing on the essential core of any business opportunity, challenge, issue, or problem. 80/20 is our core philosophy and is the key tool that drives simplicity into our thinking, processes, systems and structures by focusing on “the 20%” of any opportunity or problem that drives “80%” of the results or outcomes. We use business structure as a key simplicity tool... small, focused, and flexible vs. large, complex, bureaucratic, and rigid.

Value connection: Simplicity is the foundation of our values and our business model.

The Core Source of Competitive Advantage and Value Creation for the Company



INTEGRITY

SIMPLICITY

TRUST

RESPECT

SHARED RISK