

ITW 401(k) Summary Plan Description



Your ITW 401(k) Plan

This Summary Plan Description (“SPD”) offers an overview of your ITW Savings and Investment Plan or your ITW Bargaining Savings and Investment Plan (“401(k) Plan”). Visit ITWemployee.com for more information on the 401(k) Plan.

Designed to make it easy and convenient to save and invest for tomorrow, the 401(k) Plan gives you all the tools you need to effectively take charge of your financial future—something that’s more important today than ever. ITW is committed to giving you the support you need to help you reach your goals and retire the way you want.

Please read this SPD to learn more about the 401(k) Plan. Also be sure to make the most of the online retirement planning tools and resources available to you through **ITWemployee.com**.

If you have any questions at any time, please visit **ITWemployee.com** to access the ITW Retirement Plans website or call the ITW Employee Service Center at **1.866.489.2468, Option 3**.



A QUICK INTRODUCTION

If you're like most people, you've probably pictured how you would like to live in retirement. But how often do you think about where the money's going to come from to finance your future?

Social Security will likely chip in a little each month. And perhaps you have other sources of income such as a pension benefit or IRA. But the majority of your retirement income is going to have to come from personal savings.

Fortunately, the 401(k) Plan is set up to help you save effectively with a variety of features and benefits, including:

- A choice of two investment paths.
- Easy access to balances & statements online.
- Flexibility in distribution options.
- Easy rollover to an IRA or new employer's plan.

This Summary Plan Description describes your benefits under the 401(k) Plan as a former or retired employee. If you are rehired by ITW, you will receive a different summary that describes benefits for active employees.

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YOUR SAVINGS

Your total 401(k) Plan account consists of different individual sub-accounts. They are:

- Employee Pre-tax Account—your pre-tax savings and related investment returns.
- Employee After-tax Account—your after-tax savings and related investment returns.
- Company Match Account—contributions made by the company as a match to your savings, plus related investment returns.
- Company Basic Account—contributions made by the company as company basic contributions, plus related investment returns (generally available to those who first became eligible on or after 1/1/2007).
- Rollover Account—amounts you have rolled over from another plan or IRA, including related investment returns.
- Others—Certain funds transferred from plans that are merged into the 401(k) Plan may be included in one of the accounts listed above. Or, they may be kept in a separate account, depending on any special rules that may apply.

VESTING IN THE 401(k) PLAN

Vesting means to own the money in your account.

You are always 100% vested in your contributions, any rollover contributions, and investment earnings on those contributions.

You are immediately 100% vested in your company matching account.* If you left employment before your account balance was transferred into this 401(k) Plan, your vesting will be based on your prior plan's rules. If you became a participant through an ITW acquisition, vesting on your prior Plan balance was determined based upon the terms of the deal.

Under this 401(k) Plan, the company basic contribution (if applicable) is vested after 36 months of service with ITW and any company acquired by ITW.

*Please note: If your employment ended before January 1, 2002 your vesting was determined under prior 401(k) Plan rules.

LOAN REPAYMENTS

If you have outstanding loans, you will need to continue making monthly loan repayments until your loan is completely paid off or pay your loan balance in full by the end of the calendar quarter following the quarter in which you leave ITW. Otherwise, your loan will be treated as a taxable distribution. You must set up automatic payments (ACH) from a bank account in order to continue monthly repayments after you leave ITW.

If the entire loan balance is not paid and automatic payments are not set up by *the end of the calendar quarter following the quarter in which you leave ITW*, the outstanding loan balance becomes taxable and may be subject to an early withdrawal penalty.

There are two ways to repay the loan—by check or by ACH.

By Check

1. Obtain the loan payoff amount through the ITW Retirement Plans website or ITW Employee Service Center.
2. Submit a cashier's check, certified check, or money order made payable to the "ITW 401(k) Plan."
3. Include your ITW Employee ID or SSN, and the loan number, on the payoff check.
4. Mail to:

ING LLC
Attn: ITW Savings and Investment Plan
Administration Unit
PO Box 5166
Boston, MA 02206-5166

Our overnight mailing address is:

ING LLC
Attn: ITW Savings and Investment Plan
Administration Unit
30 Braintree Hill Office Park
Braintree, MA 02184

By ACH

To add your banking information and elect to continue loan repayments through monthly ACH payments, you can go to the ITW Retirement Plans website.

1. Once in the *401(k) Plan* section, from the *Personal Information* dropdown, select *Banking Information*. Enter your bank account information.
2. In the *Loans* section, select *Loan Payment* and select the *Automate recurring direct debit payments for active loans* box.



Two Ways To Invest

Whether you're knowledgeable and comfortable enough to make your own investment decisions, or you'd prefer to rely on professionals, the 401(k) Plan offers two different paths to guide you.

PATH1—THE TARGET RETIREMENT FUNDS

Ideal for those who don't have the time or experience to manage their investments, the Target Retirement Funds are made up of different, well-diversified mixes of the Core Investment Funds (described on page 8) and real asset components such as TIPS and commodities (described on page 7). All you have to do is pick the fund with the date closest to when you think you'll need your retirement account—typically, the fund closest to the year you reach age 65. From then on, professional fund managers gradually adjust the asset mix of the fund over time to suit your retirement horizon. Your investment mix will gradually become more conservative, eventually resulting in the asset allocation of the Retirement Fund as you near age 65. This same asset allocation will continue through the length of your retirement.

Path1—Target Retirement Funds

CONSERVATIVE	Retirement Fund (for those participants in or near retirement)
	2015 Target Retirement Fund
	2020 Target Retirement Fund
	2025 Target Retirement Fund
	2030 Target Retirement Fund
AGGRESSIVE	2035 Target Retirement Fund
	2040 Target Retirement Fund
	2045 Target Retirement Fund
	2050 Target Retirement Fund
	2055 Target Retirement Fund

The Target Retirement Funds are the 401(k) Plan's default investment option. See page 9 for more information.

In addition to the ease of investing, Path1 gives you the flexibility to invest up to 20% of your balance in the ITW Common Stock Fund.

Path1 Restrictions

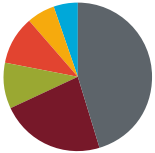
- You may only invest in a single Target Retirement Fund at any time.
- You may not directly invest in any of the Path2 options except the ITW Common Stock Fund while invested in a Target Retirement Fund.
- No more than 20% of your balance may be invested in the ITW Common Stock Fund.

Key Features Of The Target Retirement Funds

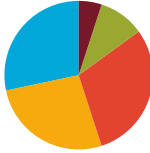
- You benefit from professional investment allocation and diversification based on your savings time horizon (how long you have to save). If you have a longer time horizon, you may start off investing with the goal of achieving the highest potential returns (which involves the most risk). As the target date approaches, you become a more conservative investor, ultimately invested in the Retirement Fund.
- You benefit from a professional investment advisor who rebalances and adjusts the fund's mix of assets periodically.

Example Of Target Fund Asset Allocations

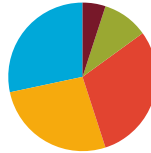
RETIREMENT FUND



2035 FUND



2055 FUND



Glossary Of Investment Terms: Asset Classes

Bonds are like an I.O.U. from a corporation or government that pays either a fixed or adjustable rate of interest for borrowing money.

Cash represents short-term money market instruments including Certificates of Deposit (CDs) or Treasury bills.

Commodities are physical investments such as food and metals.

Stocks represent ownership in a corporation, usually as shares.

TIPS are issued and backed by the US Treasury and promise to pay a specified interest rate plus the rate of inflation.

PATH2—THE CORE INVESTMENT FUNDS

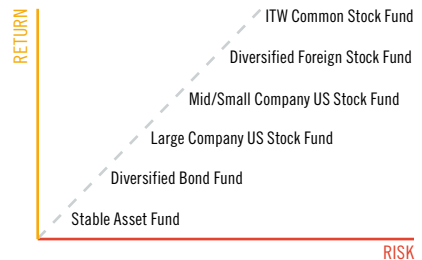
Designed for those who want to actively create and manage their investment strategy, the Core Investment Funds offer a mix of different asset classes to help you build a portfolio to suit your retirement goals and risk tolerance. Each Core Investment Fund has a different investment objective and represents one of the major asset classes, from the most conservative—stable assets to the more aggressive—foreign stocks. Since it only invests in one security, the ITW Common Stock Fund is the most aggressive option.

Aside from the Stable Asset Fund and the ITW Common Stock Fund, the funds are “funds of funds”, meaning each one is made up of a collection of underlying professionally invested funds with multiple fund managers. This creates diversity of investment styles within each fund.

With Path2 fund options, you create your own portfolio using a mix of funds. More details on each of the Path2 funds, including the underlying fund managers, are available in the *Plan Investments* section of the ITW Retirement Plans website.

Path2—Core Investment Funds

CONSERVATIVE AGGRESSIVE	Stable Asset Fund
	Diversified Bond Fund
	Large Company US Stock Fund
	Mid/Small Company US Stock Fund
	Diversified Foreign Stock Fund
	ITW Common Stock Fund



Path2 Restriction

Money transferred to the Stable Asset Fund must remain invested in that fund for a period of 60 days before it can be transferred to another fund option. You cannot become a Path1 investor until that 60-day period has passed.

The Importance Of Diversification In A Savings Strategy

By having a mix of—or diversifying—your investments, you reduce your exposure to market risk while improving your potential returns. Investment experts say that good diversification and consistent investing is critical to achieving one’s retirement goals.

Default Investment Fund: Path1 Target Retirement Funds

You may direct the investment of all of the contributions made to the 401(k) Plan by you or the company on your behalf, as well as earnings on those contributions, to one or more of the 401(k) Plan's available funds, which include a broad range of investment alternatives intended to allow you to achieve a diversified portfolio, without financial penalty. If you do not select an investment path or you are enrolled in the 401(k) Plan, your account will automatically be invested in the Target Retirement Fund nearest to the year you turn 65.

Automatic Account Rebalancing

If you are a Path1 Target Retirement Fund investor, the Automatic Rebalancing feature is already built into the fund options and does not need to be set.

If you are a Path2 Core Investment Fund investor, you have the option of establishing Automatic Account Rebalancing, which allows you to have your account automatically rebalanced based on the timeframe you select and according to your investment allocations on file for future contributions. You may elect this option through the ITW Retirement Plans website or by contacting the ITW Employee Service Center. It's an easy way to keep your portfolio on track. Any investment election changes will "turn off" Automatic Account Rebalancing.

Diversification Rights

In general, a defined contribution retirement plan, such as this 401(k) Plan, must allow you to elect to move any portion of your account that is invested in company stock from that investment into other investment alternatives under the 401(k) Plan.

The 401(k) Plan offers full diversification. You can immediately diversify any portion of your account that is invested in the ITW Common Stock Fund, whether you bought it yourself or it was purchased with company contributions, subject to the insider trading rules.

You may contact the 401(k) Plan Administrator for specific information regarding your right to diversify in the ITW Common Stock Fund, including how to make the diversification election. In deciding whether to exercise this right, you will want to give careful consideration to the preceding information that describes the importance of diversification. All of the investment options under the 401(k) Plan are available to you if you decide to diversify out of company stock.

ITW STOCK DIVIDEND ELECTION

401(k) Plan participants who hold shares in the ITW Common Stock Fund will have the option to reinvest each stock dividend to purchase additional shares of stock in the 401(k) Plan or receive a cash payout of each dividend payment. ITW common stock normally pays dividends on a quarterly basis. You may make your dividend election by visiting the ITW Retirement Plans website or by calling the ITW Employee Service Center.

Unless you make an election to receive a cash payout, the dividends will automatically be reinvested in your account. If you would like a cash payout, you must make this election and the 401(k) Plan will pay you the dividends on your shares in the ITW Common Stock Fund. Cash payouts of dividends are considered taxable income for the year in which they are paid, but are not subject to the additional 10% penalty normally applied to early withdrawals. Cash payouts cannot be rolled over to an IRA or another qualified plan; once cashed out, you lose the tax deferred status of the dividends.

If you invest in the ITW Common Stock Fund, IRS rules require that you elect available cash dividend distributions before receiving a hardship withdrawal.

FUND MANAGEMENT

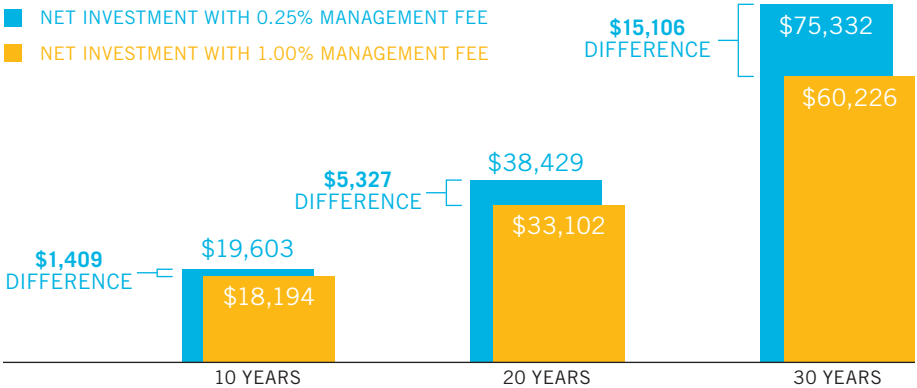
- The ITW Employee Benefits Investment Committee may add, change, or delete any investment funds as appropriate and as allowed by the 401(k) Plan document at any time.
- The majority of the 401(k) Plan's funds are made up of a mix of mutual funds, commingled funds, and separate accounts—providing you with diversification and the advantage of different investment styles. The mix within each fund is managed by professional investment managers according to established investment policy guidelines for the 401(k) Plan.
- Commingled funds and separate accounts are generally only available to institutional investors like the 401(k) Plan.
- By having a mix of managers, and leveraging the 401(k) Plan's buying power, there is flexibility in the investments, and improved flexibility to manage potential risk and reward. There may also be reduced investment fees.



FEES

- As an investor in a fund, you pay for what it costs to run that particular fund: the cost of the fund managers, the trading activity, the administration, research and, in the case of retail mutual funds, advertising. These costs are deducted as expenses from what the fund earns.
- Expenses vary from one fund to another. As of June 30, 2012 the expenses ranged from 0.09% to 0.81%. Please reference the fund fact sheets available on the ITW Retirement Plans website for current expenses.
- Lower fees could result in a greater account balance over time. See the fund expense* example below which shows the impact of an investment management fee of 0.25% versus a 1.0% fee. While the fund might have earned 7%, if the fees were 1%, the actual fund return would be 6%. If the fees were only 0.25%, your balance would show a 6.75% return. This difference adds up over time.
- When evaluating funds, it is important to compare net returns (after fees).

Impact Of Fees On Fund Balance



*This example is for illustrative purposes only and does not constitute specific tax or investment advice. The example above assumes a \$10,000 balance which earns an annual investment return of 7% and is compounded monthly over 10, 20 and 30 years. Your actual returns may be more or less depending on the returns of your investments.

Naming A Beneficiary

A beneficiary is the person or persons who will receive your account in the event of your death. You may elect, view or change your primary and secondary beneficiaries at any time on the ITW Retirement Plans website. After you've logged on, simply go to *Personal Information* and select *Beneficiary Information*. You may also contact the 401(k) Plan Administrator to request a beneficiary designation form.

If you are married, your spouse is automatically your primary beneficiary. If you are married and name someone other than your spouse as your primary beneficiary, your spouse must approve the designation by signing the beneficiary designation form in the presence of a notary public. *Any beneficiary designation you make while not married becomes invalid if you subsequently marry. The designation will not be used, in whole or in part, even if your spouse dies or you get a divorce.*

If you do not name a beneficiary, or if your beneficiary dies before you, your benefit will be paid as follows:

- If you are survived by a spouse, your surviving spouse will be the sole beneficiary;
- If you do not have a surviving spouse, your estate will be the beneficiary.

If you die before 401(k) Plan distributions begin, and there is no designated beneficiary, then all of your benefits must be paid out by December 31 of the year containing the fifth anniversary of the year in which you died.

Surviving Spousal Beneficiary

If your spouse is your sole beneficiary, he or she may elect for distributions to begin by the later of December 31 of the year following the year in which you died, or by December 31 of the year in which you would have attained age 70½.

Non-Spousal Beneficiary

If you have a designated beneficiary other than a spouse, he or she may elect for distributions to begin by December 31 of the year following the year of your death, to be paid over the remaining life expectancy of your beneficiary. If your beneficiary dies before the entire account is paid, the remaining balance of the account will be paid to his or her beneficiary in a single-sum payment, as soon as administratively feasible following the death of your beneficiary.

Trust Or Estate Beneficiaries

If your beneficiary is a trust, estate, corporation or other entity that is not an individual, your account balance will be paid to the designated entity (as long as it is a legally valid designation) in a single-sum distribution as soon as practicable following your death.

To designate a beneficiary, visit **ITWemployee.com** and access the *ITW Retirees and Others* section. Scroll down to *ITW Retirement Plans* and access *Go to Plan Site*. You can also access the ITW Retirement Plans website directly at <https://itwretirementplans.ingplans.com>.

Distribution Options

You are entitled to the vested value of your 401(k) Plan account when you retire or leave ITW employment.

If your account balance is \$1,000 or greater, you have several options:

- Leave the money in the 401(k) Plan—however you must generally begin taking distributions once you reach age 70½.
- Take your money in monthly, quarterly or annual installment payments.
- Roll over the balance to another qualified 401(k) plan, 401(a) plan, 403(a) plan, 403(b) plan, governmental 457 plan or IRA.
- Take part of the money in cash—called a partial lump-sum distribution. The remainder of the balance would continue to be invested according to your investment elections and would be available for distribution at any point in the future.
- Take all of the money in a lump-sum distribution. Your balance in the 401(k) Plan would be paid to you.
- If you have a balance in the ITW Common Stock Fund, you may elect a distribution in shares.
- If you do not elect a distribution method, your money will automatically stay invested in the 401(k) Plan until you reach age 70½.

If your account balance is less than \$1,000, you will receive a lump-sum distribution unless you roll over the balance to another qualified 401(k) plan, 401(a) plan, 403(a) plan, 403(b) plan, governmental 457 plan, a Roth or traditional IRA.

Your balance will be distributed to you 90 days following the end of the quarter in which you left employment with ITW.

Retirement Planning Assistance

When you decided to save in the ITW 401(k) Plan or in a plan from an acquired unit, you made a commitment to improve your financial security in retirement. As you move on to other opportunities, you will want to maintain your savings momentum and continue to accumulate savings for your long-term goals.

You can review your options by calling the ITW Employee Service Center at **1.866.489.2468, Option 3** and asking to speak to an ING Retirement Consultant*.

Retirement Consultants are licensed financial professionals available to provide guidance on your retirement savings, including the features of your ITW 401(k) Plan. Retirement Consultants can help you understand your options and the tax consequences of each. Retirement Consultants are available weekdays from 7 a.m. to 7 p.m. Central time (excluding stock exchange holidays).

*Retirement Consultants are Registered Representatives of ING Financial Partners (member SIPC). ING does not offer legal or tax advice. Consult with your tax and legal advisors regarding your individual situation. CNO706-3427-0814

Timing Of Your Payout

Distribution requests may be made through the ITW Retirement Plans website or by calling the ITW Employee Service Center. You must wait at least 30 days following your termination of employment before requesting a distribution. If you have established personal banking information on the ITW Retirement Plans website **at least seven business days in advance** of your distribution request, your distribution amount can be automatically deposited to a personal banking account. Payment will be made as soon as practical after your request is received but in no event before 30 days following your termination of employment.

TAX CONSEQUENCES OF DISTRIBUTIONS

Distribution choices and rules are complicated. You are encouraged to talk with your tax advisor or financial planner before deciding how to take your distribution. Contributions to the 401(k) Plan (except after-tax contributions) are not subject to federal income tax when made, and earnings on these contributions are not taxed to you when earned under the 401(k) Plan. However, distributions to you or your beneficiary after your retirement, death or other termination of employment generally are taxed to you or your beneficiary when received.

A 10% penalty tax generally applies to distributions before age 59½. In some situations, you may defer income to a later date and avoid the 20% mandatory federal income tax withholding that applies to many distributions by directly transferring the distribution to an individual retirement account or another tax-qualified plan (if that plan accepts direct transfers).

In general, when you receive a distribution from the 401(k) Plan in the form of company shares, you will be taxed on the cost to the 401(k) Plan of the company shares and not on the value of any appreciation in the stock (the “net unrealized appreciation”). When you sell the company shares, you will be taxed on the difference between the sale price and the cost to the 401(k) Plan. However, in general, this rule only applies if your distribution is a complete distribution of your entire benefits under the 401(k) Plan. Otherwise, you may be taxed on the net unrealized appreciation at the time of your distribution.

CLAIMS AND APPEALS

When you are ready to make a claim for benefits, you should request the necessary forms and tax notices through the ITW Retirement Plans website or the ITW Employee Service Center. In the event of your death, your beneficiary must contact a Participant Services Representative to report the death before your benefits will be paid.

If you submit a claim for benefits, and the claim is fully or partially denied, the procedures described below will apply.

Initial Review Of Claims

If you have submitted a written request for a 401(k) Plan benefit to which you feel you should be entitled, you'll receive a response to that request within 90 days of the date it was received by the ITW Employee Benefits Steering Committee (“the Committee”), unless the Committee notifies you before then that up to an additional 90 days will be required to review your request. The provisions of the 401(k) Plan will be applied in considering your request for benefits.

Denial Of Claims

If you claim a benefit that is more than is determined under the 401(k) Plan's terms or if you claim any benefit or form of payment that is not provided by the 401(k) Plan, your claim will be denied. Your denial notice will include the reasons for the denial, the 401(k) Plan provisions on which the denial is based, a description of any information which the Employee Benefits Steering Committee does not have which might result in a different decision, and a description of the 401(k) Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Appeal Of Denied Claims

If your claim for benefits is denied, in whole or in part, you, or any person you authorize to represent you, may ask the ITW Employee Benefits Steering Committee for a review of the claim. The request for a review must be submitted within 60 days of the date you receive a denial notice. If a written denial notice is not provided within 90 days (or 180 days if extended) after the Committee receives the claim, you shall be deemed to have exhausted your administrative remedies under the 401(k) Plan and shall be entitled to pursue any available remedies under Section 502(a) of ERISA.

Your request for a review of a denied claim must be in writing. See Legal and Administrative Information (on page 22) for the address of the Plan Administrator, where you may direct your appeal to

the ITW Employee Benefits Steering Committee. You or your authorized representative should include in writing to the Committee, any issues, comments or reasons you feel should result in a reversal of the previous decision, or any documents, records and other information relating to the claim. In your request for a review, you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim.

The Committee will review your claim under the 401(k) Plan's terms, taking into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination. Normally, you'll receive written notice of their final review decision within 60 days of the date your written request is received. If an extension of time is needed to review the claim, you will be notified before the 60 days has gone by. In no event will the review period be extended beyond the 120th day following the date the Committee received your written request for review of a denied claim.

The notice of final review will specify reasons for the denial and the 401(k) Plan provisions on which the decision is based. If written notice of the decision is not given to you within 60 days (or 120 days if applicable), you will be deemed to have exhausted your administrative remedies and can bring a civil action in court. Unless otherwise required by law, the decision of the Committee on review of the claim denial will be binding on all parties.

401(k) Plan Tools And Resources

Once you have developed your retirement savings strategy and determined your investment approach, ITW gives you access to the retirement planning tools, educational resources and information you need to keep track of and manage your account 24/7.

401(k) Plan Account Information

The online statement tool offers up-to-date account details and allows you to decide what information you want shown. Quarterly statements are available online or can be mailed to you at home displaying your current account balance and investment performance over the last three months. You can also opt into receiving quarterly online statements instead of paper statements.



Resource Center

Available on the ITW Retirement Plans website, this helpful section offers a variety of useful tools and retirement planning information to help you learn more about investing and help with your long-term financial planning.



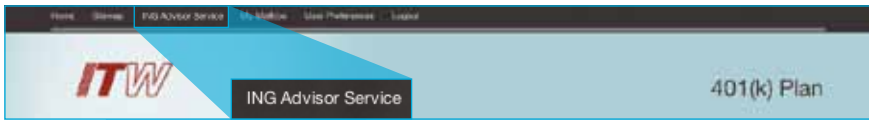
ING Advisor Service*

Gives you access to professional investment advice, which can help you work toward reaching your goals. Depending on the level of help you want or need, you have two service options to choose from: *Personal Online Advisor* or *Professional Account Manager*.

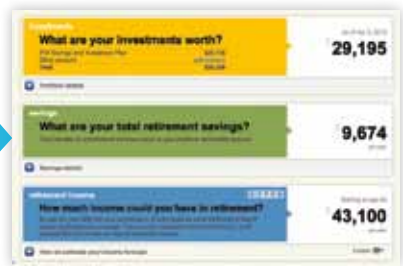
Personal Online Advisor—Available at no additional cost, this do-it-yourself option is a web-based guide ideal for anyone who wants some general “tell me what to do” kind of advice.

The Personal Online Advisor offers you advice for refining your investment strategy. You then have the option of implementing this advice by simply hitting the *Accept Advice* button, or you can save it for future consideration.

To access the Personal Online Advisor, click through the ITW Retirement Plans website from **ITWemployee.com** and select the *My Future* link on the home page or the *ING Advisor Service* link on the top navigation bar from any page.



Develop Your Retirement Strategy



Refine Your Strategy

Professional Account Manager—Available for an additional fee (no more than \$5 a month for every \$10,000 in your account), this full-service option is designed for someone who prefers to take a hands-off, “take care of it for me” type approach. Simply call the ITW Employee Service Center at **1.866.489.2468, Option 3**, and ask to speak with an Investment Advisor Representative. The initial consultation is free, and if you choose to enroll in the Professional Account Manager service, you’ll benefit from ongoing assessments of your progress, periodic account updates and optimization.

*Advisory Services provided by ING Investment Advisors, LLC for which Financial Engines® Advisors, LLC acts as sub advisor. ING Investment Advisors, LLC does not give tax or legal advice. If you need tax advice, consult your accountant or attorney. If you need legal advice, contact your attorney. For more information about the ING Advisor Service, please read the ING Investment Advisors Disclosure Statement that may be viewed online by accessing the ING Advisor Service link (access via **ITWemployee.com**) or requested from an Investment Advisor Representative by calling the ITW Employee Service Center at **1.866.489.2468, Option 3**. Financial Engines® Advisors, LLC is not a corporate affiliate of ING Investment Advisors, LLC or ING Institutional Plan Services, LLC. CN0706-3427-0814

The Retirement Plans Website

(ITWemployee.com)

The online tools and resources on the preceding pages can all be found at **ITWemployee.com**. Simply go to the ITW Retirement Plans website on the landing page or log on directly to <https://itwretirementplans.ingplans.com>. In addition to the great features already discussed, the site also allows you to:

- Perform fund transfers
- Change your investment options
- Learn about investing
- Access forms
- Obtain investment information
- And more

The ITW Employee Service Center

(1.866.489.2468, Option 3)

If you prefer, you can also access and manage your account over the phone by calling the ITW Employee Service Center. Participant Services Representatives and ING Investment Advisor Representatives are available from 7 a.m. to 7 p.m. Central time, weekdays, excluding stock market holidays. A Spanish menu and Spanish-speaking representatives are also available.

ING Retire

(Mobile account app*)



Once you have enrolled and established an online account, you can check in on your ITW 401(k) Plan using your iPhone®, iPod touch® or Android™ device.

Simply download the app from the App StoreSM or Android Apps on Google PlaySM (keywords: ING Retire) and enjoy a wealth of information and “on the go” transactions at your fingertips such as:

- Current balance
- Balance history
- Balances by asset class and fund
- Personal rate of return
- Fund performance
- Contribution history

The mobile app can also be used to perform transactions, allowing you to:

- Transfer money between funds
- Reallocate your account balance



Visit mobile.ingplans.com for more information.

*Please note: For security purposes, you must sign in to your online account and set up your secure access questions prior to using the ING mobile app. You will need your Password issued by ING to access your account. To request a Password reminder, visit <https://itwretirementplans.ingplans.com> to have a reminder mailed to your home address.

Section 404(c) Employee Retirement Income Security Act

ITW has designed the 401(k) Plan to satisfy Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA) and related regulations covering participant-directed investments. Under the 401(k) Plan, you decide how your account is to be invested among the investment choices established by the ITW Employee Benefits Investment Committee. *Because the company has designated the 401(k) Plan as an ERISA 404(c) plan, however, neither ITW nor its Employee Benefits Investment Committee will be liable for losses that result from your investment decisions.*

You can request the following information from the 401(k) Plan's 404(c) representative, which is ING, by writing to the ITW Plan Administration Team on behalf of the Plan Administrator, PO Box 5166, Boston MA 02206-5166, or by telephone at **1.866.489.2468, Option 3:**

- Profiles, fund fact sheets and similar information for the mutual funds, commingled funds and separate accounts that make up the Path2 Core Investment Funds.
- A list of the assets in each of the managed accounts that form a part of the core funds and the value of each such asset, as well as the name of the issuer of each fixed rate investment contract issued by a bank, savings and loan association or an insurance company, the term of the contract and the rate of return on the contract.

An Introduction To ING

ING is the company that handles the daily servicing of the 401(k) Plan, providing you with 401(k) Plan information, saving and investing education, processing of transactions, and more.

In the US, the ING (NYSE: ING) family of companies offers a comprehensive array of financial services, which includes life insurance, retirement plans, mutual funds, managed accounts, alternative investments, institutional investment management, annuities, employee benefits and financial planning. For more information, visit www.ing.us.

Plan Insurance

This 401(k) Plan is not covered by the Pension Benefit Guaranty Corporation's (PBGC) termination insurance program. The PBGC guarantees pensions from defined benefit plans that fund for a specific monthly benefit upon retirement. Since this 401(k) Plan is a defined contribution plan, with benefits based on account balances rather than a specific monthly benefit, it is therefore not insurable.

Qualified Domestic Relations Order

A court may order that part of your 401(k) Plan benefits be assigned to another person (your former spouse, separated spouse, child or other dependent) due to a divorce, separation or child support situation. The court order is called a domestic relations order and if it meets the 401(k) Plan requirements, it becomes a Qualified Domestic Relations Order (QDRO).

QDRO procedures and a model order designed to provide a very basic assignment under the 401(k) Plan are available at no charge under the *Forms* section of the ITW Retirement Plans website or by calling the ITW Employee Service Center.

Spouse Definition

Your spouse is your husband or wife who has met all the requirements of a valid marriage contract in the state in which you live, subject to applicable law. A former spouse may be considered your spouse under a QDRO (usually the result of your spouse's claim on your Plan benefit during separation or divorce proceedings).

Loss Of Benefits

There are certain circumstances that may lead to your losing part or all of your account. Among these are the following:

- Your account may be reduced by an adverse investment experience. Also, your account may be reduced by administrative costs incurred by the 401(k) Plan and trustee to the extent those costs are not paid directly by the company.
- The 401(k) Plan is operated under certain assumptions. These assumptions are that it's a qualified plan under the Internal Revenue Code and no amounts are contributed or allocated by error. If any of these assumptions is incorrect, your benefit may be affected and company matching contributions may be returned to the company.
- Certain contribution and earnings limits set by the IRS may reduce, eliminate or otherwise affect your benefit.
- Generally, your benefits may not be assigned, sold, transferred, garnished or pledged as collateral. However, your benefit may be attached to satisfy a federal tax levy or a QDRO. A QDRO, issued by a state court, provides that a part of your benefit be paid for child support, alimony or marital property rights.
- If you leave the company before you're fully vested, you may forfeit the non-vested part of your company contributions and related earnings. You will forfeit this amount if you're not rehired before having five straight one-year breaks in service or on receiving a payment from the 401(k) Plan.
- If you are rehired before you have a five-year break in service and you repay the distribution within a certain time period, the amount you lost will be reinstated. For more information about repayment, see *Restoring Forfeitures*.

- You must keep your current address on file with the company. If you cannot be located when it is time to pay your account, your payment may be delayed or forfeited. If your account is forfeited for this reason and you later request your payment your account will be reinstated. However you will not receive any investment returns on your account from the forfeiture date to the reinstatement date.

Restoring Forfeitures

Any nonvested portion of your company basic account (if applicable) will be forfeited when you receive a distribution of your vested account balance or have a five-year break in service, whichever occurs first.

If you are rehired *before* you have a five-year break in service, any amounts you forfeited will be reinstated if you repay all 401(k) Plan distributions you received after your employment ended. This repayment must be received by what would be your fifth straight one-year break in service if you had not been rehired. If you do not repay your distribution, forfeitures will not be restored to your account.

If you are rehired *after* a five-year break in service, forfeitures will not be restored to your account.

No Contract Of Employment

Nothing contained in the 401(k) Plan will be construed as a contract of employment between ITW and any employee, or as a right of any employee to continue in the employment of ITW or as a limitation of its right to discharge any employee with or without cause.

Applicable Law

The 401(k) Plan will be construed and administered according to the Employee Retirement Income Security Act of 1974 (ERISA) or subsequent amendments or any other laws of the United States of America.

It's important that you understand how the 401(k) Plan works so you can take advantage of the benefits the 401(k) Plan is designed to provide. This SPD will give you a basic understanding of how the 401(k) Plan works. Read it carefully to find out when you're eligible to participate, how you can invest your funds and when your account is available to you. If you have any questions, contact the ITW Employee Benefits Steering Committee.

This SPD will be effective until another SPD is issued with a later effective date. This SPD may be modified from time to time. To determine the proper benefits at any given time under a 401(k) Plan, it is necessary to consult the SPD as it was in effect at that time.

This SPD is intended to provide you with general information about the 401(k) Plan. The formal texts of the 401(k) Plan and trust agreements are the primary documents which form the 401(k) Plan. While every effort has been made to be sure this description is as complete and accurate as possible, the terms of the 401(k) Plan and trust agreements shall be controlling in case of any conflict between this description and the 401(k) Plan and trust agreements. This SPD is not meant to interpret, extend, or change the provisions of the 401(k) Plan in any way. The Employee Benefits Steering Committee of ITW has authority to determine eligibility for benefits and construe the terms of the 401(k) Plan. The provisions of the 401(k) Plan may only be determined accurately by reading the actual 401(k) Plan document.

Plan Names

ITW Savings and Investment Plan ("SIP")

ITW Bargaining Savings and Investment Plan ("BSIP")

Plan Administration

The 401(k) Plans are sponsored by Illinois Tool Works Inc. The ITW Employee Benefits Steering Committee is the Plan Administrator and handles the operation of the 401(k) Plan, interprets 401(k) Plan provisions and makes the final decisions about such issues as eligibility and payment of benefits. The 401(k) Plan may rely on other professional service providers to assist in Plan administration. You can address letters to:

Retirement Plan Administrator

Illinois Tool Works Inc.

3600 West Lake Avenue

Glenview, IL 60026

1.866.489.2468, Option 3

Service Of Legal Process

Legal process may be served on the Plan Administrator or General Counsel of ITW at the above address.

Plan Year

The 401(k) Plan's financial records are kept on a calendar-year basis from January 1 to December 31.

Plan Identification

ITW's identification number, assigned by the Internal Revenue Service, is 36-1258310. The 401(k) Plans also have identification numbers, which are 003 (SIP) and 039 (BSIP).

Plan Type

This is a defined contribution plan (401(k) Plan).

Plan Trustee

Contributions to the 401(k) Plan are deposited into trust funds, which are managed by the trustee. The trustee is:

*The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675
312.630.6000*

Successor Company

In the event of the dissolution, merger, consolidation or reorganization of ITW, the 401(k) Plan may or may not be continued by the successor. If the 401(k) Plan is continued by the successor, the successor will be substituted for ITW under the 401(k) Plan. The substitution of the successor will constitute an assumption of the 401(k) Plan liabilities by the successor and the successor will have all of the powers, duties, and responsibilities of ITW under the 401(k) Plan.

Indemnification

The ITW Employee Benefits Steering Committee shall be indemnified by ITW from and against any and all liability, joint or several, for their acts and omissions and for the acts and omissions of their agents and other fiduciaries in the administration and operation of the 401(k) Plan. The ITW Employee Benefits Steering Committee shall also be indemnified by ITW against all costs and expenses reasonably incurred by them in connection with the defense of any action, suit or proceeding related to the 401(k) Plan, including the cost of reasonable settlements (other than amounts paid to ITW) made to avoid costs of litigation and payment of any judgment or decree entered in such action, suit or proceeding. ITW shall not, however, indemnify the ITW Employee Benefits Steering Committee with respect to any act finally adjudicated to have been caused by willful misconduct or with respect to the cost of any settlement unless the settlement has been approved by a court of competent jurisdiction. The right of indemnification shall not be exclusive of any other right to which the ITW Employee Benefits Steering Committee may be legally entitled and it shall inure to the benefit of the duly appointed legal representatives of the ITW Employee Benefits Steering Committee.

Your Rights To Benefits Under ERISA

As a participant in the 401(k) Plan you are entitled to certain rights and protections under ERISA. ERISA provides that all 401(k) Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the 401(k) Plan, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the US Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the 401(k) Plan, the latest annual report (Form 5500 Series) and an updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the 401(k) Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions By Plan Fiduciaries

In addition to creating rights for 401(k) Plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your 401(k) Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other 401(k) Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of 401(k) Plan documents or the latest annual report from the 401(k) Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the 401(k) Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the 401(k) Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the US Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees.

If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your 401(k) Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from your Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, US Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, US Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C., 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

AMENDMENT OR TERMINATION OF THE 401(k) PLAN

The 401(k) Plan may be partially or wholly amended at any time, either prospectively or retroactively, by ITW. You will be informed of any changes that are made and told how the changes affect your benefits, if at all. ITW also reserves the right to terminate or suspend the 401(k) Plan at any time. You and your covered dependents will be bound by the terms of any such amendment, modification, termination or suspension. No change in the 401(k) Plan or termination will deprive you of any benefits to which you are entitled at the time of amendment or termination.

401(k) Plan At A Glance

ACCOUNT ACCESS

- Through **ITWemployee.com**.
 - Click the *Click Here* button that applies to you:
 - *Employees represented by a Union (including those covered by a Collective Bargaining Agreement)*
 - *Former Employees—ITW Retirees and Others*
 - Scroll down to *ITW Retirement Plans* and click on *Go to Plan Site*.
 - Log in using your Social Security Number (or Username if established) and Password.
- Through the ITW Employee Service Center at **1.866.489.2468, Option 3**.
- A Spanish menu is available.
- TDD: 1.888.429.2160.

PARTICIPANT SERVICES REPRESENTATIVES

- Participant Services Representatives are available from 7 a.m. to 7 p.m. Central time weekdays, excluding stock market holidays.
- Spanish-speaking representatives are also available.

STATEMENTS AND CONFIRMATIONS

- You will receive quarterly statements and transaction confirmation statements. You can check your balance or generate an online statement at any time.
- Go green and turn off your paper statements by visiting **ITWemployee.com** or by calling **1.866.489.2468, Option 3**. All future statements and confirmations will be sent to you electronically.
- You have the option to have confirmation statements provided in Spanish.

BENEFICIARIES

- You have a right to determine who should receive your 401(k) Plan balance in the event of your death. If you don't actively designate beneficiaries, your vested 401(k) Plan balance (and/or Pension Plan, if applicable) will be paid to your spouse if you're married, or to your estate if you're single. Log on to **ITWemployee.com** and select *View/Change My Beneficiaries* on the home page to add/edit your designation.

VESTING

- You are always 100% vested in your contributions, any rollover contributions, and any earnings on those contributions.
- You are immediately 100% vested in your company matching account.* If you terminated employment before your account balance was transferred into this 401(k) Plan, your vesting will be based on your prior plan's rules. If you became a participant through an ITW acquisition, vesting on your prior balance was determined based upon the terms of the deal.
- Under this 401(k) Plan, the company basic contribution (if applicable) is vested after 36 months of service with ITW and any company acquired by ITW.

*Please note: If your employment ended before January 1, 2002 your vesting was determined under prior 401(k) Plan rules.

LOAN REPAYMENTS

- When employment with ITW ends, any remaining loan balance is due and payable in full by the end of the calendar quarter following the quarter in which you leave ITW.
- You also have the option of continuing to make loan repayments after termination through automatic monthly payments from a bank account. See page 5 for more information.
- If you have a loan, you can review your outstanding loan balance through the ITW Retirement Plans website in the *Loans* section under *My Account*. You can also call the ITW Employee Service Center at **1.866.489.2468, Option 3** and speak with a Participant Services Representative.

INVESTMENT OPTIONS

- You have the choice of two investment paths: Path1 Target Retirement Funds or Path2 Core Investment Funds.
- Path1 Target Retirement Funds are lifecycle funds where you select one fund with the date closest to when you will retire (or need your savings), and an investment manager manages the investment mix for you to meet your savings time horizon. The Target Retirement Funds invest in the Path2 Core Investment Funds and Real Assets. With the Path1 Target Retirement Funds, you can also invest up to 20% of your account balance in the ITW Common Stock Fund.
- Path2 Core Investment Funds are five individual fund options that cover the major asset classes plus the ITW Common Stock Fund. With the Path2 funds, you create your own mix based on your goals, time horizon, and risk tolerance.
- Be sure to learn more about your options and read the individual fund fact sheets prior to making any investment decisions.

DISTRIBUTION OPTIONS

- You do not have access to new loans as a former employee. However, you do have access to your account through withdrawals. Please see pages 13-14 for more details about all of your distribution options, as well as the tax consequences of taking a distribution from your account. ING Retirement Consultants are available to answer any questions you may have.

ROLLOVERS

- You can roll over pre-tax and after-tax contributions to an IRA or another qualified retirement plan.

This Plan summary reflects the provisions of the 401(k) Plan as amended through December 31, 2010.



Retirement Planning Assistance

When you decided to save in the ITW 401(k) Plan or in a plan from an acquired unit, you made a commitment to improve your financial security in retirement. As you move on to other opportunities, you will want to maintain your savings momentum and continue to accumulate savings for your long-term goals.

You can review your options by calling the ITW Employee Service Center at **1.866.489.2468, Option 3** and asking to speak to an ING Retirement Consultant*.

Retirement Consultants are licensed financial professionals available to provide guidance on your retirement savings, including the features of your ITW 401(k) Plan. Retirement Consultants can help you understand your options and the tax consequences of each. Retirement Consultants are available weekdays from 7 a.m. to 7 p.m. Central time (excluding stock exchange holidays).

*Retirement Consultants are Registered Representatives of ING Financial Partners (member SIPC). ING does not offer legal or tax advice. Consult with your tax and legal advisors regarding your individual situation. CNO706-3427-0814



For more information concerning your ITW benefits, visit ITWemployee.com or call the ITW Employee Service Center at **1.866.489.2468, Option 3**.