

Globethics Repository

The logo for Globethics, featuring the word "Globethics" in white, sans-serif font centered within a solid blue rectangular background.

Principles of Conduct

This page was generated automatically upon download from the Globethics Repository. More information on Globethics see <https://www.globethics.net>. Data and content policy of Globethics Repository see <https://repository.globethics.net/pages/policy>.

Item Type	Postprint
Authors	Illinois Tool Works Inc
Rights	With permission of the license/copyright holder
Download date	2026-07-09 15:59:28
Link to Item	http://hdl.handle.net/20.500.12424/220147

Principles of Conduct

STATEMENT OF PRINCIPLES OF CONDUCT - Illinois Tool Works Inc.

Statement of Principles of Conduct Quicklinks

PRINCIPLE 1: Avoid all conflicts of interest

PRINCIPLE 2: Protect and properly use ITW's assets

PRINCIPLE 3: Make no improper payments or gifts

PRINCIPLE 4: Do not use ITW assets or funds for political contributions

PRINCIPLE 5: Do not use corporate opportunities for personal benefit

PRINCIPLE 6: Comply with all applicable laws

PRINCIPLE 7: Be fair to ITW and to ITW's employees, customers, suppliers and competitors

PRINCIPLE 8: Maintain Confidentiality

Implementation

These principles apply to all ITW operations, divisions and subsidiaries.

Every ITW employee and director is expected to behave in accordance with these principles. Violation may result in disciplinary action, including termination of employment.

PRINCIPLE 1: Avoid all conflicts of interest

ITW's employees and directors must avoid engaging in any activity that might create a conflict of interest or create a perception of a conflict of interest. A conflict of interest occurs when an employee or director is, for any reason, in a position that his or her conduct could be (or appear to be) influenced by some factor other than concern solely for the best interests of ITW. Such factors include receiving gifts of more than a minimal value from someone working for a supplier, customer or competitor, or having a significant financial or other interest in any of those other businesses by either the employee or director or a member of his or her family. An investment of under 1% of the outstanding securities of a public company, however, is not considered a conflict of interest. In case of doubt, ask. (See implementation section below.)

PRINCIPLE 2: Protect and properly use ITW's assets

Employees and directors should protect ITW's assets and ensure their efficient use. All ITW assets should be used for legitimate business purposes.

PRINCIPLE 3: Make no improper payments or gifts

Improper payments include anything of more than a minimal value given to any person, firm or organization, whether associated with a customer, supplier, competitor, government or otherwise, to obtain improper preferential treatment for either ITW or the employee or director. Examples include bribes, payoffs, kickbacks, and payments for goods or services that either are not received or are at a greater price than is reasonably necessary.

PRINCIPLE 4: Do not use ITW assets or funds for political contributions

The legal restrictions governing contributions to candidates for public office and causes differ around the world. In the United States and some other countries, employees and directors may make personal donations, but they cannot receive any type of reimbursement from ITW. In jurisdictions where corporate giving to political candidates or causes is permitted, contributions on behalf of ITW must be made only by the ITW political action committees.

PRINCIPLE 5: Do not use corporate opportunities for personal benefit

Employees and directors are prohibited from taking for themselves personally opportunities that properly belong to ITW or are discovered through the use of corporate property, information or position; using corporate property, information or position for personal gain; and competing with ITW. Employees and

directors owe a duty to ITW to advance ITW's legitimate interests when the opportunity to do so arises.

PRINCIPLE 6: Comply with all applicable laws

It is ITW's policy to comply with all applicable laws, rules and regulations. ITW exists in a complex maze of local, national and international laws. Violations of these laws can be extremely costly to ITW and subject the company or the employee or director to criminal or civil penalties. You are required to familiarize yourself with all of the laws and regulations that apply in the areas of your responsibilities. For example, if you work in a country outside of the United States, you should be familiar with the laws of that country. Certain laws demand the special attention of all employees and directors. These include:

* ENVIRONMENTAL, HEALTH AND SAFETY LAWS - These laws specify standards and procedures that should be followed to protect the well-being of employees and the public. For example, if you work in an area where toxic materials are handled, you should be familiar with applicable environmental regulations, as well as with ITW's written internal procedures.

* SECURITIES LAWS - These laws require that accurate information be given to the public and prohibit employees and directors from misusing information that is not available to the public. It is a violation of both criminal and civil laws for any employee or director to engage in any securities trading while in possession of material "inside information." All such information should be kept strictly confidential.

* EMPLOYMENT LAWS - ITW is committed to equal employment opportunity and fair treatment for employees commencing with hiring and continuing through all aspects of the employment relationship. ITW will not discriminate in any employment decision because of race, creed, color, national origin, gender, age, disability, sexual orientation, or against veterans of the Vietnam era. ITW prohibits the unlawful harassment of its employees and recognizes employee freedom of association and the right to bargain collectively, or to refrain from such. In addition, globally, our operations will comply with national employment standards where they do business, including complying with all applicable minimum age requirements for employment; prohibiting pregnancy testing as a condition of employment; prohibiting the use of involuntary labor; and providing compensation at least equal to the legal minimum wage. Nor will ITW knowingly do business with suppliers who violate applicable minimum age requirements.

* ANTITRUST LAWS - Although this is a complex area, as a general rule, most forms of agreement or understanding with competitors, as well as various types of price discrimination between competing customers, are unlawful. If your activities cause you to confront these issues, you must familiarize yourself with the antitrust laws, and you should seek guidance on such issues from management and from the ITW Legal Department.

* INTERNATIONAL ACTIVITIES LAWS - If you are involved in international trade, you should be familiar with a range of export-import controls, customs duties, child labor laws, and the Anti-Boycott and Foreign Corrupt Practices Acts.

* SOFTWARE LICENSING AND COPYRIGHT LAWS - These laws and ITW prohibit the copying of licensed software packages, except for backup and archival purposes, without the specific authorization of the product's developer.

Virtually every aspect of our business requires knowledge of some particular area of law, and the extent of knowledge needed by an employee or director will vary greatly from individual to individual. Guidance and advice should be sought from management or from the ITW Legal or Patent Legal Departments. (See implementation section below.)

PRINCIPLE 7: Be fair to ITW and to ITW's employees, customers, suppliers and competitors

Each employee and director is expected to deal fairly with ITW's customers, suppliers, competitors, and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing. Fairness to the company means not only avoiding any misuse of ITW funds or other property, but includes identifying misuse or waste by others, avoiding abuse of the Internet, creating and maintaining completely accurate financial books and records, safeguarding all types of information about ITW, complying with internal controls and procedures, providing prompt and accurate answers to inquiries by persons responsible for preparing our public disclosure documents and avoiding conduct that interferes with your functioning in your position to the best of your ability. Fairness to others involves respect for their property, their self-esteem and their contributions to the overall success of ITW.

PRINCIPLE 8: Maintain confidentiality

Employees and directors must maintain the confidentiality of confidential or proprietary information, including trade secrets, entrusted to them by ITW or its suppliers or customers, except when disclosure is specifically authorized by the ITW Legal Department or required by laws, regulations or legal proceedings. Confidential information includes all non-public information that might be of use to competitors of ITW or harmful to ITW or its customers if disclosed.

IMPLEMENTATION

Any question you may have regarding the ITW Principles of Conduct should be brought to the attention of your manager or the ITW Legal Department.

If you become aware of any proposed or actual transaction or situation that you believe may be in conflict with ITW's Principles of Conduct, tell your supervisor immediately. If the matter is addressed and you are satisfied that there was no violation of the ITW Principles of Conduct, you need not report it. There will be no retaliation against anyone who complains or provides information in good faith. If you need additional help in resolving a conflict, please call James H. Wooten, Jr., ITW General Counsel, at (847) 657-4206. To the greatest extent practicable, inquiries to Mr. Wooten will be handled confidentially.

If you have concerns or complaints regarding questionable accounting or auditing matters of ITW, you are encouraged to speak with your manager or submit your concerns to James H. Wooten, Jr., ITW General Counsel, by phone at (847) 657-4206 or by mail at Illinois Tool works Inc., 3600 West Lake Avenue, Glenview, Illinois 60026-1215. You may submit such concerns anonymously if you prefer. Subject to duties arising under applicable law, regulations and legal proceedings, all such submissions will be treated as confidential.

Waivers of ITW's Principles of Conduct for executive officers or directors may only be made by ITW's Board of Directors or by a board committee and must promptly be disclosed to shareholders.

Code of Ethics Department
Illinois Tool works Inc.
3600 West Lake Avenue
Glenview, Illinois 60026-1215

This is to certify that I have received and read the Illinois Tool works Inc. Statement of Principles of Conduct, and that to the best of my knowledge, I am unaware of any possible violation of those principles either by me or any other employee or director of Illinois Tool works Inc., its operating units or subsidiaries, since the date of the previous Statement that I may have furnished to you, other than as explained below or on an attachment to this letter. I

112_ITW_49826_56573_3565_1_29123351.2_.txt

further agree to comply with those principles in the future and to report promptly any questions or concerns that I may have as explained in the implementation portion of the Statement.

Date: Signature:

Name (Please print):

Business Unit:

Location:

Explain possible violations:

Home • Search • This is ITW • Our Businesses • Investor Relations •
Community Involvement • Careers
Terms & Conditions • Privacy Statement • Contact Us • Site Map
© 2008 Illinois Tool Works Inc.