

TIME WARNER INC.  
Form 4  
February 17, 2017

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Averill Howard M

(Last) (First) (Middle)

ONE TIME WARNER CENTER

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
TIME WARNER INC. [TWX]

3. Date of Earliest Transaction (Month/Day/Year)  
02/15/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
EVP & Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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, Par Value \$.01	02/15/2017		M <sup>(1)</sup>	10,072 A	\$ 0 <sup>(2)</sup> 67,411	D	
Common Stock, Par Value \$.01	02/15/2017		F <sup>(3)</sup>	4,267 D	\$ 96.32 63,144	D	

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

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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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
Performance Stock Units	(2)	02/15/2017		M	10,072	02/15/2017 02/15/2017	Common Stock, Par Value \$0.01

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Averill Howard M ONE TIME WARNER CENTER NEW YORK, NY 10019			EVP & Chief Financial Officer	

## Signatures

By: Brenda C. Karickhoff for Howard M. Averill  
Date: 02/17/2017

\*\*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).

On February 15, 2014, the Reporting Person was awarded 19,295 target performance stock units (as adjusted for the spin-off of Time Inc.) with a three-year performance period ending December 31, 2016. As previously reported on a Form 4 (filed with the SEC on January 27, 2017), on January 26, 2017, the Compensation and Human Development Committee (the "Compensation Committee") approved a final payout of 199.2% of the target PSUs under the performance standards set in 2014, based on (i) the Issuer's cumulative Adjusted EPS achieved during the performance period, which resulted in an Adjusted EPS factor of 166% and (ii) its total stockholder return for the performance period compared to the other companies in the S&P 500, which resulted in a TSR modifier of 120%. The payout factor for the performance stock units is determined by multiplying the Adjusted EPS factor and the TSR modifier. On December 14, 2016, as part of actions taken by the Compensation Committee to mitigate the potential adverse tax consequences to the Company and the Reporting Person of Section 280G of the Internal Revenue Code in connection with the pending acquisition of the Company by AT&T Inc., the Compensation Committee approved the accelerated vesting of the Reporting Person's February 15, 2014 PSUs and the payout of 28,363 PSUs on December 15, 2016 (rather than February 15, 2017) at the level of 147% of the target number of PSUs, which was the amount accrued for financial reporting purposes through September 30, 2016, and which the Compensation Committee determined was lower than the level substantially likely to be achieved for the entire performance period. On February 15, 2017, the Reporting Person acquired additional 10,072 shares, which represented the difference between the number of shares that would have vested based on the final 199.2% payout factor and the 28,363 shares that vested on December 15, 2016.

(2)

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Each performance stock unit represents a contingent right to receive one share of common stock. The Reporting Person received one share of common stock for each performance stock unit that vested.

- (3) Payment of tax liability by withholding shares of common stock incident to the vesting of performance stock units in accordance with Rule 16b-3.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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