TIME WARNER INC.
Form 4
December 16, 2016

FORM 4

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

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

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).

(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)
12/14/2016

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, Par Value $.01	12/15/2016		M(1)		4,891	A	$ 0 (2)	40,668	D	
Common Stock, Par Value $.01	12/15/2016		F(3)		2,522	D	$ 95.32	38,146	D	
Common Stock, Par Value $.01	12/15/2016		M(4)		4,799	A	$ 0 (2)	42,945	D	
Common Stock, Par	12/15/2016		F(3)		2,474	D	$ 95.32	40,471	D	

Value $.01								
Common Stock, Par Value $.01	12/15/2016		M[5]	6,464	A	$ 0 [2]	46,935	D
Common Stock, Par Value $.01	12/15/2016		F[3]	3,333	D	$ 95.32	43,602	D
Common Stock, Par Value $.01	12/15/2016		M[6]	28,363	A	$ 0 [2]	71,965	D
Common Stock, Par Value $.01	12/15/2016		F[3]	14,626	D	$ 95.32	57,339	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 A Underlying Se (Instr. 3 and 4
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Performance Stock Units	[7]	12/14/2016		A		28,363 [6]		12/15/2016	12/15/2016	Common Stock, Par Value $.01
Restricted Stock Units	[8]	12/14/2016		A		25,859 [9]		[11]	[11]	Common Stock, Par Value $.01
Restricted Stock Units	[8]	12/15/2016		M			4,891	[12]	[12]	Common Stock, Par Value $.01
Restricted Stock Units	[8]	12/15/2016		M			4,799	[13]	[13]	Common Stock,

								Par Value $.01
Restricted Stock Units	(8)	12/15/2016		M	6,464	(11)	(11)	Common Stock, Par Value $.01
Performance Stock Units	(7)	12/15/2016		M	28,363 (6)	12/15/2016	12/15/2016	Common Stock, Par Value $.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	12/16/2016
**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).

(1) Shares of common stock acquired as a result of the accelerated vesting of the restricted stock units granted on February 15, 2014 that were scheduled to vest on February 15, 2017.

(2) Each restricted stock unit and 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 restricted stock unit or performance stock unit that vested.

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

(4) Shares of common stock acquired as a result of the accelerated vesting of the restricted stock units granted on February 15, 2015 that were scheduled to vest on February 15, 2017.

(5) Shares of common stock acquired as a result of the accelerated vesting of the restricted stock units granted on February 15, 2016 that were scheduled to vest on February 15, 2017.

(6) 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 on December 31, 2016. On December 14, 2016, as part of actions taken to mitigate the potential adverse tax consequences to Time Warner Inc. and the Reporting Person of Section 280G of the Internal Revenue Code in connection with the pending acquisition of Time Warner Inc. by AT&T Inc., the Compensation and Human Development Committee (the "Compensation Committee") approved the accelerated vesting and the payout of shares on December 15, 2016 (rather than February 15, 2017) at the level of 147% of the target number of performance stock units, 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. The Reporting Person will remain eligible to receive additional shares that vest February 15, 2017 based on the performance achieved for the performance period, as certified by the Compensation Committee, less the 28,363 performance stock units that vested on December 15, 2016.

(7) Each performance stock unit represents a contingent right to receive one share of common stock.

(8) Each restricted stock unit represents a contingent right to receive one share of common stock.

(9) On February 15, 2016, the Reporting Person was awarded 25,859 restricted stock units that were subject to a one-year Section 162(m) condition. On December 14, 2016, as part of the Section 280G mitigation actions, the Compensation Committee waived the Section 162(m) condition (acknowledging that the Company had earned the adjusted net income required to satisfy the Section 162(m) measure by the end of the third quarter of 2016) and approved the accelerated vesting on December 15, 2016 of the first 25% installment of the restricted stock units, which otherwise would have vested on February 15, 2017. The three remaining 25% installments of the restricted stock units will vest on the second, third and fourth anniversaries of the date of grant, as originally scheduled.

(10) Includes restricted stock units that vest in four equal installments on: (i) the first four anniversaries of the following dates of grants: February 15, 2014, February 15, 2015, and February 15, 2016 (except that the vesting of each installment originally scheduled to occur on February 15, 2017 was accelerated to December 15, 2016); (ii) on the first four anniversaries of February 15, 2017; and (iii) the first four anniversaries of February 15, 2018.

(11) These restricted stock units vest in four equal installments on the first four anniversaries of the date of grant, February 15, 2016, except that the vesting of the first installment was accelerated to December 15, 2016 from February 15, 2017 by the Compensation Committee as part of the Section 280G mitigation actions.

(12) These restricted stock units vest in four equal installments on the first four anniversaries of the date of grant, February 15, 2014, except that the vesting of the third installment was accelerated to December 15, 2016 from February 15, 2017 by the Compensation Committee as part of the Section 280G mitigation actions.

(13) These restricted stock units vest in four equal installments on the first four anniversaries of the date of grant, February 15, 2015, except that the vesting of the second installment was accelerated to December 15, 2016 from February 15, 2017 by the Compensation Committee as part of the Section 280G mitigation actions.

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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