

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person * <u>Moreau Bernard J</u> (Last) (First) (Middle) <u>88 11TH AVENUE NE</u> (Street) <u>MINNEAPOLIS MN</u> <u>55413</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>GRACO INC</u> [<u>GGG</u>]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President, SCA</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/10/2020</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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	01/10/2020		M		30,000	A	\$19.58	56,884.8874	D	
Common Stock	01/10/2020		M		24,600	A	\$24.9334	81,484.8874	D	
Common Stock	01/10/2020		M		22,050	A	\$24.7934	103,534.8874	D	
Common Stock	01/10/2020		M		20,115	A	\$23.8467	123,649.8874	D	
Common Stock	01/10/2020		S		30,000	D	\$52.5553 ⁽¹⁾	93,649.8874	D	
Common Stock	01/10/2020		S		24,600	D	\$52.5549 ⁽²⁾	69,049.8874	D	
Common Stock	01/10/2020		S		22,050	D	\$52.5542 ⁽³⁾	46,999.8874	D	
Common Stock	01/10/2020		S		20,115	D	\$52.5531 ⁽⁴⁾	26,884.8874	D	
Common Stock	01/10/2020		S		6,184	D	\$52.5538 ⁽⁵⁾	20,700.8874	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-qualified Stock Option (Right to Buy)	\$19.58	01/10/2020		M			30,000	⁽⁶⁾	02/15/2023	Common Stock	30,000	\$0	0	D	
Non-qualified Stock Option (Right to Buy)	\$24.9334	01/10/2020		M			24,600	⁽⁶⁾	02/14/2024	Common Stock	24,600	\$0	0	D	
Non-qualified Stock Option (Right to Buy)	\$24.7934	01/10/2020		M			22,050	⁽⁶⁾	02/13/2025	Common Stock	22,050	\$0	0	D	
Non-qualified Stock Option (Right to Buy)	\$23.8467	01/10/2020		M			20,115	⁽⁷⁾	02/12/2026	Common Stock	20,115	\$0	6,705	D	

Explanation of Responses:

1. The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$52.315 to \$53.055 inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.

2. The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$52.315 to \$52.89, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.
3. The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$52.32 to \$53.01, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.
4. The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$52.33 to \$52.895, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.
5. The price reported in Column 4 is a weighted average price. The shares were sold at prices ranging from \$52.325 to \$52.84, inclusive. The reporting person undertakes to provide Graco Inc., any security holder of Graco Inc., or the staff of the Securities and Exchange Commission, upon request, with full information regarding the number of shares sold at each separate price within the range set forth in the footnote.
6. Employee stock option granted pursuant to the Graco Inc. 2010 Stock Incentive Plan in transaction exempt under Rule 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.
7. Employee stock option granted pursuant to the Graco Inc. 2015 Stock Incentive Plan in transaction exempt under Rule 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.

[/s/ Francis J. Brixius Jr.,](#) [01/14/2020](#)
[attorney-in-fact for Mr. Moreau](#)

** Signature of Reporting Person Date

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

* 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).

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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