

ALLIEDSIGNAL

EUROPEAN WORKS COUNCIL AGREEMENT

11/06/97

ARTICLE I

PURPOSE OF AGREEMENT

AlliedSignal Europe Inc., a Company whose parent organization is headquartered in the United States with significant pan European business operations, The European Metalworkers' Federation (EMF), and the European Mine, Chemical & Energy Workers Federation (EMCEF), their several relevant affiliates throughout the European Economic Area and other independently elected employee representatives intend to establish the AlliedSignal European Works Council. The Agreement establishing the AlliedSignal European Works Council shall cover all Company employees within the European Economic Area. A list of all the Company's establishments is attached to this document.

The AlliedSignal European Works Council is a pan European information and consultation body comprised of designated management representatives and properly elected/selected employee representatives who are direct employees of the Company as defined in the European Works Council Directive. (The "Directive").

The purpose of the AlliedSignal European Works Council is to provide information of a panEuropean nature affecting employees of the Company in two or more member states to employee representatives and to afford those employee representatives the opportunity to consult with the Company on such matters. It is the intent of the signatories to this Agreement that the establishment and activities of this Works Council will improve the climate of employee relations within the Company and will help to facilitate the Company's presence and identity within the European Economic Area.

The implementation of effective information and consultation procedures at pan European level will increase the level of knowledge, effectiveness and efficiency of all employees concerning the various businesses and their competitive environments and allow for a consultative dialogue concerning all major decisions affecting the businesses and employment within the European Economic Area. The European Works Council is thus intended to complement existing procedures for information and consultation at local and national level by providing such opportunities at a pan European level regarding decisions which affect employees in two or more countries within the European Economic Area.

ARTICLE II

COVERAGE

This Agreement shall cover all full and part time employees of AlliedSignal European establishments within the European Economic Area, which shall include Great Britain. If the Company acquires a controlling interest (as defined in the Directive) in any new company during the term of this Agreement, the employees of such enterprise shall automatically be covered by this Agreement.

If the Company acquires a controlling interest in a manufacturing facility or operates a manufacturing facility in other European countries which are in the process of pending membership in the European Union, discussion will occur during the next annual meeting of AlliedSignal European Works Council to decide whether this facility has to be covered under this agreement.

ARTICLE III

THE AGREEMENT

This Agreement is freely entered in nature and negotiated pursuant to the provisions of Articles 5 and 6 of the European Works Council Directive. Specifically, this Agreement was procedurally negotiated according to the requirements of Article 5, paragraphs 1 - 4 of the European Works Council Directive. The Special Negotiating Body, selected pursuant to French and other relevant national laws and customs and the management have concluded this Agreement as a result of good faith discussion in compliance with the statutory obligations of the Directive.

ARTICLE IV

PRESIDENT AND COORDINATING COMMITTEE

The President of the Allied Signal European Works Council will be designated by the Company. This individual will be a Senior Executive.

Employee representatives will elect a coordinating committee of three (3) persons, from three separate countries for a four (4) year term. The Coordinating Committee will generally act as a conduit between employee representatives and the President or his designee. The Coordinating Committee must be comprised of direct employees of the Company.

ARTICLE V

INFORMATION DEFINED

The following items of information only insofar as they have pan European impact shall be available for presentation and discussion at the annual meeting of the European

Works Council, subject to the setting of the Agenda by the President in consultation with the Coordinating Committee:

- Company wide finance, sales and headcount data.
- Company wide information on employee-related programs.
- Training and development Company wide.
- European Community issues affecting the Company's operations.
- The structures of our businesses by Strategic Business Units.
- Sales, market, competition and employment trends by Strategic Business Units.
- Issues affecting employment by Strategic Business Unit
- Environmental, health and safety trends by Strategic Business Unit

ARTICLE VI

CONSULTATION DEFINED

At each annual meeting and at meetings held for exigent circumstances (Article XIV), the Company will afford employee representatives the right of consultation regarding all information presented. Consultation is defined as an exchange of views and the establishment of a dialogue.

ARTICLE VII

SELECTION OF REPRESENTATIVES

The management representatives to the European Works Council will be designated by the business units operating in Europe and will include a President and Senior Executives representing key businesses and functions in Europe.

The number of employee representatives to the European Works Council from each member state will be determined in accordance with the following formula:

Number of Employees per Country

Between 0 and 750	1
Between 750 and 1500	2
Over 1500	3

Employee representatives will be selected/elected within each member State covered by this agreement from existing representative structures such as national or local works councils. This selection/election process shall be facilitated where legally permissible by consultation between the social partners at national or local level. If no structure of formal representation exists, a secret ballot election will be conducted to determine the selection/election of an employee representative(s).

Deputies to employee representatives will be appointed for the express purpose of substituting at an annual meeting or emergency meeting in the event the employee representative is unable to attend. If an employee representative is unable to attend an

annual or emergency meeting, he/she may designate a deputy to attend the meeting(s). Each deputy must be a direct employee of the Company.

In order to determine the correct number of employee representatives for each year, the Company will conduct a headcount of its workforce in the second quarter of each year and notify the Coordinating Committee if employee population by country changes sufficiently to impact the above formula for proportional representation, the number of employee representatives will be adjusted accordingly pursuant to such formula for the next calendar year, according to the above-described process.

ARTICLE VIII

TERMS OF OFFICE

Each employee representative will be selected/elected for four (4) year terms (with the possibility of subsequent terms) subject to the provisions of Article VII. If an employee representative no longer works for the Company or no longer has a leadership mandate in his/her country, he or she shall be replaced by following the selection procedures outlined in Article VII.

ARTICLE IX

FREQUENCY OF MEETINGS

The AlliedSignal European Works Council shall meet once per year. In addition the Coordinating Committee may meet with the President of AlliedSignal Works Council twice (2) per year, first as outlined in Article X and second, at any time of its choosing in consultation with the President.

ARTICLE X

MEETINGS AND AGENDA

The President of the AlliedSignal European Works Council will meet the Coordination Committee to consult about the date, the location and the agenda for the annual meeting no less than eight weeks prior to the actual meeting. The annual meeting will usually occur in the second quarter of each calendar year.

The President will include any such suggestions provided they are consistent with Article V. However, the President and the Coordinating Committee can decide together to add additional items if they are not contained in Article V.

The President will distribute the final agenda in written form to all employee representatives at least two (2) weeks prior to the annual meeting.

The annual meeting will last for one day. At the end of the annual meeting, employee representatives will be allowed a session for debriefing for a reasonable period of time on the same day. The annual meeting shall be preceded the day before by a pre-meeting of employee representatives.

The final agenda for each annual meeting must conform to the items of information contained in Article V. However, the President and the Coordinating Committee can decide together to add additional items if they are not contained in Article V.

ARTICLE XI

OUTSIDE EXPERT

The employee representatives may utilize two (2) outside experts, (1) one senior official from the European Mine, Chemical & Energy Workers Federation (EMCEF), and (1) one from the European Metalworkers' Federation (EMF) to all meetings. However, only one expert will be required to attend meetings other than the annual meeting.

ARTICLE XII

MINUTES & EMPLOYEE COMMUNICATIONS

Management will take official minutes at all meetings and distribute them to all participants in their native language, after consultation with the Coordinating Committee. Employee communications concerning the content of these minutes will be distributed to all employees in the form of a joint communique through existing communication channels.

ARTICLE XIII

OFFICIAL LANGUAGE AND TRANSLATION

The English language will be the primary language spoken at all meetings. The company will provide simultaneous interpretation at the annual meeting for employee representatives who do not speak or understand English. Document summaries will be translated as required.

In the event of any judicial review of any aspect of this Agreement, the English version of this document will be paramount. Similarly, in the event of any differences in the interpretation of the minutes from the annual meeting, the English version of this document shall also be paramount.

ARTICLE XIV

EXIGENT CIRCUMSTANCES

In the event of an extraordinary issue which will substantially impact employment in two or more member states the President of the European Works Council, or the Coordinating Committee, may request a meeting of employee representatives from those countries which will be affected by such an event for purposes of information and consultation. The meeting will last no longer than one (1) day and will occur at the earliest stage after the Company initiates its obligations of information and consultation at national level as legally required.

ARTICLE XV

CONFIDENTIAL INFORMATION

From time to time, management may decide to disclose information which it deems to be confidential. In that event, it will so inform all employee representatives of the confidential status of the information prior to disclosure. Management may refuse to divulge any information which is prejudicial or injurious to any of its businesses. However, information shall not be unreasonably withheld.

ARTICLE XVI

COUNTRY OF DOMICILE

This Agreement shall be governed by the law of France transposed pursuant to the European Works Council Directive. Any disputes over the application or interpretation of this Agreement shall be resolved by applicable French law.

ARTICLE XVII

EXPENSES AND TRAVEL ARRANGEMENTS

The Company shall absorb all expenses associated with all meetings including travel, hotel, meals, simultaneous interpretation and any other expenses approved by the Company. All travel arrangements will be made by the Company. Also, the Company shall absorb all such expenses associated with meetings called pursuant to Article XIV.

The European Works Council members will have the opportunity to use internal resources available for facilitating their own processes amongst themselves.

ARTICLE XVIII

DURATION

This agreement will commence on 13.6.97 and remain in effect for a period of four (4) years. The parties may continue this agreement for an additional four year period or some other additional period of time by mutual consent. The management or employee representatives by a two-third majority may issue a notice of termination at least six months prior to the expiration date. Both parties shall take positive steps to renegotiate a new agreement acceptable to both sides. Until such a new agreement is concluded the existing agreement shall remain in full force effect. The parties may amend this agreement by mutual consent at any time.

ARTICLE XIX

COMMUNICATIONS

Once this Agreement is fully executed by all parties, the Company will translate it into all appropriate languages and provide it to the employee representatives.

MEMORANDUM OF UNDERSTANDING BETWEEN EUROPEAN METAL WORKERS FEDERATION & EUROPEAN MINE, CHEMICAL & ENERGY WORKERS FEDERATION AND ALLIEDSIGNAL

It is the intent of the Company and the European Metalworkers Federation (EMF) and the European Mine, Chemical & Energy Workers Federation (EMCEF) to apply jointly to the European Commission for the funding of a training program for the AlliedSignal European Works Council.

If such funding is procured successfully, the Company and the EMF and EMCEF will cooperate in the implementation of such a training program in a timely fashion.

Furthermore, the Company agrees to offer training in the English language on a voluntary basis to all members of the European Works Council. Such language training will be offered to each individual for a period of one (1) year on the basis of forty (40) hours per year in total.

June 13,1997

SIGNATURE PAGE

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France

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Germany

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