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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re HONEYWELL INTERNATIONAL,
INC. SECURITIES LITIGATION

) Lead Case No. 2:00cv03605(DRD)

) CLASS ACTION

This Document Relates To:

) Senior Judge Dickinson R. Debevoise
) Magistrate Judge Susan D. Wigenton

ALL ACTIONS.

) ~~UPON~~ ORDER PRELIMINARILY
) APPROVING SETTLEMENT AND
) APPROVING FORM AND MANNER OF
) NOTICE

WHEREAS, Lead Plaintiffs (on behalf of themselves and the Class Members) in the above-captioned litigation (the "Action"), have entered into a Stipulation and Agreement of Settlement dated as of June 4, 2004 (the "Stipulation") with Defendants which is subject to review and approval under Rule 23 of the Federal Rules of Civil Procedure ("Fed. R. Civ. P.") and which, together with the exhibits thereto, sets forth the terms and conditions for the proposed settlement of the Action and the dismissal of the Action with prejudice; and the Court having read and considered the Stipulation and the accompanying documents; and the parties to the Stipulation having consented to entry of this Order; and all capitalized terms used herein having the same meanings set forth in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED, this 8th day of June, 2004 that:

1. (a) The Court hereby conditionally certifies, for settlement purposes only, a class pursuant to Fed. R. Civ. P. 23(b)(3), defined as follows:

all persons or entities who, between December 1, 1999 and June 19, 2000, inclusive (the "Class Period"), purchased the common stock of Honeywell and who suffered a loss as a result. Excluded from the Settlement Class are the Defendants, members of the immediate family of each of the individual Defendants, any entity in which any Defendant has or had a controlling interest, and the legal representatives, heirs, executors, successors or assigns of any such excluded party and those members of the Settlement Class that timely and validly exclude themselves from the Settlement Class.

(b) The Court preliminarily finds that (i) members of the Settlement Class are so numerous as to make joinder impracticable; (ii) the claims of the Lead Plaintiffs are typical of the claims of the Settlement Class they seek to represent; (iii) the interests of the members of the Settlement Class will be, and have been, fairly and adequately represented by the Lead Plaintiffs and their counsel of record in this Action; (iv) a class action is superior to other available methods for the fair and efficient adjudication of this Action; (v) common questions of law and fact exist as to all members of the Settlement Class; and (vi) such common questions predominate over any questions solely affecting individual members of the Settlement Class.

2. The terms of the Stipulation, and the Settlement provided for therein, are preliminarily approved. A hearing (the "Settlement Hearing"), pursuant to Fed. R. Civ. P. 23(e), shall be held before the Court on August 16, 2004, at 9:30 A.m. in Courtroom 5B of the United States District Court for the District of New Jersey, Martin Luther King, Jr. Federal Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey (or such adjourned time or times as the Court may without further notice direct):

(a) to determine whether the terms of the Stipulation and the proposed Settlement provided for therein are fair, reasonable, adequate and in the best interests of the Settlement Class and should be approved by the Court;

(b) to determine whether the Final Judgment as provided under the Stipulation should be entered, dismissing the Complaint filed in this Action with prejudice, and to determine whether the release by the Settlement Class of the Released Claims, as set forth in the Stipulation, should be provided to the Released Parties;

(c) to determine whether the proposed Plan of Allocation for distributing the settlement proceeds among Settlement Class Members should be approved by the Court;

(d) to determine the amount of fees and expenses awarded to Plaintiffs' counsel and the amounts which should be ordered reimbursed to the Lead Plaintiffs for their expenses (including lost wages) incurred in prosecuting the Action; and

(e) to rule upon such other matters as the Court may deem appropriate.

3. The Court approves, in form and content, the Notice of Pendency and Proposed Settlement of Class Action (the "Notice"), the Proof of Claim and Release, and the Summary Notice (the "Summary Notice"), annexed as exhibits A-1, A-2, and A-3 respectively to the Stipulation and this Order, and finds that the publication, mailing, and Internet posting of such notices in the manner and form set forth in the Stipulation and as set forth herein, meets the requirements of Rule 23 of the

Federal Rules of Civil Procedure, due process, and the Rules of this Court, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all persons entitled thereto.

4. Gilardi & Co. LLC is hereby appointed Settlement Administrator to supervise and administer the notice process as well as process claims as more fully set forth in the Stipulation.

5. (a) On or before June 21, 2004, a copy of the Notice and Proof of Claim and Release substantially in the forms annexed as Exhibits A-1 and A-2 to the Stipulation shall be: (1) mailed by first class mail to each member of the class to the extent shown by the records of Honeywell or its transfer agent at the address set forth in such records, and (2) the Stipulation and all exhibits thereto and the Complaint shall be posted on the Internet at the Settlement Administrator's Internet website, www.gilardi.com.

(b) On or before July 5, 2004, a copy of the Summary Notice, substantially in the form annexed as Exhibit A-3 to the Stipulation, shall be published on two separate occasions in the national edition of *Investor's Business Daily*.

(c) At or prior to the Hearing provided in paragraph 2 of this Order, proof, by affidavit, of such mailing and publication shall be filed.

6. Within ten (10) days after the receipt of the Notice and the Proof of Claim and Release, nominees who hold or held the common stock of Honeywell purchased during the period December 1, 1999 to June 19, 2000, inclusive, for the benefit of another person shall either (i) send the Notice and the Proof of Claim and Release to all beneficial owners of such securities, or (ii) send a list of names and addresses of such beneficial owners to the Settlement Administrator who, in turn, shall promptly mail the Notice and Proof of Claim to such beneficial owners. The Settlement Administrator shall advise such nominees that their reasonable costs in providing the Notice and

Proof of Claim and Release to such beneficial owners will be reimbursed upon submission of appropriate documentation.

7. Any member of the class may be excluded from the Settlement Class by complying on or before fourteen (14) days prior to the Settlement Hearing, with the instructions and procedures set forth in Section IX of the Notice regarding exclusion from the Settlement Class. Any Member of the Settlement Class who has not requested to be excluded from the Settlement Class may, but is not required to, enter an appearance in this Action pro se or through counsel of his, her or its own choice. Any Member of the Settlement Class who does not enter an appearance shall be represented by Plaintiffs' Lead Counsel.

8. Any member of the class who has not requested to be excluded from the Settlement Class and who wants to object to the approval of the Stipulation, the application for an award of attorneys' fees and expenses, reimbursement of the expenses (including lost wages) of Lead Plaintiffs, or the proposed Plan of Allocation may do so by appearing at the Settlement Hearing either in person or through an attorney or by presenting an objection by submitting documents, briefs, or affidavits to the Court by filing the same. As set forth in Section XIII of the Notice, in order to appear at the Settlement Hearing or otherwise object to the Settlement, any such Member must file a written notice of objection with the Clerk of the Court on or before fourteen (14) days prior to the Settlement Hearing. This written objection must also be served by hand or first class mail on the parties set forth in Section XIII of the Notice. Any Settlement Class Member who does not make his, her, or its objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the proposed Settlement as incorporated in the Stipulation, the proposed Plan of Allocation, or the awards of attorneys' fees and expenses, unless otherwise ordered by the Court.

9. Members who want to participate in the Settlement shall complete and submit a Proof of Claim and Release in accordance with the instructions contained therein. Unless the Court orders otherwise, all Proofs of Claim and Releases must be submitted no later than ninety (90) days after the initial mailing of the Notice. Any Member for whom a timely and valid Proof of Claim and Release has not been submitted within the time provided for shall, unless otherwise ordered by the Court, be barred from sharing in the distribution of the proceeds of the Settlement but shall nonetheless be bound by the terms of the Final Judgment.

10. In the event the Settlement proposed in the Stipulation is terminated or does not become effective as provided for in the Stipulation, then counsel for Honeywell or counsel for Plaintiffs may terminate the Stipulation by giving counsel for all other Settling Parties written notice of the termination no later than twenty (20) days following the date of the event giving rise to the right of termination, in which case the provisions of paragraph 9.2 of the Stipulation shall become effective.

11. On the Settlement Effective Date, all Members of the Settlement Class for whom timely and valid requests for exclusion from the class have not been submitted in accordance with the provisions of Section IX of the Notice shall conclusively be deemed to have dismissed with prejudice all claims asserted against Defendants in the Action and to have released all the Released Claims, and shall be forever barred and enjoined from asserting, prosecuting, or continuing the prosecution of any of the Released Claims pursuant to the terms of the Stipulation.

12. Pending the final determination of the fairness, reasonableness, and adequacy of the proposed Settlement, no Member of the Settlement Class, other than: (i) those who have already done so as of the date of this Order; or (ii) those for whom valid requests for exclusion from the class have been submitted, may, either directly, representatively, or in any other capacity, prosecute,

institute, or commence any individual, class, or derivative action with respect to the Released Claims against any of the Defendants.

13. The Court reserves the right to approve the Settlement with such modifications as may be agreed to by counsel to the Settling Parties and without further notice to Members of the Settlement Class, and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement, as well as any applications for awards of fees and expenses to counsel to the Settlement Class.

14. The Settlement Administrator, subject to such supervision of the Court and/or Plaintiffs' Co-Lead Counsel, as may be necessary or as circumstances may require, shall provide notice to the Settlement Class and administer the processing of Proof of Claim and Release forms. The Settlement Administrator is authorized, *inter alia*, to mail and distribute the Notice to Settlement Class Members; arrange for publication of the Summary Notice; reimburse nominal holders for reasonable expenses in locating Settlement Class Members and distributing the Notice; receive, evaluate and calculate Proofs of Claim and supporting documents; communicate with Settlement Class Members regarding their claims; and perform such additional functions as are provided for in the Stipulation. The Settlement Administrator shall be compensated as provided for in the Stipulation. As set forth in paragraph 6.6 of the Stipulation, the Defendants and their counsel shall have no responsibility for, interest in, or liability whatsoever with respect to any act, omission or determination of the Escrow Agent, Settlement Administrator, Plaintiffs' Lead Counsel or any designees or agents of Escrow Agent, Settlement Administrator or Plaintiffs' Lead Counsel in connection with the administration of the Settlement or distribution of the Net Settlement Fund.

15. All funds held by the Escrow Agent shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court.

16. Plaintiffs' counsel shall be entitled to withdraw seventy-five percent (75%) of their out-of-pocket expenses incurred in prosecuting the Action from the Settlement Fund upon the execution of this Order, subject to final approval of said expenses at the Settlement Hearing and the other provisions of paragraph 8.2 of the Stipulation.

17. All papers in support of the Settlement, the Plan of Allocation, any application by plaintiffs' counsel for attorneys' fees and expenses and reimbursement of the Lead Plaintiffs' expenses (including lost wages) shall be filed with the Court and served seven (7) days prior to the Settlement Hearing.

18. The publication of the confidential Supplemental Stipulation, dated as of June 4, 2004, and entered into by the Settling Parties including the terms thereof, would cause direct and substantial harm to such parties and therefore the Supplemental Stipulation shall not be filed with the Court or otherwise disclosed unless and until a dispute among the parties thereto concerning its interpretation or application arises, and, in that event, good cause having been shown, it shall be filed and maintained under seal.

DATED:

June 8, 2004

Dickinson R. DeBevoise
THE HONORABLE DICKINSON R. DEBEVOISE
UNITED STATES SENIOR DISTRICT JUDGE

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Lead Counsel for Plaintiffs

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re HONEYWELL INTERNATIONAL,
INC. SECURITIES LITIGATION

) Lead Case No. 2:00cv03605(DRD)

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) CLASS ACTION

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This Document Relates To:

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) Senior Judge Dickinson R. Debevoise

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) Magistrate Judge Susan D. Wigenton

)

ALL ACTIONS.

)

) NOTICE OF PENDENCY AND
SETTLEMENT OF CLASS ACTION

EXHIBIT A-1

TO: ALL PERSONS OR ENTITIES THAT PURCHASED HONEYWELL INTERNATIONAL, INC. ("HONEYWELL") COMMON STOCK FROM DECEMBER 1, 1999 THROUGH JUNE 19, 2000, INCLUSIVE

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT FUND DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THIS FUND, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE _____, 2004.

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and Orders of the United States District Court for the District of New Jersey (the "Court"). The purpose of this Notice is to inform you of the settlement of this class action (the "Action") and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement and the Action.

The Settlement creates a fund in the principal amount of \$100,000,000.00 in cash (the "Settlement Fund") which is earning interest. The Settlement Fund may be increased under certain circumstances described in this Notice. Based on an estimate of the number of shares entitled to participate in the Settlement and the anticipated number of claims to be submitted by Settlement Class Member(s), the average distribution from the Settlement Fund would be approximately \$0.58 per share before deduction of Court-approved fees and expenses. However, your actual recovery from the Settlement Fund will depend on a number of variables, including the number of claimants, the number of shares you purchased, the expense of administering the claims process, and the timing of your purchases and sales of stock, if any. In addition, as described in more detail below, Honeywell has agreed to adopt certain significant corporate governance provisions.

The parties to the Action do not agree on the average amount of damages per share that would have been recoverable if Lead Plaintiffs were to have prevailed on the claims asserted in the Action, or even whether the Lead Plaintiffs would have prevailed on any of those claims. The issues on which the parties disagree include: (1) whether any of the statements made or facts allegedly omitted were false, material or otherwise actionable; (2) the extent to which external factors, such as general market conditions, influenced the trading price of Honeywell common stock at various times during the Class Period; (3) the extent to which the various matters that Plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of Honeywell common stock at various times during the Class Period; (4) the extent to which the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted influenced (if at all) the trading price of Honeywell common stock at various times during the Class Period; and (5) the appropriate economic model for determining the amount by which the trading prices of Honeywell common stock were allegedly artificially inflated (if at all) at any time during the Class Period.

Counsel for the Lead Plaintiffs believe that the Settlement is a substantial recovery and is in the best interests of the Settlement Class. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that the Lead Plaintiffs would not have prevailed on any of their claims, in which case the Settlement Class would have received nothing. Indeed, Defendants assert that they never made any false or misleading statements or omissions at any time. In addition, the amount of damages recoverable by the Settlement Class, if any, was and continues to be vigorously challenged by the Defendants. If the Action were tried, recoverable damages, if any, would have been limited to losses caused by conduct actionable under the laws and, had the Action gone to trial, Defendants intended to assert that all or most of the losses of the Members were caused by non-actionable market, industry or general economic factors. Defendants also would have

asserted that throughout the Class Period the uncertainties and risks associated with Honeywell's business and financial condition as well as the merger were fully and adequately disclosed.

Plaintiffs' Lead Counsel have not received any payment for their services in conducting the Action on behalf of the Members of the Settlement Class, nor have they been reimbursed for all of their out-of-pocket expenditures. If the Settlement is approved by the Court, Plaintiffs' Lead Counsel will apply to the Court (1) for attorneys' fees not to exceed 25% of the settlement proceeds, and reimbursement of expenses incurred not to exceed \$2.4 million, and (2) compensation of up to \$40,000.00 for each of the Lead Plaintiffs to reimburse them for their expenses (including lost wages) incurred in prosecuting the Action, all to be paid from the Settlement Fund. Each of the Court appointed Lead Plaintiffs supports Lead Counsel's fee application. If the amounts requested by Plaintiffs' Lead Counsel are approved by the Court, the average cost would be approximately \$0.16 per share. The average cost per share could vary depending on the number of shares for which valid claims are submitted.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in the Action.

For further information regarding this Settlement you may contact: Rick Nelson, Lerach Coughlin Stoia & Robbins LLP, 401 B Street, Suite 1700, San Diego, California 92101, Telephone: 800/449-4900. Please do not contact the Court or Honeywell.

I. NOTICE OF SETTLEMENT HEARING ON PROPOSED SETTLEMENT

A settlement hearing will be held on _____, 2004, at _____m., before the Honorable Dickinson R. Debevoise, United States Senior District Judge, District of New Jersey, Martin Luther King, Jr. Federal Building and United States Courthouse, Courtroom 5B, 50 Walnut Street, Newark, New Jersey (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (1) whether the settlement consisting of \$100,000,000 in cash (plus accrued interest) and the

adoption by Honeywell of significant corporate governance provisions should be approved as fair, reasonable and adequate to Members of the Settlement Class (as defined below); (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable, and adequate; (3) whether the application by Plaintiffs' co-Lead Counsel for an award of attorneys' fees and reimbursement of expenses and the Lead Plaintiffs' request for reimbursement of their expenses (including lost wages) should be approved; and (4) whether the Action should be dismissed with prejudice and the Released Parties released from all Released Claims against them. The Court may adjourn or continue the Settlement Hearing or modify any dates set forth herein without further notice to the Settlement Class.

II. DEFINITIONS USED IN THIS NOTICE

1. "Authorized Claimant" means a Member (or the representative of such Member including, without limitation, agents, administrators, executors, heirs, successors, and assigns), who submits a Proof of Claim and Release and who is entitled to a distribution from the Distribution Fund.

2. "Final Judgment" means that judgment to be entered by the Court, substantially in the form of Exhibit B to the Stipulation, approving the Settlement, dismissing the Action with prejudice and without costs to any party, releasing all Released Claims, and enjoining Members from instituting, continuing, or prosecuting any action asserting one or more Released Claims.

3. "Honeywell" or the "Company" means Honeywell International, Inc.

4. "Defendants" means the Former Defendants and Honeywell, Michael R. Bonsignore, Giannantonio Ferrari and Richard F. Wallman.

5. "Former Defendants" means Donald J. Redlinger, Peter M. Kreindler, Robert D. Johnson, and James T. Porter who were dismissed from the Action by Order dated January 16, 2002.

6. "Lead Plaintiffs" means the named Class representatives for the Settlement Class, specifically Local 144 Nursing Home Employees Pension Fund, Jefferson State Bank and the City of Monroe Employees Retirement System.

7. "Member" means any person or entity who is a member of the Settlement Class (including beneficial owners of Honeywell common stock purchased on their behalf by others during the Class Period), and including, without limitation, the Plaintiffs, but excluding those persons or entities who submit (or for whom are submitted) valid and timely requests for exclusion from the Class in accordance with the procedures set forth in this Notice.

8. "Net Settlement Fund" or "Distribution Fund" means the Settlement Fund less all fees and expenses allowed by the Court, any notice and administration expenses, and any taxes that may be payable from the Settlement Fund.

9. "Plaintiffs' Lead Counsel" means Lerach Coughlin Stoia & Robbins LLP.

10. "Plaintiffs' Liaison Counsel" means Peter S. Pearlman, Cohn Lifland Pearlman Herrmann & Knopf LLP.

11. "Plan of Allocation" means that plan or formula of allocation of the Distribution Fund described in this Notice, which plan or formula shall govern the distribution of the Distribution Fund. It is understood and agreed to by the parties hereto that, notwithstanding any other provision of the Stipulation, any proposed Plan of Allocation that is part of this Notice is not a part of the Stipulation, and any order or proceedings relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of the Final Judgment or any other orders entered by the Federal Court pursuant to the Stipulation.

12. "Released Claims" means any and all claims, rights, demands, causes of action, suits, matters, and issues, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, that have been, might have been or could be asserted against the Released Parties by or

on behalf of Lead Plaintiffs or any Member of the Settlement Class, arising out of or related, directly or indirectly, in any way, to both the purchase or sale of Honeywell common stock during the Class Period (December 1, 1999 to June 19, 2000) and the allegations set forth or that could have been set forth in the Action by Lead Plaintiffs.

13. "Released Parties" means each and every one of the following: the Defendants and each of their parents, subsidiaries, affiliates, directors, officers, employees, agents, insurers, attorneys, accountants, advisors, predecessors, successors, heirs, assigns, administrators, executors, personal representatives and immediate families.

14. "Settlement Administrator" means Gilardi & Co. LLC or such other or subsequent person or entity that the Court shall appoint.

15. The "Settlement Class" means all persons or entities who, between December 1, 1999 and June 19, 2000, inclusive (the "Class Period"), purchased the common stock of Honeywell and who suffered a loss as a result. Excluded from the Settlement Class are the Defendants, members of the immediate family of each of the individual Defendants, any entity in which any Defendant has or had a controlling interest, and the legal representatives, heirs, executors, successors or assigns of any such excluded party and those members of the Settlement Class that timely and validly exclude themselves from the Settlement Class.

16. "Settlement Effective Date" means the date upon which the Final Judgment becomes both final and no longer subject to appeal or review (or further appeal or review), whether by exhaustion of any possible appeal, lapse of time, or otherwise.

17. "Settlement Fund" means the payments to be made in accordance with paragraph 3 of the Stipulation, including any interest earned thereon.

18. "Settlement Hearing" means the hearing to be held by the Court to consider final approval of the Settlement pursuant to Rule 23(e) of the Federal Rules of Civil Procedure.

19. "Settling Parties" means the Lead Plaintiffs, the Members, and the Defendants.

20. "Stipulation" shall mean the Stipulation and Agreement of Settlement dated as of June 4, 2004.

21. "Unknown Claims" means any Released Claims which any Lead Plaintiff or Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties have stipulated and agreed that, upon the Settlement Effective Date, the Plaintiffs, and each of the Settlement Class Members, by operation of the Final Judgment, waive any and all provisions, rights and benefits conferred by Cal. Civ. Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR,

and any other law of any jurisdiction (domestic or foreign), or principle of common law, which is similar, comparable, or equivalent to said provision.

III. THE ACTION

On July 25, 2000, this action was filed in the United States District Court for the District of New Jersey (the "Court"), entitled *Local 144 Nursing Home Employees Pension Fund v. Honeywell International, Inc., et al.*, Case No. 2:00-cv-03605-DRD-SDW followed by twelve additional related cases. By Order dated November 16, 2000, the Court consolidated all such actions under the caption *In re Honeywell International, Inc. Securities Litigation*, Lead Case No. 2:00-cv-03605-DRD-SDW (the "Action"). On or about January 31, 2001, Lead Plaintiffs filed a Consolidated Class Action Complaint (the "Complaint"). The Complaint generally alleges that the Defendants violated

Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 of the Securities and Exchange Commission.

The Complaint alleges that the Defendants did not adequately disclose the risks and financial success or failure of the merger between Honeywell and Allied Signal, Inc. Lead Plaintiffs also alleged that Defendants made material misrepresentations regarding Honeywell's financial results that had the effect of artificially inflating the trading prices of Honeywell common stock.

The Defendants have denied and continue to deny all of these allegations and all other allegations alleged in the Action, and moved to dismiss the Complaint. On January 16, 2002, the Court granted in part and denied in part the Defendants' motions to dismiss.

Thereafter, counsel for Lead Plaintiffs and counsel for the Defendants engaged in substantial arm's-length negotiations in an effort to resolve the Action, including conducting numerous telephone conferences and mediations before Professor Eric Green, during which the terms of any agreement were extensively debated and negotiated.

IV. CLAIMS OF THE LEAD PLAINTIFFS AND BENEFITS OF SETTLEMENT

The Lead Plaintiffs believe that the claims asserted in the Action have merit. However, counsel for the Lead Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against the Defendants through trial and appeal. Counsel for the Lead Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Action, as well as the difficulties and delays inherent in such litigation. Counsel for the Lead Plaintiffs also are mindful of the inherent problems of proof of, and possible defenses to, the violations asserted in the Action. Counsel for the Lead Plaintiffs believe that the Settlement set forth in the Stipulation confers substantial benefits upon and is in the best interests of the Settlement Class.

V. DEFENDANTS' STATEMENT AND DENIALS OF WRONGDOING AND LIABILITY

The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiffs in the Action. The Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them or any of them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Lead Plaintiffs or Settlement Class Members have suffered any damage or harm, that the price of Honeywell common stock was artificially inflated by reason of any alleged misrepresentations, non-disclosures or otherwise, or that the Lead Plaintiffs or the Settlement Class Members were harmed by any of the conduct alleged in the Action.

Nonetheless, the Defendants have concluded that further conduct of the Action would be protracted, expensive, and distracting to Honeywell and its management and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like the Action. The Defendants have, therefore, determined that the Action should be settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

The Settlement Fund ("Settlement Fund") consists of \$100 million in cash, plus interest thereon. The Settlement Fund will be increased by 33% if, within twelve (12) months of the Court's approval of the Settlement, Honeywell is "acquired" (as that term is defined in the Stipulation and as a result of that transaction, Honeywell shareholders do not hold at least 33% of the issued and outstanding shares of the acquiring or surviving entity or an affiliate thereof). Any such increased payment shall be solely Honeywell's obligation. A portion of the Settlement Fund will be used for

certain administrative expenses, including costs of printing and mailing notice of the Settlement, the cost of publishing newspaper notices, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to Plaintiffs' Co-Lead Counsel as attorneys' fees and for reimbursement of out-of-pocket expenses. The balance of the Settlement Fund (the "Net Settlement Fund" or the "Distribution Fund") will be distributed according to the Plan of Allocation described below to the Settlement Class Members who submit valid and timely Proof of Claim and Release forms.

In addition, Honeywell has agreed to adopt certain significant corporate governance provisions relating to compensation of Honeywell officers, directors and senior management, the performance of internal audits, measures to ensure the independence of Honeywell's outside auditor, and provisions regarding Honeywell's financial reporting and board independence. The full text of these provisions (attached as Exhibit C to the Stipulation) may be viewed at www.Gilardi.com.

VII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Settlement Class Members who submit valid and timely Proof of Claim and Release forms ("Authorized Claimants") under the Plan of Allocation described here. You will be eligible to participate in the distribution of the Net Settlement Fund only if you have a net loss on all transactions in Honeywell common stock during the Class Period.

To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all

Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

Claims will be calculated as follows:

For shares of Honeywell common stock that were *purchased between December 1, 1999 and June 19, 2000*, and

(a) sold prior to June 20, 2000, the claim per share is the difference between (i) the purchase price less (ii) the sales price;

(b) retained at the end of trading on June 19, 2000, the claim per share is the difference between (i) the purchase price less (ii) \$36.00 per share.

For Settlement Class Members who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

A Settlement Class Member will be eligible to receive a distribution from the Net Settlement Fund only if that Settlement Class Member had a net loss, after all profits from transactions in Honeywell common stock during the Class Period are subtracted from all losses.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Settlement Class Member on equitable grounds.

VIII. PARTICIPATION IN THE SETTLEMENT CLASS

If you fall within the definition of the Settlement Class, you are a Settlement Class Member unless you elect to be excluded from the Settlement Class (*see* Section IX below). If you do not

request to be excluded from the Settlement Class, you will be bound by any Final Judgment entered with respect to the Settlement in the Action whether or not you submit a Proof of Claim and Release form.

If you are a Settlement Class Member, you need do nothing (other than timely file a properly filled out Proof of Claim and Release form if you wish to participate in the distribution of the Net Settlement Fund). Your interests will be represented by Plaintiffs' Lead Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense; provided, however, that in order to be heard at the Settlement Hearing or pose an objection to the Settlement, you and your counsel must follow the procedures set forth in Section XIII below.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release form must be postmarked on or before _____, 2004, and sent to the Honeywell Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release form, you will be barred from receiving any payments from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Final Judgment.

IX. EXCLUSION FROM THE CLASS

You may request to be excluded from the Settlement Class. To do so, you must mail a written request stating that you wish to be excluded from the Settlement Class to:

Honeywell Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 5100
Larkspur, California 94977-5100

The request for exclusion must state: (1) your name, address, and telephone number; and (2) all purchases and sales of Honeywell common stock made during the Class Period, including the

dates of purchase or sale, the number of shares of such securities purchased or sold and the price paid or received per share. YOUR EXCLUSION REQUEST MUST BE POSTMARKED ON OR BEFORE _____, 2004, AND, IN ORDER TO BE VALID, MUST CONTAIN ALL OF THE FOREGOING INFORMATION. IF YOU SUBMIT A VALID AND TIMELY REQUEST FOR EXCLUSION, YOU SHALL HAVE NO RIGHTS UNDER THE SETTLEMENT, SHALL NOT SHARE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, AND SHALL NOT BE BOUND BY THE STIPULATION OR THE FINAL JUDGMENT.

X. DISMISSAL AND RELEASES

If the Settlement is approved, the Court will enter a Final Judgment in the Action. The Final Judgment will dismiss the Released Claims with prejudice as to all Defendants.

The Final Judgment will also provide that all Settlement Class Members who have not validly and timely requested to be excluded from the Settlement Class shall be deemed to have released and forever discharged all Released Claims (to the extent Members of the Settlement Class have such claims) against all Released Parties.

XI. APPLICATION FOR FEES AND EXPENSES

At the Settlement Hearing, Plaintiffs' Lead Counsel will request the Court to award attorneys' fees not to exceed 25% of the Settlement Fund, plus reimbursement of expenses, not to exceed \$2.4 million, which were incurred in connection with the Action, plus interest thereon. The court-appointed Lead Plaintiffs support this application. In addition, certain of the Lead Plaintiffs in the Action may seek compensation of up to \$40,000.00 each for their expenses incurred (including lost wages) in prosecuting the Action. This compensation will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. To date, Plaintiffs' Lead Counsel have not received any payment for their services in conducting the Action nor have counsel been reimbursed for all of their out-of-pocket expenses incurred.

XII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Final Judgment by the Court as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Final Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of June 3, 2004.

XIII. THE RIGHT TO BE HEARD AT THE SETTLEMENT HEARING

Any Settlement Class Member who has not validly and timely requested to be excluded from the Settlement Class, and who objects to any aspect of the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, or the Lead Plaintiffs' request for reimbursement may appear and be heard at the Settlement Hearing. Any such person must file a written notice of objection, filed with the Clerk of the Court on or before _____, 2004, and served by hand or first class mail on each of the following:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
Martin Luther King, Jr. Federal Building and
United States Courthouse
50 Walnut Street, Room 4015
Newark, New Jersey 07101

and

LERACH COUGHLIN STOIA & ROBBINS LLP
WILLIAM S. LERACH
KEITH F. PARK
ARTHUR C. LEAHY
401 B Street, Suite 1700
San Diego, California 92101

Lead Counsel for Plaintiffs

KIRKLAND & ELLIS LLP
YOSEF J. RIEMER

SCOTT R. SAMAY
Citigroup Center
153 East 53rd Street
New York, NY 10022

Counsel for Defendant Honeywell

Any such written objection must demonstrate the objecting person's membership in the Settlement Class, including the number of shares of Honeywell common stock purchased and sold during the Class Period, and contain a statement of the reasons for objection. Only Settlement Class Members who have submitted written notices of objection in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

XIV. SPECIAL NOTICE TO NOMINEES

If you, as nominee for a beneficial owner, hold or held any Honeywell common stock purchased during the Class Period, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim and Release by first class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Honeywell Claims Administrator:

Honeywell Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 5100
Larkspur, California 94977-5100

If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain from the Honeywell Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred by you in connection with forwarding the Notice and Proof of Claim and Release form and which would not have been

incurred but for the obligation to forward the Notice and Proof of Claim and Release form, upon submission of appropriate documentation to the Honeywell Claims Administrator.

XV. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the pleadings and Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States District Court, District of New Jersey, Martin Luther King, Jr. Federal Building and, United States Courthouse, 50 Walnut Street, Room 4015, Newark, New Jersey 07101. Further, the Stipulation, its exhibits, the Complaint and additional copies of this Notice and the Proof of Claim and Release are available on the Internet at www.gilardi.com.

If you have any questions about the Settlement of the Action, you may contact Plaintiffs' Lead Counsel by writing:

LERACH COUGHLIN STOIA & ROBBINS LLP
WILLIAM S. LERACH
KEITH F. PARK
ARTHUR C. LEAHY
401 B Street, Suite 1700
San Diego, California 92101

**PLEASE DO NOT CONTACT THE COURT OR HONEYWELL REGARDING
THIS NOTICE.**

DATED: _____, 2004

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

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COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
New Jersey Bar #PP8416
Park 80 Plaza West-One
Saddle Brook, NJ 07663
Telephone: 201/845-9600

Liaison Counsel

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KAREN THOMAS-STEFANO
A. RICK ATWOOD, JR.
X. JAY ALVAREZ
TRICIA L. McCORMICK
MATTHEW P. SIBEN
401 B Street, Suite 1700
San Diego, CA 92101
Telephone: 619/231-1058

Lead Counsel for Plaintiffs

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re HONEYWELL INTERNATIONAL, INC. SECURITIES LITIGATION)	Lead Case No. 2:00cv03605(DRD)
_____)	<u>CLASS ACTION</u>
This Document Relates To:)	Senior Judge Dickinson R. Debevoise
ALL ACTIONS.)	Magistrate Judge Susan D. Wigenton
_____)	PROOF OF CLAIM AND RELEASE
		EXHIBIT A-2

I. GENERAL INSTRUCTIONS

1. To recover from the Settlement Fund as a Member of the Settlement Class based on your claims in the action entitled *In re Honeywell International, Inc. Securities Litigation*, Lead Case No. 2:00CV03605(DRD) (the "Action"), you must complete and sign this Proof of Claim and Release. If you fail to execute and submit a timely, properly completed and addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the Settlement of the Action.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the Settlement Fund.

3. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE _____, 2004, ADDRESSED AS FOLLOWS:**

Honeywell Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 5100
Larkspur, California 94977-5100

If you are NOT a Member of the Settlement Class (as defined in the Notice of Pendency and Settlement of Class Action) DO NOT submit a Proof of Claim and Release form.

4. If you are a Member of the Settlement Class and you have not timely requested exclusion, you will be bound by the terms of the Final Judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

II. DEFINITIONS

1. "Defendants" means the Former Defendants and Honeywell, Michael R. Bonsignore, Giannantonio Ferrari and Richard Wallman.

2. "Final Judgment" means that judgment to be entered by the Court approving the Settlement, dismissing the Action with prejudice and without costs to any party, releasing all Released Claims, and enjoining Members from instituting, continuing, or prosecuting any action asserting one or more Released Claims.

All other capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Notice of Pendency and Settlement of Class Action ("Notice") which accompanies this Proof of Claim and Release.

III. IDENTIFICATION OF CLAIMANT

1. If you purchased Honeywell common stock during the Class Period and held the securities in your name, you are the beneficial purchaser, seller or holder as well as the record purchaser, seller or holder. If, however, you purchased Honeywell common stock during the Class Period and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser, seller or holder of these securities, but the third party is the record purchaser, seller or holder of these securities.

2. Use Part I of this form entitled "Claimant Identification" to identify each purchaser, seller or holder of record ("nominee"), if different from the beneficial purchaser of Honeywell common stock which forms the basis of this claim. **THIS CLAIM MUST BE SUBMITTED BY THE ACTUAL BENEFICIAL PURCHASER OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OF THE HONEYWELL COMMON STOCK UPON WHICH THIS CLAIM IS BASED.**

3. All joint beneficial purchasers, sellers or holders must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone

number of one of the beneficial owner(s) may be used in verifying this claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of your claim.

IV. IDENTIFICATION OF TRANSACTION(S)

1. Use Part II of this form entitled "Schedule of Transactions in Honeywell Common Stock" to supply all required details of your transaction(s) in Honeywell common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to *all* of your holdings of Honeywell common stock as of December 1, 1999, *all* of your purchases and sales of Honeywell common stock which took place at any time beginning December 1, 1999 through and including June 19, 2000 (the "Class Period"), as well as proof of your holdings of Honeywell common stock as of the close of trading on June 19, 2000, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each purchase and sale in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each such transaction you list.

4. The date of covering a "short sale" is deemed to be the date of purchase of Honeywell common stock. The date of a "short sale" is deemed to be the date of sale of Honeywell common stock.

5. Broker confirmations or other documentation of your transactions in Honeywell common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

In re Honeywell International, Inc. Securities Litigation
Lead Case No. 2:00CV03605(DRD)

PROOF OF CLAIM

Must be Postmarked No Later Than:
_____, 2004

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

Street Address

City

State or Province

Zip Code or Postal Code

Country

Social Security Number or
Taxpayer Identification Number

Individual

Corporation/Other

Area Code

Telephone Number (work)

Area Code

Telephone Number (home)

Record Owner's Name (if different from beneficial owner listed above)

PART II: SCHEDULE OF TRANSACTIONS IN HONEYWELL COMMON STOCK

- A. Number of shares of Honeywell common stock held at the beginning of trading on December 1, 1999: _____
- B. Purchases (December 1, 1999 – June 19, 2000, inclusive) of Honeywell common stock:

Trade Date Month Day Year	Number of Securities Purchased	Total Purchase Price
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

IMPORTANT: Identify by number listed above all purchases in which you covered a “short sale”: _____

- C. Sales (December 1, 1999 – June 19, 2000, inclusive) of Honeywell common stock:

Trade Date Month Day Year	Number of Securities Sold	Total Sales Price
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

- D. Number of Honeywell shares held at close of trading on June 19, 2000:

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ THE RELEASE AND SIGN ON PAGE _____.

**V. SUBMISSION TO JURISDICTION OF COURT AND
ACKNOWLEDGMENTS**

I (We) submit this Proof of Claim and Release under the terms of the Stipulation and Agreement of Settlement described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the District of New Jersey with respect to my (our) claim as a Settlement Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I (we) will be bound by and subject to the terms of any Final Judgment that may be entered in the Action. I (We) agree to furnish additional information such as transactions in other Honeywell common stock to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim covering the same purchases, sales or holdings of Honeywell common stock during the Class Period and know of no other person having done so on my (our) behalf.

VI. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge from the Released Claims each and all of the Released Parties as those terms are defined below.

2. "Released Parties" means each and every one of the following: the Defendants and each of their parents, subsidiaries, affiliates, directors, officers, employees, agents, insurers, attorneys, accountants, advisors, predecessors, successors, heirs, assigns, administrators, executors, personal representatives and immediate families.

3. "Released Claims" means any and all claims, rights, demands, causes of action, suits, matters, and issues, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, that have been, might have been or could be asserted against the Released Parties by or on behalf of Lead Plaintiffs or any Member of the Settlement Class, arising out of or related, directly or indirectly, in any way, to both the purchase or sale of Honeywell common stock during the Class

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 2 above.

SEE ENCLOSED FORM W-9 INSTRUCTIONS

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____,
(Month / Year)
in _____, _____
(City) (State / Country)

(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing,
e.g., Beneficial Purchaser,
Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and declaration.
2. Remember to attach supporting documentation, if available.
3. Do not send original or copies of stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.

COHN LIFLAND PEARLMAN
HERRMANN & KNOPF LLP
PETER S. PEARLMAN
New Jersey Bar #PP8416
Park 80 Plaza West-One
Saddle Brook, NJ 07663
Telephone: 201/845-9600

Liaison Counsel

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& ROBBINS LLP
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X. JAY ALVAREZ
TRICIA L. McCORMICK
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401 B Street, Suite 1700
San Diego, CA 92101
Telephone: 619/231-1058

Lead Counsel for Plaintiffs

UNITED STATES DISTRICT COURT

DISTRICT OF NEW JERSEY

In re HONEYWELL INTERNATIONAL,
INC. SECURITIES LITIGATION

) Lead Case No. 2:00cv03605(DRD)

) CLASS ACTION

This Document Relates To:

) Senior Judge Dickinson R. Debevoise
) Magistrate Judge Susan D. Wigenton

ALL ACTIONS.

)
) SUMMARY NOTICE FOR PUBLICATION
) OF SETTLEMENT OF CLASS ACTION

EXHIBIT A-3

TO: ALL PERSONS OR ENTITIES THAT PURCHASED HONEYWELL INTERNATIONAL, INC. ("HONEYWELL") COMMON STOCK FROM DECEMBER 1, 1999 THROUGH JUNE 19, 2000, INCLUSIVE

YOU ARE HEREBY NOTIFIED that a Settlement Hearing will be held on _____, 2004, at _____.m., before the Honorable Dickinson R. Debevoise, United States Senior District Judge, District of New Jersey, Martin Luther King, Jr. Federal Building and United States Courthouse, Courtroom 5B, 50 Walnut Street, Newark, New Jersey. The Hearing is to consider a settlement of certain litigation on behalf of the class defined above (the "Action"). The purpose of the Hearing is to determine: (1) whether the proposed settlement of the claims in the Action for the sum of \$100,000,000 (the "Settlement Fund") and the adoption by Honeywell of certain corporate governance provisions should be approved by the Court as fair, reasonable and adequate; (2) whether, thereafter, the Action should be dismissed with prejudice; (3) whether the Plan of Allocation of the Settlement Fund is fair, reasonable and adequate and should be approved; (4) whether the application of plaintiffs' counsel for the payment of attorneys' fees and reimbursement of expenses incurred by plaintiffs' counsel in connection with the Action should be approved; and (5) whether the application for reimbursement of the expenses (including lost wages) of the Lead Plaintiffs in the Action should be approved. All capitalized terms used herein shall have the meaning assigned to them in the Stipulation.

If you purchased the common stock of Honeywell ("Honeywell" or the "Company") during the period beginning December 1, 1999 through and including June 19, 2000, you may be a class member and your rights may be affected by the Settlement of the Action.

If you have not received a detailed Notice of Pendency and Settlement of Class Action and a copy of the Proof of Claim and Release, you may obtain copies of the same by contacting: Honeywell Claims Administrator, c/o Gilardi & Co. LLC, P.O. Box 5100, Larkspur, California 94977-5100 or downloading these documents at www.gilardi.com. You may also download the

Complaint in the Action and the Stipulation and Agreement of Settlement at the same site. These documents are also available for review at the Court.

If you are a class member, in order to be eligible to share in the distribution of the Settlement Fund, you must submit a Proof of Claim and Release no later than _____, 2004, establishing that you are entitled to recovery. You will be bound by any Final Judgment rendered in the Action whether or not you make a claim, unless you request exclusion from the Settlement Class.

If you wish to request exclusion from the class you must do so in writing by _____, 2004. If you request exclusion from the class you will not participate in the distribution of the Settlement Fund and you will not be bound by the Judgment in the Action.

Any class member may file an objection to the Settlement, if he, she or it has any information why the proposed Settlement of the Action should not be approved or why judgment should not be entered thereon; why any attorneys' fees, costs, or expenses requested by plaintiffs' counsel or Lead Plaintiffs should not be awarded; or why the Plan of Allocation should not be approved; provided, however, that no class member may be entitled to appear at the Hearing or contest approval of the terms and conditions of the Settlement unless, his, her or its objection or opposition, including the basis therefor, is made in writing and mailed or delivered such that it is filed with the Court and served on each of the following no later than _____, 2004:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
Martin Luther King, Jr. Federal Building and
United States Courthouse
50 Walnut Street, Room 4015
Newark, New Jersey 07101

and

LERACH COUGHLIN STOJA & ROBBINS LLP
WILLIAM S. LERACH
KEITH F. PARK
ARTHUR C. LEAHY

401 B Street, Suite 1700
San Diego, California 92101

Plaintiffs' Lead Counsel

KIRKLAND & ELLIS LLP
YOSEF J. RIEMER
SCOTT R. SAMAY
Citigroup Center
153 East 53rd Street
New York, NY 10022

Counsel for Defendant Honeywell

PLEASE DO NOT CONTACT THE COURT OR HONEYWELL REGARDING THIS

NOTICE.

DATED: _____, 2004

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

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