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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

MAY 23, 1997
(DATE OF EARLIEST EVENT REPORTED)

ITT INDUSTRIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

INDIANA (STATE OR OTHER JURISDICTION OF INCORPORATION)	1-5627 (COMMISSION FILE NUMBER)	13-5158950 (I.R.S. EMPLOYER IDENTIFICATION NUMBER)
4 WEST RED OAK LANE, WHITE PLAINS, NEW YORK (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	10604 (ZIP CODE)	

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:
(914)-641-2000

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On May 23, 1997, George Acquisition, Inc. ("Acquiror"), a wholly-owned subsidiary of ITT Industries, Inc. (the "Company"), acquired approximately 20,269,000 shares of Goulds Pumps, Incorporated ("Goulds"), which together with shares already owned by the Company represented approximately 94% of Goulds' outstanding shares of common stock, for a cash price of \$37.00 per share, pursuant to an April 25, 1997 tender offer.

Goulds' business is the design, manufacture, sale and repair of centrifugal pumps and accessories for diverse applications.

On May 27, 1997, the Company completed the merger of Acquiror with Goulds. Upon consummation of the merger, Goulds became a wholly-owned subsidiary of the Company and the shareholders of Goulds who did not tender their shares became entitled to receive \$37.00 per share. The total purchase price for Goulds was approximately \$815 million plus certain additional amounts to be paid in respect of outstanding stock options and transaction expenses.

Included among the assets acquired by the Company (indirectly through the acquisition of the shares of Goulds) are operations described as follows:

1. Industrial Products: The types of pumps manufactured for customers served by the Industrial Products division of Goulds include end-suction, double-suction, multistage, axial flow, vertical turbine, sump and slurry pumps to meet a wide variety of needs in the industrial and municipal markets, including pumps designed for API and ANSI standards. Goulds manufactures pumps from nonmetallic materials for applications where metal alloys are unsatisfactory or prohibitively expensive. Goulds' vertical industrial turbine pumps are used throughout industries where space limitations or unsatisfactory suction conditions make the use of horizontal pumps impractical. Goulds slurry pumps serve the alumina and phosphate mining and minerals markets. Abrasion resistant pumps are manufactured for mining, utility and steel mill applications. Goulds' Pump Repair and Overhaul Service Centers play a role in customer service by rebuilding and repairing pumps and other rotating equipment produced by any manufacturer.

2. Water Technologies: The Water Technologies division of Goulds manufactures and sells water pump systems, which include pumps, motors, pressure tanks and related accessories, used to supply water for farms, single and multiple family residences, office buildings, restaurants and other commercial uses, and municipal water supply and sewage treatment facilities. A commercial line of pumps is manufactured and sold for light industrial applications and OEM applications. In addition, sump, effluent and sewer pumps (SES) are manufactured and used in de-watering and sewage ejection applications. Submersible and deep-well turbine pumps are used for irrigation and other agricultural services.

In addition, all receivables and contract rights of Goulds and its subsidiaries are included indirectly in the purchase.

The funds used to consummate the acquisition came from borrowings of the Company from a Five Year Competitive Advance and Revolving Credit Facility Agreement (the "Credit Agreement"), dated November 10, 1995 with The Chase Manhattan Bank, as agent, and certain other lending institutions.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

- (c) Exhibits.
See Exhibit Index.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ITT Industries, Inc.

By: /s/ ROBERT W. BEICKE

Robert W. Beicke
Vice President, Associate General
Counsel
and Assistant Secretary

Dated: June 5, 1997

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	LOCATION
3		
(b)	-- By-Laws.....	Filed herewith.
10		
(e)	-- First Amendment to Employment Agreement between ITT Industries and D. Travis Engen -- in final form.....	Filed herewith.
(r)	-- Trade Name and Trademark License Agreement.....	Filed herewith.
(s)	-- ITT Industries Enhanced Severance Pay Plan.....	Filed herewith.

BY-LAWS

OF

ITT INDUSTRIES, INC.

1. SHAREHOLDERS.

1.1 Place of Shareholders' Meetings. All meetings of the shareholders of the Corporation shall be held at such place or places, within or outside the state of Indiana, as may be fixed by the Corporation's Board of Directors (the "Board", and each member thereof a "Director") from time to time or as shall be specified in the respective notices thereof.

1.2 Day and Time of Annual Meetings of Shareholders. An annual meeting of shareholders shall be held at such place (within or outside the state of Indiana), date and hour as shall be determined by the Board and designated in the notice thereof. Failure to hold an annual meeting of shareholders at such designated time shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the Corporation.

1.3 Purposes of Annual Meetings. (a) At each annual meeting, the shareholders shall elect the members of the Board for the succeeding term. At any such annual meeting any business properly brought before the meeting may be transacted.

(b) To be properly brought before an annual meeting, business must be (i) specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board or (iii) otherwise properly brought before the meeting by a shareholder. For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given written notice thereof, either by personal delivery or by United States mail, postage prepaid, to the Secretary, at the principal executive offices of the Corporation, not less than 70 days nor more than 90 days prior to the anniversary date of the immediately preceding annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days earlier or more than 60 days later than such anniversary date, notice by the shareholder must be so delivered or received not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 70th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Any such notice shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting and, in the event that such business includes a proposal to amend either the Articles of Incorporation or By-laws of the Corporation, the language of the proposed amendment, (ii) the name and address of the shareholder proposing such business, (iii) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (iv) any material interest of the shareholder in such business and (v) if the shareholder intends to solicit proxies in support of such shareholder's proposal, a representation to that effect. The foregoing notice requirements shall be deemed satisfied by a shareholder if the shareholder has notified the Corporation of his or her intention to present a proposal at an annual meeting and such shareholder's proposal has been included in a proxy statement that has been prepared by management of the Corporation to solicit proxies for such annual meeting; provided, however, that, if such shareholder does not appear or send a qualified representative to present such proposal at such annual meeting, the Corporation need not present such proposal for a vote at such meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation. No business shall be conducted at an annual meeting of shareholders except in accordance with this Section 1.3(b), and the chairman of any annual meeting of shareholders may refuse to permit any business to be brought before an annual meeting without compliance with the foregoing

procedures or if the shareholder solicits proxies in support of such shareholder's proposal without such shareholder having made the representation required by clause (v) of the preceding sentence.

1.4 Special Meetings of Shareholders. Except as otherwise expressly required by applicable law, special meetings of the shareholders or of any class or series entitled to vote may be called for any purpose or purposes by the Chairman or by a majority vote of the entire Board, to be held at such place (within or outside the state of Indiana), date and hour as shall be determined by the Board and designated in the notice thereof. Only such business as is specified in the notice of any special meeting of the shareholders shall come before such meeting.

1.5 Notice of Meetings of Shareholders. Except as otherwise expressly required or permitted by applicable law, not less than ten days nor more than sixty days before the date of every shareholders' meeting the Secretary shall give to each shareholder of record entitled to vote at such meeting written notice stating the place, day and time of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as provided in Section 1.6(d) or as otherwise expressly required by applicable law, notice of any adjourned meeting of shareholders need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken. Any notice, if mailed, shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to the shareholder at the address for notices to such shareholder as it appears on the records of the Corporation.

1.6 Quorum of Shareholders. (a) Unless otherwise expressly required by applicable law, at any meeting of the shareholders, the presence in person or by proxy of shareholders entitled to cast a majority of votes thereat shall constitute a quorum. Shares of the Corporation's stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in an election of the directors of such other corporation is held by the Corporation, shall neither be counted for the purpose of determining the presence of a quorum nor entitled to vote at any meeting of the shareholders.

(b) At any meeting of the shareholders at which a quorum shall be present, a majority of those present in person or by proxy may adjourn the meeting from time to time without notice other than announcement at the meeting. In the absence of a quorum, the officer presiding thereat shall have power to adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting other than announcement at the meeting shall not be required to be given, except as provided in Section 1.6(d) below and except where expressly required by applicable law.

(c) At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting originally called, but only those shareholders entitled to vote at the meeting as originally noticed shall be entitled to vote at any adjournment or adjournments thereof unless a new record date is fixed by the Board.

(d) If a new date, time and place of an adjourned meeting is not announced at the original meeting before adjournment, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in the manner specified in Section 1.6(a) to each shareholder of record entitled to vote at the meeting.

1.7 Chairman and Secretary of Meeting. The Chairman or, in his or her absence, another officer of the Corporation designated by the Chairman, shall preside at meetings of the shareholders. The Secretary shall act as secretary of the meeting, or in the absence of the Secretary, an Assistant Secretary shall so act, or if neither is present, then the presiding officer may appoint a person to act as secretary of the meeting.

1.8 Voting by Shareholders. (a) Except as otherwise expressly required by applicable law, at every meeting of the shareholders each shareholder shall be entitled to the number of votes specified in the Articles of Incorporation, in person or by proxy, for each share of stock standing in his or her name on the books of the Corporation on the date fixed pursuant to the provisions of Section 5.6 of these By-laws as the record date for the determination of the shareholders who shall be entitled to receive notice of and to vote at such meeting.

(b) When a quorum is present at any meeting of the shareholders, action on a matter (other than the election of directors) by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless express provision of law or the Articles of Incorporation require a greater number of affirmative votes.

(c) Except as required by applicable law, the vote at any meeting of shareholders on any question need not be by ballot, unless so directed by the chairman of the meeting. On a vote by ballot, each ballot shall be signed by the shareholder voting, or by his or her proxy, if there be such proxy, and shall state the number of shares voted.

1.9 Proxies. Any shareholder entitled to vote at any meeting of shareholders may vote either in person or by his or her attorney-in-fact. Every proxy shall be in writing and shall be subscribed by the shareholder or his or her duly authorized attorney-in-fact, but need not be dated, sealed, witnessed or acknowledged.

1.10 Inspectors. (a) The election of Directors and any other vote by ballot at any meeting of the shareholders shall be supervised by at least two inspectors. Such inspectors may be appointed by the Chairman before or at the meeting. If the Chairman shall not have so appointed such inspectors or if one or both inspectors so appointed shall refuse to serve or shall not be present, such appointment shall be made by the officer presiding at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability.

(b) The inspectors shall (i) ascertain the number of shares of the Corporation outstanding and the voting power of each, (ii) determine the shares represented at any meeting of shareholders and the validity of the proxies and ballots, (iii) count all proxies and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares represented at the meeting, and their count of all proxies and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties.

1.11 List of Shareholders. (a) At least five business days before every meeting of shareholders, the Corporation shall cause to be prepared and made a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order by voting group, if any, and showing the address of each shareholder and the number of shares registered in the name of each shareholder.

(b) During ordinary business hours for a period of at least five business days prior to the meeting, such list shall be open to examination by any shareholder for any purpose germane to the meeting, either at the Corporation's principal office or a place identified in the meeting notice in the city where the meeting will be held.

(c) The list shall also be produced and kept at the time and place of the meeting, and it may be inspected during the meeting by any shareholder or the shareholder's agent or attorney authorized in writing.

(d) The stock ledger shall be the only evidence as to who are the shareholders entitled to examine the stock ledger, the list required by this Section 1.11 or the books of the Corporation, or to vote in person or by proxy at any meeting of shareholders.

1.12 Confidential Voting. (a) Proxies and ballots that identify the votes of specific shareholders shall be kept in confidence by the tabulators and the inspectors of election unless (i) there is an opposing solicitation with respect to the election or removal of Directors, (ii) disclosure is required by applicable law, (iii) a shareholder expressly requests or otherwise authorizes disclosure, or (iv) the Corporation concludes in good faith that a bona fide dispute exists as to the authenticity of one or more proxies, ballots or votes, or as to the accuracy of any tabulation of such proxies, ballots or votes.

(b) The tabulators and inspectors of election and any authorized agents or other persons engaged in the receipt, count and tabulation of proxies and ballots shall be advised of this By-law and instructed to comply herewith.

(c) The inspectors of election shall certify, to the best of their knowledge based on due inquiry, that proxies and ballots have been kept in confidence as required by this Section 1.12.

2. DIRECTORS.

2.1 Powers of Directors. The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all the powers of the Corporation except such as are by applicable law, the Articles of Incorporation or these By-laws required to be exercised or performed by the shareholders.

2.2 Number, Method of Election, Terms of Office of Directors. The number of Directors which shall constitute the whole Board shall be such as from time to time shall be determined by resolution adopted by a majority of the entire Board, but the number shall not be less than three nor more than twenty-five, provided that the tenure of a Director shall not be affected by any decrease in the number of Directors so made by the Board. Each Director shall hold office until the next annual meeting of shareholders and until his or her successor is elected and qualified or until his or her earlier death, retirement, resignation or removal. Directors need not be shareholders of the Corporation or citizens of the United States of America.

Nominations of persons for election as Directors may be made by the Board or by any shareholder who is a shareholder of record at the time of giving of the notice of nomination provided for in this Section 2.2 and who is entitled to vote for the election of Directors. Any shareholder of record entitled to vote for the election of Directors at a meeting may nominate a person or persons for election as Directors only if written notice of such shareholder's intent to make such nomination is given in accordance with the procedures for bringing business before the meeting set forth in Section 1.3(b) of these By-laws, either by personal delivery or by United States mail, postage prepaid, to the Secretary not later than (i) with respect to an election to be held at an annual meeting of shareholders, not less than 70 nor more than 90 days in advance of the anniversary date of the immediately preceding annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days earlier or more than 60 days later than such anniversary date, notice by the shareholder must be so delivered or received not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 70th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made and (ii) with respect to an election to be held at a special meeting of shareholders for the election of Directors, not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 10th day following the day on which public announcement of the date of the special meeting is first made and of the nominees to be elected at such meeting. Each such notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (d) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had each nominee been nominated, or intended to be nominated, by the Board; (e) the consent of each nominee to serve as a Director if so elected and (f) if the shareholder intends to solicit proxies in support of such shareholder's nominee(s), a representation to that effect. The chairman of any meeting of shareholders to elect Directors and the Board may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure or if the shareholder

solicits proxies in support of such shareholder's nominee(s) without such shareholder having made the representation required by (f) of the preceding sentence.

At each meeting of the shareholders for the election of Directors at which a quorum is present, the persons receiving the greatest number of votes, up to the number of Directors to be elected, shall be the Directors.

2.3 Vacancies on Board. (a) Any Director may resign from office at any time by delivering a written resignation to the Chairman or the Secretary. The resignation will take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the Corporation. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

(b) Any vacancy and any newly created Directorship resulting from any increase in the authorized number of Directors may be filled by vote of a majority of the Directors then in office, though less than a quorum, and any Director so chosen shall hold office until the next annual election of Directors by the shareholders and until a successor is duly elected and qualified or until his or her earlier death, retirement, resignation or removal. If there are no Directors in office, then an election of Directors may be held in the manner provided by applicable law.

2.4 Meetings of the Board. (a) The Board may hold its meetings, both regular and special, either within or outside the state of Indiana, at such places as from time to time may be determined by the Board or as may be designated in the respective notices or waivers of notice thereof.

(b) Regular meetings of the Board shall be held at such times and at such places as from time to time shall be determined by the Board.

(c) The first meeting of each newly elected Board shall be held as soon as practicable after the annual meeting of the shareholders and shall be for the election of officers and the transaction of such other business as may come before it.

(d) Special meetings of the Board shall be held whenever called by direction of the Chairman or at the request of Directors constituting one-third of the number of Directors then in office.

(e) Members of the Board or any Committee of the Board may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

(f) The Secretary shall give notice to each Director of any meeting of the Board by mailing the same at least two days before the meeting or by telegraphing or delivering the same not later than the day before the meeting. Such notice need not include a statement of the business to be transacted at, or the purpose of, any such meeting. Any and all business may be transacted at any meeting of the Board. No notice of any adjourned meeting need be given. No notice to or waiver by any Director shall be required with respect to any meeting at which the Director is present.

2.5 Quorum and Action. Except as otherwise expressly required by applicable law, the Articles of Incorporation or these By-laws, at any meeting of the Board, the presence of at least one-third of the entire Board shall constitute a quorum for the transaction of business; but if there shall be less than a quorum at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. Unless otherwise provided by applicable law, the Articles of Incorporation or these By-laws, the vote of a majority of the Directors present (and not abstaining) at any meeting at which a quorum is present shall be necessary for the approval and adoption of any resolution or the approval of any act of the Board.

2.6 Presiding Officer and Secretary of Meeting. The Chairman or, in the absence of the Chairman, a member of the Board selected by the members present, shall preside at meetings of the Board. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the presiding officer may appoint a secretary of the meeting.

2.7 Action by Consent without Meeting. Any action required or permitted to be taken at any meeting of the Board or of any Committee thereof may be taken without a meeting if all members of the Board or Committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of their proceedings.

2.8 Standing Committees. By resolution adopted by a majority of the entire Board, the Board shall elect, from among its members, individuals to serve on the Standing Committees established by this Section 2.8. Each Standing Committee shall be comprised of such number of Directors, not less than three, as shall be elected to such Committee, provided that no officer or employee of the Corporation shall be eligible to serve on the Audit, Compensation and Personnel or Nominating Committees. Each Committee shall keep a record of all its proceedings and report the same to the Board. One-third of the members of a Committee, but not less than two, shall constitute a quorum, and the act of a majority of the members of a Committee present at any meeting at which a quorum is present shall be the act of the Committee. Each Standing Committee shall meet at the call of its chairman or any two of its members. The chairmen of the various Committees shall preside, when present, at all meetings of such Committees, and shall have such powers and perform such duties as the Board may from time to time prescribe. The Standing Committees of the Board, and functions of each, are as follows:

(a) Compensation and Personnel Committee. The Compensation and Personnel Committee shall exercise the power of oversight of the compensation and benefits of the employees of the Corporation, and shall be charged with evaluating management performance, and establishing executive compensation. This Committee shall have access to its own independent outside compensation counsel and shall consist of a majority of independent directors. For purposes of this Section 2.8(a), "independent director" shall mean a Director who: (i) has not been employed by the Corporation in an executive capacity within the past five years; (ii) is not, and is not affiliated with a company or firm that is, an advisor or consultant to the Corporation; (iii) is not affiliated with a significant customer or supplier of the Corporation; (iv) has no personal services contract(s) with the Corporation; (v) is not affiliated with a tax-exempt entity that receives significant contributions from the Corporation; and (vi) is not a familial relative of any person described by Clauses (i) through (v). This By-law shall not be amended or repealed except by a majority of the voting power of the shareholders present in person or by proxy and entitled to vote at any meeting at which a quorum is present.

(b) Audit Committee. The Audit Committee shall recommend the selection of independent auditors for the Corporation, confirm the scope of audits to be performed by such auditors, review audit results and internal accounting and control procedures and policies, review the fees paid to the Corporation's independent auditors, and review and recommend approval of the audited financial statements of the Corporation and the annual reports to shareholders. The Audit Committee shall also review expense accounts of senior executives.

(c) Capital Committee. The Capital Committee shall have the responsibility for maximizing the effective use of the assets of the Corporation and its subsidiaries and reviewing capital expenditures and appropriations.

(d) Corporate Responsibility Committee. The Corporate Responsibility Committee shall review and define social responsibilities and shall review and consider major claims and litigation and legal, regulatory, intellectual property and related governmental policy matters affecting the Corporation and its subsidiaries. The Corporate Responsibility Committee shall also review and approve management policies and programs relating to compliance with legal and regulatory requirements and business ethics.

(e) Nominating Committee. The Nominating Committee shall make recommendations as to the organization, size and composition of the Board and Committees thereof, propose nominees for election to the Board and the Committees thereof, and consider the qualifications, compensation and retirement of Directors.

2.9 Other Committees. By resolution passed by a majority of the entire Board, the Board may also appoint from among its members such other Committees, Standing or otherwise, as it may from time to time deem desirable and may delegate to such Committees such powers of the Board as it may consider appropriate, consistent with applicable law, the Articles of Incorporation and these By-laws.

2.10 Limitations on Committees. (a) Notwithstanding any other provision of these By-laws, and except as otherwise expressly required by applicable law, no Standing Committee created by Section 2.8, nor any other committee hereafter established, may:

(1) authorize dividends or other distributions, except a committee may authorize or approve a reacquisition of shares if done according to a formula or method prescribed by the Board of Directors;

(2) approve or propose to shareholders action that is required to be approved by shareholders;

(3) fill vacancies on the Board of Directors or on any of its committees;

(4) except as permitted under Section 2.10(a)(7) below, amend the Corporation's Articles of Incorporation under IC 23-1-38-2;

(5) adopt, amend, repeal or waive provisions of these By-laws;

(6) approve a plan of merger not requiring shareholder approval; or

(7) authorize or approve the issuance or sale or a contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except the Board of Directors may authorize a committee (or an executive officer of the Corporation designated by the Board of Directors) to take action described in this Section 2.10(a)(7) within limits prescribed by the Board of Directors.

(b) Except to the extent inconsistent with the resolutions creating a Standing Committee, Sections 2.2 to 2.7 and Section 10 of these By-laws, which govern meetings, action without meetings, notice and waiver of notice, quorum and voting requirements and telephone participation in meetings of the Board of Directors, apply to each committee and its members as well.

2.11 Compensation of Directors. Unless otherwise restricted by the Articles of Incorporation or these By-laws, Directors shall receive for their services on the Board or any Committee thereof such compensation and benefits, including the granting of options, together with expenses, if any, as the Board may from time to time determine. The Directors may be paid a fixed sum for attendance at each meeting of the Board or Committee thereof and/or a stated annual sum as a Director, together with expenses, if any, of attendance at each meeting of the Board or Committee thereof. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

2.12 Independent Directors. (a) Independence of Nominees for Election as Directors at the Annual Meeting. The persons nominated by the Board for election as Directors at any annual meeting of the shareholders of the Corporation shall include a sufficient number of persons who have been, on the date of their nomination, determined by the Board to be eligible to be classified as independent directors such that if all such nominees are elected, the majority of all Directors holding office would be independent directors.

(b) Directors Elected to Fill Vacancies on the Board. If the Board elects Directors between annual meetings of shareholders to fill vacancies or newly created Directorships, the majority of all Directors holding office immediately after such elections shall be independent directors.

(c) Definition of Independent Director. For purposes of this Section 2.12, "independent director" shall mean a Director who: (i) has not been employed by the Corporation in an executive capacity within the past five years; (ii) is not, and is not affiliated with a company or a firm that is, an adviser or consultant to the Corporation; (iii) is not affiliated with a significant customer or supplier of the

Corporation; (iv) has no personal services contract(s) with the Corporation; (v) is not affiliated with a tax-exempt entity that receives significant contributions from the Corporation; (vi) is not a familial relative of any person described by Clauses (i) through (v); and (vii) is free of any other relationship which would interfere with the exercise of independent judgment by such Director.

3. OFFICERS.

3.1 Officers, Titles, Elections, Terms. (a) The Board may from time to time elect a Chairman, a Vice Chairman, a President, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, a Chief Financial Officer, a Controller, a Treasurer, a Secretary, a General Counsel, one or more Assistant Controllers, one or more Assistant Treasurers, one or more Assistant Secretaries, and one or more Associate or Assistant General Counsels, to serve at the pleasure of the Board or otherwise as shall be specified by the Board at the time of such election and until their successors are elected and qualified or until their earlier death, retirement, resignation or removal.

(b) The Board may elect or appoint at any time such other officers or agents with such duties as it may deem necessary or desirable. Such other officers or agents shall serve at the pleasure of the Board or otherwise as shall be specified by the Board at the time of such election or appointment and, in the case of such other officers, until their successors are elected and qualified or until their earlier death, retirement, resignation or removal. Each such officer or agent shall have such authority and shall perform such duties as may be provided herein or as the Board may prescribe. The Board may from time to time authorize any officer or agent to appoint and remove any other such officer or agent and to prescribe such person's authority and duties.

(c) No person may be elected or appointed an officer who is not a citizen of the United States of America if such election or appointment is prohibited by applicable law or regulation.

(d) Any vacancy in any office may be filled for the unexpired portion of the term by the Board. Each officer elected or appointed during the year shall hold office until the next annual meeting of the Board at which officers are regularly elected or appointed and until his or her successor is elected or appointed and qualified or until his or her earlier death, retirement, resignation or removal.

(e) Any officer or agent elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the entire Board.

(f) Any officer may resign from office at any time. Such resignation shall be made in writing and given to the President or the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the Corporation. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

3.2 General Powers of Officers. Except as may be otherwise provided by applicable law or in Article 6 or Article 7 of these By-laws, the Chairman, any Vice Chairman, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Chief Financial Officer, the General Counsel, the Controller, the Treasurer and the Secretary, or any of them, may (i) execute and deliver in the name of the Corporation, in the name of any Division of the Corporation or in both names any agreement, contract, instrument, power of attorney or other document pertaining to the business or affairs of the Corporation or any Division of the Corporation, including without limitation agreements or contracts with any government or governmental department, agency or instrumentality, and (ii) delegate to any employee or agent the power to execute and deliver any such agreement, contract, instrument, power of attorney or other document.

3.3 Powers and Duties of the Chairman. The Chairman shall be the Chief Executive of the Corporation and shall report directly to the Board. Except in such instances as the Board may confer powers in particular transactions upon any other officer, and subject to the control and direction of the Board, the Chairman shall manage and direct the business and affairs of the Corporation and shall communicate to the Board and any Committee thereof reports, proposals and recommendations for their

respective consideration or action. He or she may do and perform all acts on behalf of the Corporation and shall preside at meetings of the Board and the shareholders.

3.4 Powers and Duties of a Vice Chairman. A Vice Chairman shall have such powers and perform such duties as the Board or the Chairman may from time to time prescribe or as may be prescribed in these By-laws.

3.5 Powers and Duties of the President. The President shall have such powers and perform such duties as the Board or the Chairman may from time to time prescribe or as may be prescribed in these By-laws.

3.6 Powers and Duties of Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. Executive Vice Presidents, Senior Vice Presidents and Vice Presidents shall have such powers and perform such duties as the Board or the Chairman may from time to time prescribe or as may be prescribed in these By-laws.

3.7 Powers and Duties of the Chief Financial Officer. The Chief Financial Officer shall have such powers and perform such duties as the Board, the Chairman or any Vice Chairman may from time to time prescribe or as may be prescribed in these By-laws. The Chief Financial Officer shall cause to be prepared and maintained (i) a stock ledger containing the names and addresses of all shareholders and the number of shares of each class and series held by each and (ii) the list of shareholders for each meeting of the shareholders as required by Section 1.11 of these By-laws. The Chief Financial Officer shall be responsible for the custody of all stock books and of all unissued stock certificates.

3.8 Powers and Duties of the Controller and Assistant Controllers. (a) The Controller shall be responsible for the maintenance of adequate accounting records of all assets, liabilities, capital and transactions of the Corporation. The Controller shall prepare and render such balance sheets, income statements, budgets and other financial statements and reports as the Board or the Chairman may require, and shall perform such other duties as may be prescribed or assigned pursuant to these By-laws and all other acts incident to the position of Controller.

(b) Each Assistant Controller shall perform such duties as from time to time may be assigned by the Controller or by the Board. In the event of the absence, incapacity or inability to act of the Controller, then any Assistant Controller may perform any of the duties and may exercise any of the powers of the Controller.

3.9 Powers and Duties of the Treasurer and Assistant Treasurers. (a) The Treasurer shall have the care and custody of all the funds and securities of the Corporation except as may be otherwise ordered by the Board, and shall cause such funds (i) to be invested or reinvested from time to time for the benefit of the Corporation as may be designated by the Board, the Chairman, any Vice Chairman, the President, the Chief Financial Officer or the Treasurer or (ii) to be deposited to the credit of the Corporation in such banks or depositories as may be designated by the Board, the Chairman, any Vice Chairman, the President, the Chief Financial Officer or the Treasurer, and shall cause such securities to be placed in safekeeping in such manner as may be designated by the Board, the Chairman, any Vice Chairman, the President, the Chief Financial Officer or the Treasurer.

(b) The Treasurer, any Assistant Treasurer or such other person or persons as may be designated for such purpose by the Board, the Chairman, any Vice Chairman, the President, the Chief Financial Officer or the Treasurer may endorse in the name and on behalf of the Corporation all instruments for the payment of money, bills of lading, warehouse receipts, insurance policies and other commercial documents requiring such endorsement.

(c) The Treasurer, any Assistant Treasurer or such other person or persons as may be designated for such purpose by the Board, the Chairman, any Vice Chairman, the President, the Chief Financial Officer or the Treasurer (i) may sign all receipts and vouchers for payments made to the Corporation, (ii) shall render a statement of the cash account of the Corporation to the Board as often as it shall require the same; and (iii) shall enter regularly in books to be kept for that purpose full and accurate

account of all moneys received and paid on account of the Corporation and of all securities received and delivered by the Corporation.

(d) The Treasurer shall perform such other duties as may be prescribed or assigned pursuant to these By-laws and all other acts incident to the position of Treasurer. Each Assistant Treasurer shall perform such duties as may from time to time be assigned by the Treasurer or by the Board. In the event of the absence, incapacity or inability to act of the Treasurer, then any Assistant Treasurer may perform any of the duties and may exercise any of the powers of the Treasurer.

3.10 Powers and Duties of the Secretary and Assistant Secretaries. (a) The Secretary shall keep the minutes of all proceedings of the shareholders, the Board and the Committees of the Board. The Secretary shall attend to the giving and serving of all notices of the Corporation, in accordance with the provisions of these By-laws and as required by applicable law. The Secretary shall be the custodian of the seal of the Corporation. The Secretary shall affix or cause to be affixed the seal of the Corporation to such contracts, instruments and other documents requiring the seal of the Corporation, and when so affixed may attest the same and shall perform such other duties as may be prescribed or assigned pursuant to these By-laws and all other acts incident to the position of Secretary.

(b) Each Assistant Secretary shall perform such duties as may from time to time be assigned by the Secretary or by the Board. In the event of the absence, incapacity or inability to act of the Secretary, then any Assistant Secretary may perform any of the duties and may exercise any of the powers of the Secretary.

4. INDEMNIFICATION.

4.1(a) Right to Indemnification. The Corporation, to the fullest extent permitted by applicable law as then in effect, shall indemnify any person who is or was a Director or officer of the Corporation and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor) (a "Proceeding") by reason of the fact that such person is or was a Director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) (a "Covered Entity"), against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding; provided, however, that the foregoing shall not apply to a Director or officer of the Corporation with respect to a Proceeding that was commenced by such Director or officer prior to a Change in Control (as defined in Section 4.4(e)(i) of this Article 4). Any Director or officer of the Corporation entitled to indemnification as provided in this Section 4.1(a) is hereinafter called an "Indemnitee". Any right of an Indemnitee to indemnification shall be a contract right and shall include the right to receive, prior to the conclusion of any Proceeding, payment of any expenses incurred by the Indemnitee in connection with such Proceeding, consistent with the provisions of applicable law as then in effect and the other provisions of this Article 4.

(b) Effect of Amendments. Neither the amendment or repeal of, nor the adoption of a provision inconsistent with, any provision of this Article 4 (including, without limitation, this Section 4.1(b)) shall adversely affect the rights of any Director or officer under this Article 4 (i) with respect to any Proceeding commenced or threatened prior to such amendment, repeal or adoption of an inconsistent provision or (ii) after the occurrence of a Change in Control, with respect to any Proceeding arising out of any action or omission occurring prior to such amendment, repeal or adoption of an inconsistent provision, in either case without the written consent of such Director or officer.

4.2 Insurance, Contracts and Funding. The Corporation may purchase and maintain insurance to protect itself and any indemnified person against any expenses, judgments, fines and amounts paid in settlement as specified in Section 4.1(a) or Section 4.5 of this Article 4 or incurred by any indemnified

person in connection with any Proceeding referred to in such Sections, to the fullest extent permitted by applicable law as then in effect. The Corporation may enter into contracts with any Director, officer, employee or agent of the Corporation or any director, officer, employee, fiduciary or agent of any Covered Entity in furtherance of the provisions of this Article 4 and may create a trust fund or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article 4.

4.3 Indemnification; Not Exclusive Right. The right of indemnification provided in this Article 4 shall not be exclusive of any other rights to which any indemnified person may otherwise be entitled, and the provisions of this Article 4 shall inure to the benefit of the heirs and legal representatives of any indemnified person under this Article 4 and shall be applicable to Proceedings commenced or continuing after the adoption of this Article 4, whether arising from acts or omissions occurring before or after such adoption.

4.4 Advancement of Expenses; Procedures; Presumptions and Effect of Certain Proceedings; Remedies. In furtherance, but not in limitation, of the foregoing provisions, the following procedures, presumptions and remedies shall apply with respect to the advancement of expenses and the right to indemnification under this Article 4:

(a) Advancement of Expenses. All reasonable expenses incurred by or on behalf of the Indemnitee in connection with any Proceeding shall be advanced to the Indemnitee by the Corporation within 20 days after the receipt by the Corporation of a statement or statements from the Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Any such statement or statements shall reasonably evidence the expenses incurred by the Indemnitee and shall include any written affirmation or undertaking required by applicable law in effect at the time of such advance.

(b) Procedures for Determination of Entitlement to Indemnification. (i) To obtain indemnification under this Article 4, an Indemnitee shall submit to the Secretary of the Corporation a written request, including such documentation and information as is reasonably available to the Indemnitee and reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification (the "Supporting Documentation"). The determination of the Indemnitee's entitlement to indemnification shall be made not later than 60 days after receipt by the Corporation of the written request for indemnification together with the Supporting Documentation. The Secretary of the Corporation shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that the Indemnitee has requested indemnification.

(ii) The Indemnitee's entitlement to indemnification under this Article 4 shall be determined in one of the following ways: (A) by a majority vote of the Disinterested Directors (as hereinafter defined), if they constitute a quorum of the Board; (B) by a written opinion of Independent Counsel as hereinafter defined) if (x) a Change in Control (as hereinafter defined) shall have occurred and the Indemnitee so requests or (y) a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, a majority of such Disinterested Directors so directs; (C) by the shareholders of the Corporation (but only if a majority of the Disinterested Directors, if they constitute a quorum of the Board, presents the issue of entitlement to indemnification to the shareholders for their determination); or (D) as provided in Section 4.4(c) of this Article 4.

(iii) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 4.4(b)(ii), a majority of the Disinterested Directors shall select the Independent Counsel, but only an Independent Counsel to which the Indemnitee does not reasonably object; provided, however, that if a Change in Control shall have occurred, the Indemnitee shall select such Independent Counsel, but only an Independent Counsel to which a majority of the Disinterested Directors does not reasonably object.

(c) Presumptions and Effect of Certain Proceedings. Except as otherwise expressly provided in this Article 4, if a Change in Control shall have occurred, the Indemnitee shall be presumed to be

entitled to indemnification under this Article 4 (with respect to actions or failures to act occurring prior to such Change in Control) upon submission of a request for indemnification together with the Supporting Documentation in accordance with Section 4.4(b) of this Article 4, and thereafter the Corporation shall have the burden of proof to overcome that presumption in reaching a contrary determination. In any event, if the person or persons empowered under Section 4.4(b) of this Article 4 to determine entitlement to indemnification shall not have been appointed or shall not have made a determination within 60 days after receipt by the Corporation of the request therefor together with the Supporting Documentation, the Indemnitee shall be deemed to be, and shall be, entitled to indemnification unless (A) the Indemnitee misrepresented or failed to disclose a material fact in making the request for indemnification or in the Supporting Documentation or (B) such indemnification is prohibited by law. The termination of any Proceeding described in Section 4.1 of this Article 4, or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, adversely affect the right of the Indemnitee to indemnification or create a presumption that the Indemnitee did not act in good faith and in a manner which the Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal Proceeding, that the Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) Remedies of Indemnitee. (i) In the event that a determination is made pursuant to Section 4.4(b) of this Article 4 that the Indemnitee is not entitled to indemnification under this Article 4, (A) the Indemnitee shall be entitled to seek an adjudication of his or her entitlement to such indemnification either, at the Indemnitee's sole option, in (x) an appropriate court of the state of Indiana or any other court of competent jurisdiction or (y) an arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association; (B) any such judicial proceeding or arbitration shall be de novo and the Indemnitee shall not be prejudiced by reason of such adverse determination; and (C) if a Change in Control shall have occurred, in any such judicial proceeding or arbitration the Corporation shall have the burden of proving that the Indemnitee is not entitled to indemnification under this Article 4 (with respect to actions or failures to act occurring prior to such Change in Control).

(ii) If a determination shall have been made or deemed to have been made, pursuant to Section 4.4(b) or (c) of this Article 4, that the Indemnitee is entitled to indemnification, the Corporation shall be obligated to pay the amounts constituting such indemnification within five days after such determination has been made or deemed to have been made and shall be conclusively bound by such determination unless (A) the Indemnitee misrepresented or failed to disclose a material fact in making the request for indemnification or in the Supporting Documentation or (B) such indemnification is prohibited by law. In the event that (x) advancement of expenses is not timely made pursuant to Section 4.4(a) of this Article 4 or (y) payment of indemnification is not made within five days after a determination of entitlement to indemnification has been made or deemed to have been made pursuant to Section 4.4(b) or (c) of this Article 4, the Indemnitee shall be entitled to seek judicial enforcement of the Corporation's obligation to pay to the Indemnitee such advancement of expenses or indemnification. Notwithstanding the foregoing, the Corporation may bring an action, in an appropriate court in the state of Indiana or any other court of competent jurisdiction, contesting the right of the Indemnitee to receive indemnification hereunder due to the occurrence of an event described in Subclause (A) or (B) of this Clause (ii) (a "Disqualifying Event"); provided, however, that in any such action the Corporation shall have the burden of proving the occurrence of such Disqualifying Event.

(iii) The Corporation shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 4.4(d) that the procedures and presumptions of this Article 4 are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Corporation is bound by all the provisions of this Article 4.

(iv) In the event that the Indemnitee, pursuant to this Section 4.4(d), seeks a judicial adjudication of or an award in arbitration to enforce his or her rights under, or to recover damages for

breach of, this Article 4, the Indemnitee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any expenses actually and reasonably incurred by the Indemnitee if the Indemnitee prevails in such judicial adjudication or arbitration. If it shall be determined in such judicial adjudication or arbitration that the Indemnitee is entitled to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by the Indemnitee in connection with such judicial adjudication or arbitration shall be prorated accordingly.

(e) Definitions. For purposes of this Article 4:

(i) "Change in Control" means a change in control of the Corporation of a nature that would be required to be reported in response to Item 6(e) (or any successor provision) of Schedule 14A of Regulation 14A (or any amendment or successor provision thereto) promulgated under the Securities Exchange Act of 1934 (the "Act"), whether or not the Corporation is then subject to such reporting requirement; provided that, without limitation, such a change in control shall be deemed to have occurred if (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Corporation representing 20% or more of the voting power of all outstanding shares of stock of the Corporation entitled to vote generally in an election of Directors without the prior approval of at least two-thirds of the members of the Board in office immediately prior to such acquisition; (B) the Corporation is a party to any merger or consolidation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation's common stock would be converted into cash, securities or other property, other than a merger of the Corporation in which the holders of the Corporation's common stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, (C) there is a sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, the assets of the Corporation, or liquidation or dissolution of the Corporation; (D) the Corporation is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or (E) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (including for this purpose any new Director whose election or nomination for election by the shareholders was approved by a vote of at least two-thirds of the Directors then still in office who were Directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

(ii) "Disinterested Director" means a Director who is not or was not a party to the proceeding in respect of which indemnification is sought by the Indemnitee.

(iii) "Independent Counsel" means a law firm or a member of a law firm that neither presently is, nor in the past five years has been, retained to represent: (a) the Corporation or the Indemnitee in any matter material to either such party or (b) any other party to the Proceeding giving rise to a claim for indemnification under this Article 4. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under applicable standards of professional conduct, would have a conflict of interest in representing either the Corporation or the Indemnitee in an action to determine the Indemnitee's rights under this Article 4.

4.5 Indemnification of Employees and Agents. Notwithstanding any other provision of this Article 4, the Corporation, to the fullest extent permitted by applicable law as then in effect, may indemnify any person other than a Director or officer of the Corporation who is or was an employee or agent of the Corporation and who is or was involved in any manner (including, without limitation, as a party or a witness) or is threatened to be made so involved in any threatened, pending or completed Proceeding by reasons of the fact that such person is or was an employee or agent of the Corporation or, at the request of the Corporation, a director, officer, employee, fiduciary or agent of a Covered Entity

against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding. The Corporation may also advance expenses incurred by such employee, fiduciary or agent in connection with any such Proceeding, consistent with the provisions of applicable law as then in effect.

4.6 Severability. If any of this Article 4 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article 4 (including, without limitation, all portions of any Section of this Article 4 containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article 4 (including, without limitation, all portions of any Section of this Article 4 containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

5. CAPITAL STOCK.

5.1 Stock Certificates. (a) Every holder of stock in the Corporation shall be entitled to have a certificate, which shall state on its face the name of the Corporation and that it is organized under the laws of the State of Indiana, the name of the person to whom the certificate was issued, and the number and class of shares and the designation of the series, if any, the certificate represents, and shall state conspicuously on its front or back that the Corporation will furnish the shareholder, upon his written request and without charge, a summary of the designations, relative rights, preferences, and limitations applicable to each class and the variations in rights, preferences, and limitations determined for each series (and the authority of the Board of Directors to determine variations for future series), which certificate shall otherwise be in such form as the Board shall prescribe and as provided in Section 5.1(d). Each such certificate shall be signed by, or in the name of, the Corporation by the Chairman or any Vice Chairman or the President or any Vice President, and by the Treasurer or any Assistant Treasurer or the Secretary or any Assistant Secretary.

(b) If such certificate is countersigned by a transfer agent other than the Corporation or its employee, or by a registrar other than the Corporation or its employee, the signatures of the officers of the Corporation may be facsimiles, and, if permitted by applicable law, any other signature on the certificate may be a facsimile.

(c) In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer at the date of issue.

(d) Certificates of stock shall be issued in such form not inconsistent with the Articles of Incorporation. They shall be numbered and registered in the order in which they are issued. No certificate shall be issued until fully paid.

(e) All certificates surrendered to the Corporation shall be cancelled (other than treasury shares) with the date of cancellation and shall be retained by or under the control of the Chief Financial Officer, together with the powers of attorney to transfer and the assignments of the shares represented by such certificates, for such period of time as such officer shall designate.

5.2 Record Ownership. A record of the name of the person, firm or corporation and address of such holder of each certificate, the number of shares of each class and series represented thereby and the date of issue thereof shall be made on the Corporation's books. The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any person, whether or not it shall have express or other notice thereof, except as required by applicable law.

5.3 Transfer of Record Ownership. Transfers of stock shall be made on the books of the Corporation only by direction of the person named in the certificate or such person's attorney, lawfully

constituted in writing, and only upon the surrender of the certificate therefor and a written assignment of the shares evidenced thereby. Whenever any transfer of stock shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer, both the transferor and transferee request the Corporation to do so.

5.4 Lost, Stolen or Destroyed Certificates. Certificates representing shares of the stock of the Corporation shall be issued in place of any certificate alleged to have been lost, stolen or destroyed in such manner and on such terms and conditions as the Board from time to time may authorize in accordance with applicable law.

5.5 Transfer Agent; Registrar; Rules Respecting Certificates. The Corporation shall maintain one or more transfer offices or agencies where stock of the Corporation shall be transferable. The Corporation shall also maintain one or more registry offices where such stock shall be registered. The Board may make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of stock certificates in accordance with applicable law.

5.6 Fixing Record Date for Determination of Shareholders of Record. (a) The Board may fix, in advance, a date as the record date for the purpose of determining the shareholders entitled to notice of, or to vote at, any meeting of the shareholders or any adjournment thereof, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than sixty days nor less than ten days before the date of a meeting of the shareholders. If no record date is fixed by the Board, the record date for determining the shareholders entitled to notice of or to vote at a shareholders' meeting shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting and shall fix a new record date if such adjourned meeting is more than 120 days after the date of the original meeting.

(b) The Board may fix, in advance, a date as the record date for the purpose of determining the shareholders entitled to receive payment of any dividend or other distribution or the allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or in order to make a determination of the shareholders for the purpose of any other lawful action, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than sixty calendar days prior to such action. If no record date is fixed by the Board, the record date for determining the shareholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

6. SECURITIES HELD BY THE CORPORATION.

6.1 Voting. Unless the Board shall otherwise order, the Chairman, any Vice Chairman, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Chief Financial Officer, the Controller, the Treasurer or the Secretary shall have full power and authority, on behalf of the Corporation, (i) to attend, act and vote at any meeting of the shareholders of any corporation in which the Corporation may hold stock and at such meeting to exercise any or all rights and powers incident to the ownership of such stock, and to execute on behalf of the Corporation a proxy or proxies empowering another or others to act as aforesaid, and (ii) to delegate to any employee or agent such power and authority.

6.2 General Authorization to Transfer Securities Held by the Corporation. (a) Any of the following officers, to wit: the Chairman, any Vice Chairman, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Chief Financial Officer, the Controller, the Treasurer, any Assistant Controller, any Assistant Treasurer, and each of them, hereby is authorized and empowered (i) to transfer, convert, endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness, or other securities now or hereafter standing in the name of or owned by the Corporation and to make, execute

and deliver any and all written instruments of assignment and transfer necessary or proper to effectuate the authority hereby conferred, and (ii) to delegate to any employee or agent such power and authority.

(b) Whenever there shall be annexed to any instrument of assignment and transfer executed pursuant to and in accordance with the foregoing Section 6.2(a), a certificate of the Secretary or any Assistant Secretary in office at the date of such certificate setting forth the provisions hereof, stating that they are in full force and effect, setting forth the names of persons who are then officers of the corporation, and certifying as to the employees or agents, if any, to whom any such power and authority have been delegated, all persons to whom such instrument and annexed certificate shall thereafter come shall be entitled, without further inquiry or investigation and regardless of the date of such certificate, to assume and to act in reliance upon the assumption that (i) the shares of stock or other securities named in such instrument were theretofore duly and properly transferred, endorsed, sold, assigned, set over and delivered by the Corporation, and (ii) with respect to such securities, the authority of these provisions of these By-laws and of such officers, employees and agents is still in full force and effect.

7. DEPOSITARIES AND SIGNATORIES.

7.1 Depositaries. The Chairman, any Vice Chairman, the President, the Chief Financial Officer, and the Treasurer are each authorized to designate depositaries for the funds of the Corporation deposited in its name or that of a Division of the Corporation, or both, and the signatories with respect thereto in each case, and from time to time, to change such depositaries and signatories, with the same force and effect as if each such depositary and the signatories with respect thereto and changes therein had been specifically designated or authorized by the Board; and each depositary designated by the Board or by the Chairman, any Vice Chairman, the President, the Chief Financial Officer, or the Treasurer shall be entitled to rely upon the certificate of the Secretary or any Assistant Secretary of the Corporation or of a Division of the Corporation setting forth the fact of such designation and of the appointment of the officers of the Corporation or of the Division or of both or of other persons who are to be signatories with respect to the withdrawal of funds deposited with such depositary, or from time to time the fact of any change in any depositary or in the signatories with respect thereto.

7.2 Signatories. Unless otherwise designated by the Board or by the Chairman, any Vice Chairman, the President, the Chief Financial Officer or the Treasurer, each of whom is authorized to execute any of such items individually, all notes, drafts, checks, acceptances, orders for the payment of money and all other negotiable instruments obligating the Corporation for the payment of money, including any form of guaranty by the Corporation with respect to any such item entered into by any direct or indirect subsidiary of the Corporation, shall be (a) signed by any Assistant Treasurer and (b) countersigned by the Controller or any Assistant Controller, or (c) either signed or countersigned by any Executive Vice President, any Senior Vice President or any Vice President in lieu of either the officers designated in Clause (a) or the officers designated in Clause (b) of this Section 7.2.

8. SEAL.

The seal of the Corporation shall be in such form and shall have such content as the Board shall from time to time determine.

9. FISCAL YEAR.

The fiscal year of the Corporation shall end on December 31 in each year, or on such other date as the Board shall determine.

10. WAIVER OF OR DISPENSING WITH NOTICE.

(a) Whenever any notice of the time, place or purpose of any meeting of the shareholders is required to be given by applicable law, the Articles of Incorporation or these By-laws, a written waiver of notice, signed by a shareholder entitled to notice of a shareholders' meeting, whether by telegraph, cable or other form of recorded communication, whether signed before or after the time set for a given meeting,

shall be deemed equivalent to notice of such meeting. The waiver must be included in the minutes or filed with the corporate records. Attendance of a shareholder in person or by proxy at a shareholders' meeting shall constitute a waiver of notice to such shareholder of such meeting, except when (i) the shareholder attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened, or (ii) the shareholder objects to consideration of a particular matter at the meeting at the time such matter is presented because it is not within the purpose or purposes described in the meeting notice.

(b) Whenever any notice of the time or place of any meeting of the Board or Committee of the Board is required to be given by applicable law, the Articles of Incorporation or these By-laws, a written waiver of notice signed by a Director, whether by telegraph, cable or other form of recorded communication, whether signed before or after the time set for a given meeting, shall be deemed equivalent to notice of such meeting. Unless the Director is deemed to have waived notice by attending the meeting, the waiver must be in writing, signed by the Director entitled to the notice and filed with the minutes or corporate records. Attendance of a Director at a meeting shall constitute a waiver of notice to such Director of such meeting, unless the Director at the beginning of the meeting (or promptly upon the Director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

(c) No notice need be given to any person with whom communication is made unlawful by any law of the United States or any rule, regulation, proclamation or executive order issued under any such law.

11. POLITICAL NONPARTISANSHIP OF THE CORPORATION.

The Corporation shall not make, directly or indirectly, any contributions or expenditures in connection with the election of any candidate for federal, state or local political office, or any committee campaigning for such a candidate, except to the extent necessary to permit in the United States the expenditure of corporate assets for the payment of expenses for establishing, registering and administering any political action committee and of soliciting contributions thereto, all as may be authorized by federal or state laws.

12. AMENDMENT OF BY-LAWS.

Except as otherwise provided in Section 2.8(a) of these By-laws, these By-laws, or any of them, may from time to time be supplemented, amended or repealed, or new By-laws may be adopted, by the Board at any regular or special meeting of the Board, if such supplement, amendment, repeal or adoption is approved by a majority of the entire Board. These By-laws, or any of them, may from time to time be supplemented, amended or repealed, or new By-laws may be adopted, by the shareholders at any regular or special meeting of the shareholders at which a quorum is present, if such supplement, amendment, repeal or adoption is approved by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of stock of the Corporation entitled to vote generally in an election of directors.

13. OFFICES AND AGENT

(a) Registered Office and Agent. The registered office of the Corporation in the State of Indiana shall be One North Capitol Avenue, Suite 1180, Indianapolis, Indiana 46204. The name of the registered agent is The Corporation Trust Company. Such registered agent has a business office identical with such registered office.

(b) Other Offices. The Corporation may also have offices at other places, either within or outside the State of Indiana, as the Board of Directors may from time to time determine or as the business of the Corporation may require.

FIRST AMENDMENT TO
EMPLOYMENT AGREEMENT
DATED AS OF DECEMBER 5, 1995
BETWEEN ITT INDUSTRIES, INC. AND
D. TRAVIS ENGEN

WHEREAS, ITT Industries, Inc., an Indiana corporation ("Industries"), entered into an employment agreement with D. Travis Engen dated as of December 5, 1995 (the "Agreement"); and,

WHEREAS, Industries and you desire to amend the Agreement in certain respects;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein set forth and for other consideration herein described, the parties hereto agree as follows:

1. Paragraph 4 of the Agreement shall be amended by changing the paragraph heading to "Termination" and by adding the following at the end thereof:

Following an Acceleration Event (as defined herein), no act or omission on your part shall be considered "willful" for purposes of this Paragraph 4 unless it is done or omitted in bad faith or without reasonable belief that the action or omission was in the best interests of Industries.

Following an Acceleration Event, you shall have the right to terminate your employment for Good Reason (as defined herein). For purposes hereof:

(A) "Good Reason" shall mean:

(i) without your express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by Industries or its affiliates promptly after receipt of notice thereof given by you, (A) a failure to pay or reduction in your annual base salary (as described in Paragraph 3(a) hereof) (whether or not deferred) or any bonus (as measured by the highest bonus paid or awarded, whether or not deferred, in respect of the three calendar years preceding an Acceleration Event, including, among the bonuses taken into account for this purpose, any bonus paid or awarded by reason of an Acceleration Event, without regard to whether such bonus is paid, whether or not deferred, during such three year period or after an Acceleration Event) or any reduction in any material compensation or benefits arrangement provided to you or in which you participate, (B) your assignment to any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by paragraph (1) hereof, (C) any other action by Industries or any of its affiliates which results in a diminution in your position, authority, duties or responsibilities, or (D) any failure by Industries to comply with any of the provisions of paragraph 3(b) hereof;

(ii) without your express written consent, Industries requiring your work location to be other than within twenty-five (25) miles of White Plains, New York;

(iii) any failure by Industries to obtain an express written assumption of this Agreement by any successor to Industries. For purposes hereof, a determination by you that you have "Good Reason" hereunder shall be final and binding on the parties hereto absent a showing of bad faith on your part.

(B) An "Acceleration Event" shall occur if (i) a report on Schedule 13D shall be filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (the "Act") disclosing that any person (within the meaning of Section 13(d) of the Act), other than Industries or a subsidiary of Industries or any employee benefit plan sponsored by Industries or a subsidiary of Industries, is the beneficial owner directly or indirectly of twenty percent or more of the outstanding Common Stock, \$1 par value, of Industries (the "Stock"); (ii) any

person (within the meaning of Section 13(d) of the Act), other than Industries or a subsidiary of Industries, or any employee benefit plan sponsored by Industries or a subsidiary of Industries, shall purchase shares pursuant to a tender offer or exchange offer to acquire any Stock of Industries (or securities convertible into Stock) for cash, securities or any other consideration, provided that after consummation of the offer, the person in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of fifteen percent or more of the outstanding Stock of Industries (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire Stock); (iii) the stockholders of Industries shall approve (A) any consolidation or merger of Industries in which Industries is not the continuing or surviving corporation or pursuant to which shares of Stock of Industries would be converted into cash, securities or other property, other than a merger of Industries in which holders of Stock of Industries immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before, or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Industries, or (iv) there shall have been a change in a majority of the members of the Board of Directors of Industries within a 12-month period unless the election or nomination for election by Industries' stockholders of each new director during such 12-month period was approved by the vote of two-thirds of the directors then still in office who were directors at the beginning of such 12-month period.

(C) Following an Acceleration Event, the term "Industries" as used in this Agreement shall also include any successor company to Industries, any successor to any affiliate of Industries, and any affiliate of any such successor company.

If you are terminated by Industries within two years after an Acceleration Event, the only basis upon which the Severance Benefits shall not be provided to you is upon a termination of employment for cause.

2. Paragraph 5 (f) is amended to provide as follows:

(f) Termination Allowance Under A Severance Plan or Policy. If you would otherwise ordinarily receive a termination allowance under an Industries' severance plan or termination allowance policy, including, without limitation, the ITT Industries, Inc. Senior Executive Severance Pay Plan, a copy of which is attached hereto as Exhibit I, were you deemed to be covered under and eligible for such Plan, exceeding the amount of base salary remaining under this Agreement at the time of notice by Industries of its intent to terminate your full-time employment, Industries will pay you a termination allowance, in accordance with the terms of the Industries' severance plan or termination allowance policy, in lieu of salary continuation under this Agreement.

3. A new Paragraph 5A is added to the Agreement to read as follows:

5A. TERMINATION AFTER AN ACCELERATION EVENT

Notwithstanding Paragraph 5 hereof, if within two years following an Acceleration Event, your employment with Industries is involuntarily terminated other than for cause or is terminated by you for Good Reason, then Industries will pay you the following severance benefits ("Severance Benefits"):

Severance Pay -- The sum of (x) three times your highest annual base salary rate (as provided in Paragraph 3(a) hereof) (whether or not deferred) at any time during the three year period immediately preceding your termination of employment, and (y) three times the highest bonus paid or awarded (whether or not deferred) to you in respect of the three years preceding an Acceleration Event, including, among the bonuses taken into account for this purpose, any bonus paid or awarded by reason of an Acceleration Event, without regard to whether such bonus is paid (whether or not deferred) during such three year period or after an Acceleration Event.

Benefits and Perquisites

-- Continued health and life insurance benefits and perquisites (including, without limitation, any Industries provided automobile and any tax or financial advisory services) for a three year period

following your termination of employment at the same cost to you, and at the same coverage levels, provided to you (and your eligible dependents) immediately prior to your termination of employment.

-- Payment of a lump sum amount ("Pension Lump Sum Amount") equal to the difference between (i) the total lump sum value of your pension benefit under the ITT Industries Salaried Retirement Plan, Industries' Excess Pension Plan IA and Industries' Excess Pension Plan IB ("Pension Plans") as of your termination of employment and (ii) the total lump sum value of your pension benefit under the Pension Plans after crediting you with an additional three years of age and three years of eligibility and benefit service to you and applying the annual base salary and highest bonus determined above under "Severance Pay" with respect to each of the additional three years of service so credited for purposes of determining Final Average Compensation under the Pension Plans. The above total lump sum values shall be determined in the manner provided in such Excess Pension Plans of Industries for determination of lump sum benefits upon the occurrence of an Acceleration Event, as defined in said Plans.

-- Crediting of an additional three years of age and three years of eligibility service for purposes of Industries' retiree health and retiree life insurance benefits.

-- Payment of a lump sum amount ("Savings Plan Lump Sum Amount") equal to three times the following amount: the annual base salary rate determined above under "Severance Pay" times the highest rate of Company Contributions (not to exceed 3 1/2%) with respect to you under the ITT Industries Investment and Savings Plan for Salaried Employees and/or the ITT Industries Excess Savings Plan (including matching contributions and floor contributions) at any time during the three year period immediately preceding your termination of employment.

Outplacement

-- Outplacement services for one year.

With respect to the provision of benefits and perquisites during the above described three year period, if, for any reason at any time Industries is unable to treat you as being eligible for ongoing participation in any Industries employee benefit plans or perquisites in existence immediately prior to your termination of employment and if, as a result thereof, you do not receive a benefit or perquisite or receive a reduced benefit or perquisite, Industries shall provide such benefits or perquisites by (i) direct payment to you of the amounts you would have received from such benefit plan or perquisite had you continued to be eligible or (ii) at Industries' option, making available equivalent benefits or perquisites from other sources.

Severance Pay shall be paid in cash, in a non-discounted lump sum within five business days after the date your employment terminates. The Pension Lump Sum Amount and the Savings Plan Lump Sum Amount shall be paid in cash within thirty calendar days after the date your employment terminates.

In cases where Severance Benefits are provided under this Agreement, pay in lieu of any unused current year vacation entitlement will be paid to you in a lump sum, in cash within five business days after the date your employment terminates.

If, upon the termination of your employment after an Acceleration Event, you would otherwise ordinarily receive, under an Industries' severance plan or termination allowance policy, including, without limitation, the ITT Industries, Inc. Senior Executive Severance Pay Plan and the ITT Industries, Inc. Special Senior Executive Severance Pay Plan, a copy of which is attached hereto as Exhibit II, were you deemed to be covered under and eligible for either of such Plans, (i) severance pay, salary continuation pay, termination pay or similar pay or allowance ("Plan Severance Pay") exceeding the Severance Pay hereunder and/or (ii) employee benefits, perquisites or outplacement services ("Plan Severance Benefits") exceeding the corresponding other Severance Benefits, Industries will pay you or provide to you the Plan Severance Pay and/or the Plan Severance Benefits in lieu of, respectively, the Severance Pay hereunder or the corresponding other Severance Benefits.

Upon the termination of your employment after an Acceleration Event, you may elect, in your sole discretion, to receive the base salary and incentive bonus and other compensation and benefits pursuant to Paragraph 5 hereof ("Paragraph 5 Benefit") in lieu of the Severance Benefits and in lieu of any Plan Severance Pay and/or Plan Severance Benefits, whichever is otherwise payable under the preceding paragraph.

4. Paragraph 13 of the Agreement shall be amended by adding the following at the end thereof:

Industries shall pay all legal fees, costs of litigation, prejudgment interest, and other expenses which are incurred in good faith by you as a result of Industries' refusal to provide any of the Severance Benefits to which you become entitled under this Agreement, or as a result of Industries' (or any third party's) contesting the validity, enforceability, or interpretation of this Agreement, or as a result of any conflict between you and Industries pertaining to this Agreement. Industries shall pay such fees and expenses from its general assets.

5. A new Paragraph 14 is added to the Agreement, to read as follows:

14. Excise Tax

In the event that it shall be determined that any payment or distribution by Industries to you or for your benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this paragraph 14, such payments or distributions being referred to herein as "Payments") would give rise to your liability for the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended (the "Code"), or that any interest or penalties are incurred by you with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then you shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that after your payment of all Federal, state and local taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income and employment taxes (and any interest and penalties imposed with respect to such taxes) and Excise Tax imposed upon the Gross-Up Payment, you retain an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. For this purpose, you shall be deemed to be in the highest marginal rate of Federal, state and local taxes. This payment shall be made as soon as possible following the date of your termination of employment, but in no event later than thirty calendar days of such date.

In the event the Gross-Up Payment shall fail to make you whole on an after-tax basis, the Gross-Up Payment shall be recalculated ("Recalculated Gross-Up Payment"), using your actual effective tax rate, once it is known for the calendar year in which the Gross-Up Payment is made, and Industries shall reimburse you for the full amount of any amount by which the Recalculated Gross-Up Payment exceeds the Gross-Up Payment ("Additional Gross-Up Payment").

The Gross-Up Payment and any Additional Gross-Up Payment shall be paid out of the general assets of Industries.

In the event the Internal Revenue Service subsequently adjusts the excise tax computation herein described, Industries shall reimburse you for the full amount necessary to make you whole on an after-tax basis (less any amounts received by you that you would not have received had the computations initially been computed as subsequently adjusted), including the value of any underpaid excise tax, and any related interest and/or penalties due to the Internal Revenue Service.

6. A new Paragraph 15 is added to the Agreement, to read as follows:

15. Miscellaneous

Severance Benefits under this Agreement are paid entirely by Industries from its general assets.

In the event of your death while any amount is still payable to you hereunder had you continued to live, all such amounts shall be paid in accordance with this Agreement to your designated heirs or, in the absence of such designation, to your estate.

7. Except as hereinabove amended by this First Amendment, the Agreement is hereby ratified and confirmed and the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Agreement, and this First Amendment shall be effective, as of the 11th day of March, 1997.

ITT INDUSTRIES, INC.

By: /s/ JAMES P. SMITH

James P. Smith
Senior Vice President -- Director,
Human Resources

AGREED AND ACCEPTED:

/s/ D. TRAVIS ENGEN

D. Travis Engen

3/23/97

Date

TRADE NAME AND TRADEMARK LICENSE AGREEMENT

TRADE NAME AND TRADEMARK LICENSE AGREEMENT ("License Agreement") effective as of November 1, 1995 between ITT CORPORATION, a Delaware corporation ("ITT Corporation"), and ITT MANUFACTURING ENTERPRISES, INC., a Delaware corporation ("ITT Enterprises") (collectively the "Parties").

RECITALS

WHEREAS, in order to carry out the Distribution (as hereinafter defined) approved by the Board of Directors and by the shareholders of ITT Corporation whereby the holders of the shares of common stock of ITT Corporation will receive all of the outstanding shares of common stock of ITT Destinations (as hereinafter defined) and all the outstanding shares of common stock of ITT Hartford (as hereinafter defined), it is necessary for these companies to enter into agreements for the continued right and license to use the "ITT" company name, trade name, trademark and service mark;

WHEREAS, ITT Corporation is the owner of the company and trade name "ITT" and of the trademark and the service mark "ITT", and of all rights worldwide in such name and marks and the goodwill associated therewith;

WHEREAS, ITT Corporation will assign effective November 2, 1995 this License Agreement to ITT Destinations along with the right, title, and interest in the "ITT" name and marks, and the registrations, registration applications and goodwill associated therewith;

WHEREAS, ITT Destinations will assign effective immediately prior to the Effective Time (as hereinafter defined) this License Agreement to ITT Sheraton (as hereinafter defined) along with the right, title, and interest in the "ITT" name and marks, and the registrations, registration applications and goodwill associated therewith;

WHEREAS, ITT Enterprises is a wholly owned Subsidiary of ITT Corporation and will be a wholly owned Subsidiary of ITT Industries (as hereinafter defined) following the Distribution;

WHEREAS, ITT Industries, its predecessors and its Subsidiaries (as each hereinafter defined) have expended and will in the future expend time and money in advertising and promoting the "ITT" name and marks in connection with conducting the ITT Industries Business (as hereinafter defined) for the mutual benefit of the Parties;

WHEREAS, ITT Enterprises and its Subsidiaries currently have the right to use and desire to continue to have the right to use "ITT" as part of their company names and trade names and as a trademark and service mark in connection with conducting the ITT Industries Business; and

WHEREAS, ITT Corporation is willing to formally grant a license to ITT Enterprises, with the right to grant certain sublicenses to ITT Industries and its Subsidiaries, to continue to use the ITT name and marks in connection with conducting the ITT Industries Business and otherwise as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements, undertakings and covenants herein, the Parties hereby agree as follows:

ARTICLE I. DEFINITIONS

Section 1.01 General. As used in this License Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

(a) "Distribution Agreement" shall mean the Distribution Agreement to be entered into by ITT Corporation, ITT Destinations, and ITT Hartford relating to the distribution of the shares of ITT Destinations and ITT Hartford to the holders of ITT Corporation Common Stock.

(b) "Distribution" shall mean the distribution on the Distribution Date to holders of record of shares of ITT Corporation Common Stock as of the Distribution Record Date of (i) the ITT Destinations Common Shares owned by ITT Corporation on the basis of one ITT Destinations Common Share for each outstanding share of ITT Corporation Common Stock and (ii) the ITT Hartford Common Shares owned by ITT Corporation on the basis of one ITT Hartford Common Share for each outstanding share of ITT Corporation Common Stock.

(c) "Distribution Date" shall mean such date as may hereafter be determined by ITT Corporation's Board of Directors as the date on which the Distribution shall be effected.

(d) "Distribution Record Date" shall mean such date as may hereafter be determined by ITT Corporation's Board of Directors as the record date for the Distribution.

(e) "Effective Time" shall mean 11:59 p.m., New York time, on the Distribution Date.

(f) "ITT Corporation" shall mean ITT Corporation, a Delaware corporation and its predecessor Maryland corporation up to the Effective Time (to be merged thereafter into ITT Indiana, Inc., an Indiana corporation which will be renamed ITT Industries, Inc.).

(g) "ITT Destinations" shall mean ITT Destinations, Inc., a Nevada corporation, to be renamed "ITT Corporation" immediately prior to the Effective Time.

(h) "ITT Destinations Business" shall mean the principal businesses and operations conducted by ITT Destinations and its Subsidiaries on the Distribution Date, such businesses being the hospitality, entertainment, information and educational services as specifically described in Exhibit A1 annexed hereto and, in addition, shall also mean the Closely Related Businesses described in Exhibit A1, provided that ITT Destinations Business does not include the ITT Industries Business or the ITT Hartford Business.

(i) "ITT Hartford" shall mean ITT Hartford Group, Inc., a Delaware corporation.

(j) "ITT Hartford Business" shall mean the principal businesses and operations conducted by ITT Hartford and its Subsidiaries on the Distribution Date, such businesses being the insurance services in the fields of property, casualty, life and reinsurance as specifically described in Exhibit A1 annexed hereto and, in addition, shall also mean the Closely Related Businesses described in Exhibit A2, provided that ITT Hartford Business does not include the ITT Industries Business or the ITT Destinations Business.

(k) "ITT Industries" shall mean ITT Industries, Inc., an Indiana corporation and the legal successor after the Distribution to ITT Corporation as defined in Section 1.01(f).

(l) "ITT Industries Business" shall mean the principal businesses and operations conducted by ITT Industries and its Subsidiaries on the Distribution Date, such businesses being the design, manufacture, sale, and servicing of the automotive products, defense products, electronic component products, fluid handling products and management services for military and space satellite launch facilities as specifically described in Exhibit A3 annexed hereto and, in addition, shall also

mean the Closely Related Businesses described in Exhibit A3, provided that ITT Industries Business does not include the ITT Destinations Business or the ITT Hartford Business.

(m) "ITT Industries Expanded Business" shall mean any businesses not included in the ITT Industries Business, the ITT Hartford Business or the ITT Destinations Business, except as specifically precluded by Sections 2.12 and 2.13.

(n) "ITT Industries Design Mark" shall mean the worldwide rights to the trademark and service mark consisting of the letters "ITT" in a stylized form that may be selected by ITT Enterprises and used by ITT Enterprises and ITT Enterprises Sublicensees pursuant to Section 2.05 of this License Agreement.

(o) "ITT Sheraton" shall mean ITT Sheraton Corporation, a Delaware corporation.

(p) "ITT Logo" shall mean the worldwide rights to the stylized trademark and service mark shown in Exhibit B annexed hereto together with all registrations thereof and all applications thereof now or hereafter filed or obtained, and the goodwill associated therewith.

(q) "ITT Marks" shall mean the worldwide right to (i) the ITT Logo; (ii) the ITT Industries Design Mark; and (iii) all other trademarks and service marks consisting of the letters "ITT", together with all registrations thereof and all applications thereof now or hereafter filed or obtained, and the goodwill associated therewith.

(r) "ITT Name" shall mean the worldwide rights to that portion of any company and trade name consisting of the letters "ITT" and the goodwill associated therewith.

(s) "Licensor" shall mean (i) effective as of November 1, 1995, ITT Corporation, (ii) effective as of November 2, 1995, ITT Destinations, and (iii) effective as of immediately prior to the Effective Time and thereafter, ITT Sheraton.

(t) "Permitted Manner of Use" shall mean (i) use of ITT Marks, except the ITT Industries Design Mark, in accordance with any and all legal requirements and also with Licensor's policy and style standards as currently existing and as may be reasonably amended from time to time by Licensor; (ii) use of the ITT Industries Design Mark in accordance with any and all legal requirements, with the guidelines set forth in the ITT Industries Graphic Standards Manual governing the proper use of such ITT Industries Design Mark, and with the provisions of Section 2.05 of this License Agreement; and (iii) use of the ITT Name in accordance with any and all legal requirements and with the guidelines set forth in Exhibit D1 annexed hereto.

(u) "Phaseout Period" shall be a period of one and one-half (1 1/2) years from the termination of this License Agreement during which period all use of the ITT Name and ITT Marks by ITT Enterprises and/or the ITT Enterprises Sublicensees (as hereinafter defined), as the case may be, shall be phased out in accordance with the provisions of this License Agreement.

(v) "Proxy Statement" shall mean the Proxy Statement sent to the holders of shares of ITT Common Stock in connection with the Distribution, including any amendment or supplement thereto.

(w) "Subsidiary" shall mean any corporation, partnership, joint venture or other entity of which a Party or Licensor, directly or indirectly owns an interest sufficient to elect a majority of the Board of Directors (or persons performing similar functions) (irrespective of whether at the time any other class or classes of ownership interests of such corporation, partnership or other entity shall or might have such voting power upon the occurrence of any contingency). Irrespective of this definition and for purposes of this License Agreement, Madison Square Garden, L.P. and ITT-Dow Jones Television, and their respective Subsidiaries will be deemed Subsidiaries of ITT Destinations and, immediately prior to the Effective Time and thereafter, ITT Destinations and its Subsidiaries will be deemed Subsidiaries of ITT Sheraton.

(x) "ITT Enterprises Sublicensee" shall mean:

(i) ITT Industries and any Subsidiary of ITT Industries in existence as of, or acquired or formed after, the Distribution Date; or

(ii) any direct or indirect affiliate of ITT Industries in which ITT Industries owns at least 40% of such affiliate if the remaining ownership is held by a single third party or at least 25% of such affiliate if the remaining ownership is held by more than one third party and in which ITT Industries, through its control, can exercise a veto over major decisions of such affiliate,

provided that the business of any such Subsidiary or affiliate is solely within the field of the ITT Industries Business and/or the ITT Industries Expanded Business and that ITT Enterprises grants a formal sublicense to such Subsidiary or affiliate pursuant to Section 2.03 hereof.

(y) "Major Subsidiaries" shall mean the subsidiaries of ITT Industries set forth in Exhibit E annexed hereto.

(z) "Change in Control" shall mean any one of the following events:

(i) a report on Schedule 13D shall be filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (the "Act") disclosing that any person (within the meaning of Section 13(d) of the Act) other than ITT Industries or an ITT Industries Subsidiary or any employee benefit plan sponsored by ITT Industries or an ITT Industries Subsidiary is the beneficial owner directly or indirectly of twenty percent (20%) or more of the outstanding Common Stock of ITT Industries;

(ii) any person (within the meaning of Section 13(d) of the Act) other than ITT Industries or an ITT Industries Subsidiary or any employee benefit plan sponsored by ITT Industries or an ITT Industries Subsidiary shall purchase shares pursuant to a tender offer or exchange offer to acquire any Common Stock of ITT Industries (or securities convertible into such Common Stock), for cash, securities or any other consideration, provided that after consummation of the offer, the person in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Act) directly or indirectly of fifteen percent (15%) or more of the outstanding Stock of ITT Industries (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire Common Stock);

(iii) the stockholders of ITT Industries shall approve (a) any consolidation or merger of ITT Industries in which ITT Industries is not the continuing or surviving corporation or pursuant to which shares of Common Stock of ITT Industries would be converted into cash, securities or other property, other than a merger of ITT Industries in which holders of Common Stock of ITT Industries immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before, or (b) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of ITT Industries; or

(iv) there shall have been a change in a majority of the members of the Board of Directors of ITT Industries within a 12-month period unless the election or nomination for election by ITT Industries stockholders of each new director during such 12-month period was approved by the vote of two-thirds of the directors then still in office who were directors at the beginning of such 12-month period.

ARTICLE II. LICENSES

Section 2.01 Grant of Licenses to Use the ITT Marks. Licensor hereby grants to ITT Enterprises, during the term of this License Agreement, a personal, non-assignable (except as otherwise provided in this License Agreement), non-transferable, worldwide license to use, with the right to grant sublicenses solely to ITT Enterprises Sublicensees as provided for in Section 2.03 hereof to use, the ITT Marks, except

for the ITT Industries Design Mark which license will be granted pursuant to the provisions of Section 2.05 herein, in accordance with the applicable Permitted Manner of Use (i) on an exclusive basis for the ITT Industries Business and (ii) on a non-exclusive basis for the ITT Industries Expanded Business.

Section 2.02 Grant of Licenses to Use the ITT Name. Licensor hereby grants to ITT Enterprises, during the term of this License Agreement, a personal, non-assignable (except as otherwise provided in this License Agreement), non-transferable, worldwide license to use, with the right to grant sublicenses solely to ITT Enterprises Sublicensees as provided for in Section 2.03 hereof to use, the ITT Name in their company names and in their trade or popular names in accordance with the Permitted Manner of Use (i) on an exclusive basis for the ITT Industries Business, and (ii) on a non-exclusive basis for the ITT Industries Expanded Business. Licensor during the term of this Agreement will not use, nor grant a license to any third party to use those company names in the exact form listed in Exhibit C annexed hereto, subject to all other provisions of this License Agreement. The form of using the ITT Name in the company and trade names as set forth in Exhibit C annexed hereto is hereby approved for purposes of granting the aforementioned sublicenses. The form of using the ITT Name in the company and trade names of an ITT Enterprises Sublicensee which is acquired or formed after the Distribution Date shall be subject to Licensor's approval, which approval shall not be unreasonably withheld. If the proposed company and/or trade name use in conjunction with the ITT Name is solely descriptive of a business within the scope of the ITT Industries Business and (i) not objectionable from a legal standpoint, and (ii) not likely to create confusion with a field of business of the ITT Destinations Business or ITT Hartford Business, or a name used by a business of ITT Hartford or ITT Destinations, then Licensor shall not object to the proposed company and/or trade name. In the event that Licensor objects to any such form of using the ITT Name, it shall give written notice of its objections to and consult with ITT Enterprises in a good faith effort to resolve any such objections. Any such approved name shall thereafter be deemed to be included in Exhibit C annexed hereto. ITT Industries and its Subsidiaries shall not have the right to use "ITT Corporation" or any company or trade name substantially identical thereto.

Section 2.03 Sublicenses. Each sublicense granted by ITT Enterprises to an ITT Enterprises Sublicensee shall: (i) be in writing; (ii) specifically require the ITT Enterprises Sublicensee to agree to comply with and observe the terms and conditions of this License Agreement; and (iii) require the ITT Enterprises Sublicensee to acknowledge its obligations to Licensor by executing an agreement in the form annexed hereto as Exhibit F, which shall then be forwarded to Licensor or its designee by ITT Enterprises.

Section 2.04 Prohibited Uses of ITT Name and ITT Marks. Neither ITT Enterprises, nor any of the ITT Enterprises Sublicensees shall use the ITT Name or ITT Marks for any product or service, or with or for any entity, in the ITT Destinations Business or the ITT Hartford Business.

Section 2.05 ITT Industries Design Mark. Within one and one-half (1 1/2) years of the Distribution Date, ITT Enterprises may select an ITT Industries Design Mark that will be owned by Licensor. The ITT Industries Design Mark shall be subject to approval by Licensor. As part of the selection and submittal of the ITT Industries Design Mark for approval, ITT Enterprises shall prepare and submit to Licensor, for review and comment, the proposed ITT Industries Graphic Standards Manual, which Manual shall be consistent with Licensor's policy and style standards, governing the proper use of the ITT Industries Design Mark by ITT Enterprises and the ITT Enterprises Sublicensees. All use of the ITT Industries Design Mark shall conform to the requirements of such Graphic Standards Manual. Upon approval, the ITT Industries Design Mark will be deemed licensed under Section 2.01 hereof. Licensor during the term of this License Agreement will not use, nor grant a license to any third party to use, the identical design of such ITT Industries Design Mark. Once an ITT Industries Design Mark is selected and approved by Licensor, the ITT Industries Design Mark shall not be altered, provided however ITT Enterprises may periodically modernize the ITT Industries Design Mark so long as such mark as modernized creates the same commercial impression and does not diminish the goodwill thereof. Any registrations of the ITT Industries Design Mark shall be in accordance with Section 3.07 herein.

Section 2.06 Expansion of Licenses. All requests for an expansion of license rights granted under Sections 2.01, 2.02 and 2.05 shall be made by ITT Enterprises in writing to Licensor. Licensor may grant or deny such requests in its sole discretion. For purposes of this Section 2.06, expansion of license rights shall mean a right to use the ITT Name and/or the ITT Marks: (i) within the scope of the ITT Industries Business and/or ITT Industries Expanded Business by an ITT Enterprises Sublicensee after it ceases to be a Subsidiary of ITT Industries; or (ii) outside or within the scope of the ITT Industries Business or ITT Industries Expanded Business by ITT Enterprises or the ITT Enterprises Sublicensees if a Change of Control of ITT Industries occurs. For the purpose of this License Agreement, any expansion of rights granted pursuant to this Section 2.06 shall thereafter be deemed to be within the ITT Industries Expanded Business and subject to any reasonable limitations imposed by Licensor. Notwithstanding Section 2.06(i), ITT Enterprises may extend the rights previously granted to an ITT Enterprises Sublicensee under Sections 2.01, 2.02 or 2.05 for a period of at least one and one-half (1 1/2) years ("Extension Period") after such ITT Enterprises Sublicensee ceases to be a Subsidiary of ITT Industries, provided that such former ITT Industries Subsidiary will not be an ITT Enterprises Sublicensee for purposes of Article VIII of this License Agreement, but shall agree to remain an ITT Enterprises Sublicensee pursuant to Section 2.03 hereof for all other purposes, including Section 3.01 hereof, and further provided that any Agreement Disputes (as defined in Section 8.01(a) hereof) may be resolved in any manner deemed appropriate in the sole discretion of Licensor. With respect to the ITT Industries Design Mark, such Extension Period may be extended by ITT Enterprises for an additional one (1) year period without approval by Licensor, and beyond the one (1) year period with approval by Licensor which approval shall not be unreasonably withheld. ITT Enterprises may also extend the sublicense to the former Subsidiary to use beyond the Extension Period tooling that molds one or more of the ITT Marks in the products during manufacture, provided such tooling is in regular use at the commencement of the Extension Period and is retired from use at the end of the customary replacement cycle for such tooling.

Section 2.07 Conversion to Exclusive Rights. In the event Licensor, its Subsidiaries, ITT Enterprises, or the ITT Enterprises Sublicensees shall have a bona fide intention to materially expand their operations in a field of activity within the ITT Industries Expanded Business, then (i) ITT Enterprises may request that its rights to use the ITT Name and the ITT Marks in such field of activity be exclusive, or (ii) Licensor may request that ITT Enterprises release its rights to such field of activity. For the purposes of this Section 2.07, "materially expand" shall mean the plan to invest at least Forty Million (\$40,000,000) U.S. Dollars for acquisition of a business with current operations within such field of activity or the bona fide plan to expand into such a business within such field of activity. All such requests shall (i) be in writing, (ii) be provided to the other Party to this License Agreement and to the General Counsel of ITT Hartford, (iii) describe the specific field of activity to be commenced, and (iv) state the amount of the proposed investment. Within twenty (20) days of providing such notice, the General Counsel of Licensor, ITT Industries and ITT Hartford shall meet to consider the request. The request shall be granted if and only if, and upon such terms and conditions (e.g., territory), as all three General Counsel shall approve. If granted, the new field of activity shall be deemed to be within ITT Destinations Business or ITT Industries Business, as appropriate, and further subject to Sections 2.11 and 3.09 of this License Agreement. As used herein, exclusive rights shall not prevent either Licensor, ITT Industries or ITT Hartford or their Subsidiaries or Sublicensees from using the ITT Name or the ITT Marks (except the ITT Industries Design Mark) anywhere for any products or services outside the field of activity for which the exclusive rights are granted under this Agreement, even if such products or services are related or are shipped, sold or offered in the same channels of trade or sold to the same customers.

Section 2.08 Reduction of Licenses. In the event ITT Enterprises and/or ITT Enterprises Sublicensees shall abandon their use of the ITT Name or one or more of the ITT Marks for all or a portion of the ITT Industries Business, then the scope of the exclusive rights granted in Sections 2.01, 2.02 and 2.05 with respect to such abandoned ITT Name or ITT Marks shall be reduced by an amount equal to the scope of the ITT Industries Business so abandoned. For purpose of this Section 2.08, abandonment shall mean the failure of ITT Enterprises and its sublicensed Major Subsidiaries to use the ITT Name or one or more of the ITT Marks for a period of two (2) years, any such period to commence only after the Distribution Date, except that should ITT Enterprises or a new ITT Enterprises Sublicensee revive use in the activity

previously abandoned, then the reduced exclusive rights shall be expanded commensurate with the scope of the revived use, subject to any intervening licenses or rights granted by or entered into or then being negotiated by Licensor.

Section 2.09 Quality Standards. In view of the status of the Parties immediately prior to the Distribution Date as one company, each Party's intimate knowledge with standards and procedures for assuring consistent quality, Licensor's knowledge of the standards and procedures used in the ITT Industries Business, the integrity of ITT Industries Business and its history of trouble-free goods and services, Licensor adopts ITT Industries Business quality standards and ITT Enterprises and the ITT Enterprises Sublicensees agree to maintain such standards and procedures to assure the consistent quality of its goods and services. ITT Enterprises and the ITT Enterprises Sublicensees shall not materially lower such quality standards without the prior written approval of Licensor.

Section 2.10 Inspections and Samples. Should Licensor have reason to believe based on information available to it that the quality standards referred to in Section 2.09 have not been maintained then, at the request of Licensor, ITT Enterprises and the ITT Enterprises Sublicensees shall permit a knowledgeable independent expert or consultant specifically retained by Licensor to have reasonable access to their premises and personnel during normal working hours and shall furnish or permit inspection of, at Licensor's request and without charge to Licensor or to such expert or consultant, product samples, cartons, containers, packaging, wrapping and service materials bearing or used in connection with the ITT Name and/or the ITT Marks for the purpose of ensuring that ITT Enterprises and the ITT Enterprises Sublicensees are complying with such quality standards. Any information obtained during such inspection and provided to Licensor shall be limited to that which is necessary to ensure compliance with such quality standards.

Section 2.11 Advertising, Packaging and Labels. ITT Enterprises and the ITT Enterprises Sublicensees shall furnish, at Licensor's request and without charge, to Licensor or to its authorized designee(s) samples of each type of promotional and advertising material or the like to be used in connection with any products or services offered by ITT Enterprises and the ITT Enterprises Sublicensees and bearing or used in connection with the ITT Marks.

Section 2.12 Third Party Rights. ITT Enterprises and the ITT Enterprises Sublicensees acknowledge that the rights granted by Licensor under Sections 2.01, 2.02, 2.05 and 2.06 are subject to all pre-existing third party rights, obligations and restrictions as of the Distribution Date.

Section 2.13 Intervening Third Party Rights. Notwithstanding Section 2.01 (ii), Licensor shall be free to grant exclusive rights hereafter to a third party to use the ITT Name and ITT Marks, except for the ITT Industries Design Mark, for use with a business within the ITT Industries Expanded Business, provided that ITT Industries has not given notice to Licensor prior thereto that it has commenced operations in the identical business. In the event that ITT Industries gives notice to Licensor that it or an ITT Industries Sublicensee is operating in a specific business within the ITT Industries Expanded Business, Licensor shall not thereafter grant any rights to a third party to use the ITT Name or ITT Marks in the identical specific business.

Section 2.14 Rights to Enter Businesses. Nothing in this License Agreement shall preclude ITT Industries, ITT Destinations, ITT Hartford nor any of their respective subsidiaries or affiliates from operating in any business provided neither the ITT Name nor the ITT Marks are used in such business.

Section 2.15 Abandonment by Licensor. In the event Licensor and its Subsidiaries abandon completely their use of the ITT Name and the ITT Marks for a two (2) year period, then ITT Enterprises has the right to obtain ownership of the ITT Name and the ITT Marks and all licenses with respect thereto at fair market value and on mutually agreed terms and conditions. As part of any such transfer of the ITT Name and ITT Marks to ITT Enterprises, ITT Enterprises shall agree not to use nor permit others to use for a period of five (5) years after such transfer the ITT Name and the ITT Marks in the ITT Destinations Business and in any other business that ITT Destinations has entered into prior to any such transfer. During such five (5) year period, Licensor and its Subsidiaries shall have the right to revive its use and

license the use of the ITT Name and/or the ITT Marks on a paid-up, royalty-free, exclusive, worldwide basis (exclusive of the ITT Industries Design Mark) on an exclusive basis for the ITT Destinations Business, and a nonexclusive basis for any businesses not included in the ITT Industries Business or the ITT Hartford Business.

"Use" of the ITT Name or the ITT Marks as used in this Section 2.15 or as used in Section 2.08 herein shall mean the bona fide use of the ITT Name or the ITT Marks made in the ordinary course of trade and not made merely to reserve a right in such Name or Marks.

ARTICLE III. UNDERTAKINGS

Section 3.01 Indemnification by ITT Enterprises. ITT Enterprises and the ITT Enterprises Sublicensees hereby agree to indemnify and defend Licensor and its Subsidiaries and their respective employees, officers, directors, and agents and shall hold each of them harmless from any and all claims, demands, suits, actions, damages, and judgments brought or obtained by a third party ("Claims"), of whatever type or kind (excluding only such claims or legal action as may arise under Sections 3.02 and 4.02 respectively) arising out of:

(a) any use of the ITT Name or the ITT Marks by ITT Enterprises or the ITT Enterprises Sublicensees, including, without limitation, product liability or personal injury Claims; or

(b) any breach by ITT Enterprises or the ITT Enterprises Sublicensees of any of the terms and conditions of this License Agreement;

provided Licensor shall cooperate with, and assist, ITT Enterprises with respect to any such Claim by (i) promptly notifying ITT Enterprises of any such Claim, (ii) agreeing to be defended by counsel of ITT Enterprises' choice and to any reasonable settlement proposed by ITT Enterprises, (iii) promptly providing to ITT Enterprises any reasonably requested documents in its possession, custody, or control, and (iv) making its personnel familiar with the facts available to ITT Enterprises, except that ITT Enterprises shall reimburse Licensor for any out-of-pocket travel, lodging, and subsistence expenses necessarily and reasonably incurred by Licensor in effecting such cooperation.

Section 3.02 Indemnification by Licensor. Licensor and its Subsidiaries hereby agree to indemnify and defend ITT Enterprises and the ITT Enterprises Sublicensees and their respective employees, officers, directors, and agents and shall hold each of them harmless from any and all claims, demands, suits, actions, damages, and judgments brought or obtained by a third party ("Claims"), of whatever type or kind (excluding only such claims or legal action as may arise under Section 3.01) arising out of:

(a) any use of the ITT Name or the ITT Marks, excluding the ITT Industries Design Mark, by Licensor or its Subsidiaries (excluding ITT Industries, ITT Hartford and their Subsidiaries) including, without limitation, product liability or personal injury Claims; or

(b) any breach by Licensor or its Subsidiaries of any of the terms and conditions of this License Agreement;

provided ITT Enterprises shall cooperate with, and assist, Licensor with respect to any such Claim by (i) promptly notifying Licensor of any such Claim, (ii) agreeing to be defended by counsel of Licensor's choice and to any reasonable settlement proposed by Licensor, (iii) promptly providing to Licensor any reasonably requested documents in its possession, custody, or control, and (iv) making its personnel familiar with the facts available to Licensor, except that Licensor shall reimburse ITT Enterprises for any out-of-pocket travel, lodging, and subsistence expenses necessarily and reasonably incurred by ITT Enterprises in effecting such cooperation and assistance.

Section 3.03 Defense of Infringement Claims. Licensor further agrees to defend ITT Enterprises and/or any ITT Enterprises Sublicensee to the extent that any and all demands, suits, or actions ("Claims") solely arise out of an assertion or claim that the use of the ITT Name or ITT Marks, excluding the ITT Industries Design Mark, by ITT Enterprises or the ITT Enterprises Sublicensees pursuant to the

terms of this License Agreement infringes the trade names or trademarks of a third party, provided, ITT Enterprises shall cooperate with, and assist, Licensor with respect to any such Claim by (i) promptly notifying Licensor of any such Claim, (ii) agreeing to be defended by counsel of Licensor's choice, except that if a third party should institute a legal action against ITT Enterprises and/or an ITT Enterprises Sublicensee involving their alleged infringement of a third party mark based on their use of an ITT Mark in the ITT Industries Business then choice of counsel and the control of the legal action shall be mutual between ITT Enterprises and Licensor, and to any reasonable settlement proposed by Licensor, (iii) promptly providing to Licensor any reasonably requested documents in its possession, custody, or control, and (iv) making its personnel familiar with the facts available to Licensor. The costs associated with any such defense shall be borne equally by Licensor and ITT Enterprises.

Section 3.04 Phase-Out. Licensor agrees not to grant a license during the Phaseout Period to any third party after any termination of this License Agreement to use the ITT Name or the ITT Marks in the field of activity of the ITT Industries Business, except in the case of an abandonment as specified in the last sentence of Section 2.08 herein.

Section 3.05 Absence of ITT Enterprises Interest in ITT Marks. ITT Enterprises and the ITT Enterprises Sublicensees agree that nothing herein shall give ITT Enterprises or the ITT Enterprises Sublicensees any right, title or interest in the ITT Name or the ITT Marks apart from the rights to use, and to sublicense the use, granted or to be granted hereunder and to retain any remuneration resulting therefrom, all such right, title and interest, including but not limited to rights of registration, maintenance and enforcement, being solely with Licensor. The ITT Name and the ITT Marks are the sole property of Licensor, and any and all uses by ITT Enterprises of the ITT Name or of the ITT Marks shall inure to the benefit of Licensor. In no event shall such use be deemed or construed to have created or vested any right, title or interest whatever in and to ITT Enterprises. To the extent that any jurisdiction shall find for any reason as a matter of law or otherwise that such use has vested in ITT Enterprises or its Subsidiaries any right, title or interest in or to the ITT Name or the ITT Marks, ITT Enterprises and its Subsidiaries, upon the request of Licensor, shall execute and deliver to Licensor, without charge, appropriate assignments to vest such rights, title and interest in Licensor. Except for use of the ITT Name or ITT Marks, Licensor agrees that any other symbol, word, color or design used by ITT Enterprises or the ITT Enterprises Sublicensees to identify themselves or their products are not subject to the terms and conditions of this Agreement unless specifically stated otherwise.

Section 3.06 ITT Name and ITT Marks Not Contested. ITT Enterprises and the ITT Enterprises Sublicensees agree not to raise or cause to be raised any questions concerning or objections to the validity of the ITT Name or the ITT Marks in any jurisdiction, or to any registrations thereof or applications therefor, or to the sole proprietary rights of Licensor thereto, on any grounds whatsoever.

Section 3.07 Filing, Registration or Use of Names, Trademarks and Service Marks. ITT Enterprises and the ITT Enterprises Sublicensees agree not to:

(a) file, apply to register or register the ITT Name or the ITT Marks, alone or in combination with any other word or device or symbol or any name, mark, term, script or device colorably similar thereto, except if, as, when, and to the extent as may be expressly consented to in writing in advance by Licensor in specific instances;

(b) use the ITT Name or the ITT Marks in conjunction or in combination with any other name, mark, term, script or device whatever, except as specifically set forth in Article 11, or if, as and to the extent approved in writing in advance by Licensor; and

(c) use the ITT Name or the ITT Marks in any jurisdiction, or any name, mark, term, script or device colorably similar thereto, except as specifically permitted under this License Agreement.

At the request of ITT Enterprises, Licensor shall file registration applications and maintain any such applications and registrations issued thereon for the ITT Name and ITT Marks for activities within the ITT Industries Business or the ITT Industries Expanded Business. Any expenses incurred by Licensor in connection with registering or maintaining registrations of the ITT Name or the ITT Marks for the ITT

Industries Business or for or on behalf of ITT Enterprises and/or the ITT Enterprises Sublicensees for the ITT Industries Expanded Business, and expenses incurred in connection with proving or establishing use for the purpose of trade name or trademark registration or maintenance of the ITT Name or ITT Marks for the ITT Industries Business or ITT Industries Expanded Business, shall be reimbursed by ITT Enterprises.

Section 3.08 Injunctive Relief Upon Termination. ITT Enterprises and the ITT Enterprises Sublicensees agree that should ITT Enterprises and/or the ITT Enterprises Sublicensees, upon any termination in whole or in part of this License Agreement, fail to cease use of the ITT Name and the ITT Marks, as appropriate, in accordance with the provisions of Article VI hereof, such failure will result in immediate and irreparable injury to Licensor and, in addition to any provable damages and the right to the costs and expenses of any litigation, Licensor shall be entitled to equitable relief by way of temporary and permanent restraining orders and injunctions and such other further relief as any court with jurisdiction may deem just and proper without the necessity of posting a bond.

Section 3.09 Other Licensor Licenses. Subject to Section 2.13 and the exact form of company names set forth in Exhibit C hereto, nothing in this License Agreement shall be construed to limit the right of Licensor to use, or to grant a license to any entity or person to use the ITT Name or the ITT Marks anywhere for any products or services, or in connection with any activities outside the ITT Industries Business even if such entity or person competes with ITT Enterprises or the ITT Enterprises Sublicensees, or its products or services are shipped, sold or offered in the same channels of trade as those of ITT Enterprises or the ITT Enterprises Sublicensees.

Section 3.10 Execution of Documents. At Licensor's request, ITT Enterprises and the ITT Enterprises Sublicensees agree to assist Licensor in the procurement or maintenance of any filings or registrations for the ITT Name or ITT Marks in any jurisdiction by providing any information available from ITT Enterprises and the ITT Enterprises Sublicensees and executing any documents necessary therefor. The rights granted or to be granted hereunder to ITT Enterprises or the ITT Enterprises Sublicensees shall be recorded in any jurisdiction where such recordation is required by statute or in the sole discretion of Licensor is advisable, and ITT Enterprises and the ITT Enterprises Sublicensees shall extend to Licensor their full cooperation in filing and completing any such recordation.

ARTICLE IV. INFRINGEMENT BY THIRD PARTIES

Section 4.01 Infringement by Third Parties. Upon discovery by ITT Enterprises or by an ITT Enterprises Sublicensee, ITT Enterprises shall notify Licensor of any adverse uses confusingly similar or otherwise damaging to the ITT Name and/or ITT Marks, but shall take no other action of any kind with respect thereto except by the express prior written authorization of Licensor. The determination of whether or not legal action shall be taken in any case shall lie exclusively with and at the sole discretion of Licensor except that if such adverse use is in the same field of activity as the ITT Industries Business, ITT Enterprises may, by such notice, require that Licensor institute and reasonably pursue legal action.

Section 4.02 Costs of Legal Action. In the event that Licensor is required to institute legal action pursuant to the notice under Section 4.01, the costs of any such legal action shall be borne by ITT Enterprises. In the event that Licensor is not so required, but decides to institute legal action and such confusingly similar or otherwise damaging use is primarily or exclusively within the field of activity of the ITT Industries Business, the costs of any such legal action shall be shared equally by ITT Enterprises and by Licensor. In all such circumstances, Licensor may bring suit in its own name and in the name of ITT Enterprises or the ITT Enterprises Sublicensees, with choice of counsel and control of the legal action by Licensor in close coordination and consultation with ITT Enterprises. All other legal actions for third party infringements instituted by Licensor shall be at the expense and under the control of Licensor. ITT Enterprises and the ITT Enterprises Sublicensees shall cooperate with and assist Licensor in any such suit by promptly providing any reasonably requested documents in their possession, custody, or control, and by making their personnel familiar with the facts available to Licensor and otherwise, without charge.

Section 4.03 Resolution of Legal Action. In the event that threatened or actual legal action by Licensor results in a settlement or resolution that provides damages or other monies to Licensor and/or ITT Enterprises and the ITT Enterprises Sublicensees, such monies shall first be used to reimburse the Parties for their respective costs of such legal action. Any remaining damages or other monies after reimbursement of the aforesaid costs shall be retained by Licensor, except that any remaining damages assessed as lost profits of ITT Enterprises or any ITT Enterprises Sublicensee shall be paid to ITT Enterprises and any remaining damages assessed as royalties shall be shared equally by ITT Enterprises and Licensor.

Section 4.04 Legal Action Involving the ITT Industries Design Mark. Notwithstanding the foregoing Sections 3.03, 4.01, 4.02 and 4.03, if ITT Enterprises or an ITT Enterprises Sublicensee shall discover any adverse use confusingly similar or otherwise damaging to the ITT Industries Design Mark, or if a third party should institute legal action against ITT Enterprises and/or an ITT Enterprises Sublicensee based solely on their use of the ITT Industries Design Mark, then ITT Enterprises shall notify Licensor in either event. ITT Enterprises may decide in the case of any such adverse use whether to institute legal action and in all such circumstances shall have the choice of counsel and control of any legal action in close consultation with Licensor and the cost of any such action shall be borne by ITT Enterprises. Any elements of a settlement of any such legal action involving ownership rights of or restrictions on the right to use the ITT Industries Design Mark shall require approval of Licensor. Any damages or other monies that result from resolution of any such legal action shall be at the expense of or be retained by ITT Enterprises. Notwithstanding the foregoing Section 4.04, if ITT Enterprises does not institute legal action against such adverse use within sixty (60) days of such notification to Licensor, or prior to that time shall notify Licensor in writing that ITT Enterprises does not intend to institute such legal action, then the provisions of Sections 3.03, 4.01, 4.02 and 4.03 shall apply.

ARTICLE V. TERMINATION

Section 5.01 Change of Control. In the event that there is a Change of Control of ITT Industries without the prior written consent of Licensor pursuant to Section 2.06 hereof, then this License Agreement may be terminated by Licensor. In the event ITT Enterprises gives notice to Licensor of a Change of Control and Licensor does not object to such Change of Control within forty-five (45) days of receipt of such notice, then it shall be deemed that Licensor shall have granted an expansion of the license pursuant to Section 2.06(ii) hereof. However, in the event there is a Change of Control of ITT Industries as defined in Section 1.01(z)(iii) which has been approved in advance by the Board of Directors of ITT Industries and Licensor has refused to grant an expansion of licenses pursuant to Section 2.06 hereof then, in such event, (i) the license grants under Sections 2.01, 2.02, 2.03 and 2.05 hereof shall thereafter only apply to ITT Enterprises and those ITT Enterprises Sublicensees that were in existence as of the Distribution Date and any ITT Enterprises Sublicensee formed thereafter in which ITT Industries has made an investment of at least forty (40) million U.S. dollars in cash expenditures prior to the date of such Change of Control ("Intervening ITT Industries Sublicensee"); (ii) the scope of the license grants under Sections 2.01, 2.02, 2.03 and 2.05 hereof shall be limited to the ITT Industries Business and the business conducted by and sublicensed to such Intervening ITT Industries Sublicensee; (iii) Licensor in its sole discretion may decline to grant further approvals pursuant to Section 2.02 herein for any form of using the ITT Name in company and trade names for ITT Enterprises Sublicensees and all approved forms of using the ITT Name shall not thereafter be modified; and (iv) if an ITT Industries Design Mark has been selected and is in use pursuant to Sections 2.01 and 2.05 herein, then all existing rights for ITT Enterprises and ITT Enterprises Sublicensees to use the ITT Logo will be terminated and ITT Enterprises shall take all necessary steps to cease all use of the ITT Logo by it and by the ITT Enterprises Sublicensees.

ARTICLE VI. TERM AND EFFECT OF TERMINATION

Section 6.01 License Term. This License Agreement shall continue unless sooner terminated pursuant to other provisions hereof, until ITT Enterprises gives written notice of an intent to terminate this License Agreement effective six (6) months thereafter.

Section 6.02 Effect of Termination. Upon the termination of this License Agreement, except in the case of termination for abandonment pursuant to Section 2.08, ITT Enterprises and the ITT Enterprises Sublicensees during the Phaseout Period shall phase out all use of the ITT Name and the ITT Marks. By the end of the Phaseout Period ITT Enterprises and the ITT Enterprises Sublicensees shall fully discontinue all use of the ITT Marks and the ITT Name.

Following termination of this License Agreement, ITT Enterprises and the ITT Enterprises Sublicensees shall:

(i) continue, without any time limitation, to indemnify and hold harmless Licensor (including subsidiaries, affiliates, employees, officers, directors, agents or anyone connected with it in any way) pursuant to Section 3.01 hereof; and

(ii) within thirty (30) days thereafter, account to Licensor and make any such compensation payments as may be due or called for under Section 4.02 herein up to and including the effective date of termination of this License Agreement.

Licensor and its Subsidiaries shall continue, for a period of two (2) years, to indemnify and hold harmless ITT Enterprises and ITT Enterprises Sublicensees (including subsidiaries, affiliates, employees, officers, directors, or agents) pursuant to Section 3.02 hereof.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.01 Absence of Other Warranties and Representations. Other than as specifically set forth herein, neither Party, nor any of their Subsidiaries makes any representations or warranties including, without limitation, any statement with respect to the validity, enforceability or coverage of the ITT Name and ITT Marks, with or without respect to the ITT Industries Business or the ITT Industries Expanded Business.

ARTICLE VIII. DISPUTE RESOLUTION

Section 8.01 Disputes. The general counsels of the relevant parties shall negotiate in good faith for a reasonable period of time to settle any:

(a) dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, non-performance or validity of this License Agreement or otherwise arising out of, or in any way related to this License Agreement, including, without limitation, any claim based on contract, tort, statute or constitution (collectively, "Agreement Disputes"); or

(b) any breach of any provision of this License Agreement by ITT Enterprises or ITT Enterprises Sublicensees, other than a Change of Control as set forth in Section 5.01 or by Licensor, provided the breach has not been cured within ninety (90) days after receipt of notice of such breach ("Uncured Breach").

Section 8.02 Arbitration. If after such reasonable period such general counsel are unable to settle such Agreement Dispute or Uncured Breach (and in any event after 60 days have elapsed from the time the relevant parties began such negotiations), such Agreement Dispute or Uncured Breach shall be determined, at the request of any relevant party, by arbitration conducted in New York City, before and in accordance with the then-existing Rules for Commercial Arbitration of the American Arbitration Association (the "Rules"), and any judgment or award rendered by the arbitrator shall be final, binding and nonappealable (except upon grounds specified in 9 U.S.C. Section 10(a) as in effect on the date

hereof), and judgment may be entered by any state or Federal court having jurisdiction thereof in accordance with Section 9.14 hereof. Unless the arbitrator otherwise determines, the pre-trial discovery of the then-existing Federal Rules of Civil Procedure and the then-existing Rules 46 and 47 of the Civil Rules for the United States District Court for the Southern District of New York shall apply to any arbitration hereunder. Any controversy concerning whether an Agreement Dispute or an Uncured Breach is an arbitrable Agreement Dispute, whether arbitration has been waived, whether an assignee of this License Agreement is bound to arbitrate, or as to the interpretation of enforceability of this Article shall be determined by the arbitrator. The arbitrator shall be a retired or former judge of any United States District Court or Court of Appeals or such other qualified person as the relevant parties may agree to designate, provided such individual has had substantial professional experience with regard to settling sophisticated commercial disputes. The Parties intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable. The designation of a situs or a governing law for this License Agreement or the arbitration shall not be deemed an election to preclude application of the Federal Arbitration Act, if it would be applicable. In his award the arbitrator shall allocate, in his discretion, among the Parties to the arbitration all costs of the arbitration, including, without limitation, the fees and expenses of the arbitrator and reasonable attorneys' fees, costs and expert witness expenses of the Parties. The undersigned agree to comply with any award made in any such arbitration proceedings that has become final in accordance with the Rules and agree to the entry of a judgment in any jurisdiction upon any award rendered in such proceedings becoming final under the Rules. The arbitrator shall be entitled, if appropriate, to award any remedy in such proceedings, including, without limitation, monetary damages, specific performance and all other forms of legal and equitable relief; provided, however, the arbitrator shall not be entitled to award punitive damages.

Section 8.03 Injunctions. In the event the Arbitrator should find that ITT Enterprises or the ITT Enterprises Sublicensees or Licensor have breached this License Agreement, then the Arbitrator may order specific performance of the provisions so breached. Should ITT Enterprises or the ITT Enterprises Sublicensees or Licensor not so specifically perform, then the Parties recognize that the damage caused thereby to either Party would be irreparable and not adequately compensable by monetary damages, and that either Party may immediately seek and be entitled to an injunction by a Federal Court having jurisdiction thereof, without the requirement of posting a bond or other security.

ARTICLE IX. MISCELLANEOUS

Section 9.01 Complete Agreement; Construction. This License Agreement, including the Exhibits, together with the Distribution Agreement, and the other Ancillary Agreements (as defined in the Distribution Agreement) shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. Notwithstanding any other provisions in this License Agreement to the contrary, in the event and to the extent that there shall be a conflict between the provisions of this License Agreement as it relates to the ITT Name and ITT Marks, and the provisions of the Distribution Agreement or the IP Agreement, this License Agreement shall control.

Section 9.02 Counterparts. This License Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other party.

Section 9.03 Survival of Agreement. Except as otherwise contemplated by this License Agreement, all covenants and agreements of the Parties contained in this License Agreement shall survive the Distribution Date.

Section 9.04 Notices. All notices and other communications hereunder shall be in writing and hand delivered or mailed by registered or certified mail (return receipt requested) or sent by any means of electronic message transmission with delivery confirmed (by voice or otherwise) to the Parties at the

following addresses (or at such other addresses for a party as shall be specified by like notice) and will be deemed given on the date on which such notice is received:

To Licensor:

ITT Corporation
1330 Avenue of the Americas
New York, NY 10019

Attn: General Counsel

To ITT Manufacturing Enterprises, Inc.:

ITT Manufacturing Enterprises, Inc.
1105 North Market Street
Suite 1217
Wilmington, Delaware 19801

with copy to:

ITT Industries, Inc.
4 West Red Oak Lane
White Plains, NY 10604

Attn: General Counsel

Section 9.05 Waivers. The failure of either Party to require strict performance by the other Party of any provision in this License Agreement will not waive or diminish that Party's right to demand strict performance thereafter of that or any other provision hereof.

Section 9.06 Amendments. This License Agreement may not be modified or amended except by an agreement in writing signed by the Parties.

Section 9.07 Assignment. This License Agreement shall not be assignable, in whole or in part, directly or indirectly, by ITT Enterprises except to ITT Industries without the prior written consent of Licensor, and any attempt to assign any rights or obligations arising under this License Agreement without such consent shall be void. This License Agreement may be assigned by Licensor to ITT Destinations or any other company which hereafter owns the ITT Marks and ITT Name.

Section 9.08 Successors and Assigns. The provisions of this License Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

Section 9.09 Termination. This License Agreement may be terminated at any time prior to the Distribution by and in the sole discretion of Licensor without the approval of ITT Enterprises or the shareholders of Licensor. In the event of such termination, no party shall have any liability of any kind to any other party.

Section 9.10 Subsidiaries. ITT Enterprises hereby guarantees the performance of the ITT Enterprises Sublicensees under the terms and conditions of this License Agreement.

Section 9.11 Third Party Beneficiaries. This License Agreement is solely for the benefit of the Parties hereto and the ITT Enterprises Sublicensees and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this License Agreement.

Section 9.12 Title and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 9.13 Governing Law. This License Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that State.

Section 9.14 Consent to Jurisdiction. Without limiting the provisions of Article VIII hereof each of the Parties irrevocably submits to the jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this agreement or any transaction contemplated hereby. Each of the Parties agrees to commence any action, suit or proceeding relating hereto either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each of the Parties further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 9.14. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this License Agreement or the transactions contemplated hereby in (i) the Supreme Court of the State of New York, New York County, or (ii) the United States District Court for the Southern District of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in any inconvenient forum.

IN WITNESS WHEREOF, the Parties have caused this License Agreement to be duly executed as of the day and year first above written.

ITT CORPORATION

By /s/ RICHARD S. WARD

Name: Richard S. Ward
Title: Executive Vice President and
General Counsel

ITT MANUFACTURING ENTERPRISES, INC.

By /s/ VINCENT A. MAFFEO

Name: Vincent A. Maffeo
Title: Attorney-in-Fact

EXHIBIT A1

ITT DESTINATIONS BUSINESS

- I. Hospitality, Entertainment and Gaming
 - A. Scope of Business:
Hospitality, entertainment and gaming services, facilities, and content of all types including, sports teams and franchises, television, theatrical studios, networks, broadcasting, arenas, theaters and other performance facilities, television programs, resort and destination facilities, hotels, gaming operations, lodging, transportation, and related marketing, distribution, promotion, advertising and licensing.
 - B. Major Businesses and Service Groupings
 - 1. ITT Sheraton and Ciga S.p.A. Hotels
 - a. Hotel operations
 - (1) reservation services
 - (2) national marketing
 - (3) promotional services
 - b. Hotel management
 - c. Hotel ownership
 - 2. Caesars World, Inc.
 - a. resorts/hotels
 - b. casinos/gaming operations
 - c. merchandising of Caesars branded products (fragrances, clothing, accessories, gift items w/Caesars' name)
 - 3. Madison Square Garden
 - a. New York Knicks
 - (1) ticket revenues
 - (2) merchandising
 - b. New York Rangers
 - (1) ticket revenues
 - (2) merchandising
 - c. Madison Square Garden Arena
 - (1) sports events
 - (2) concerts
 - (3) family shows
 - (4) trade shows -- conventions
 - d. The Paramount Theater
 - e. WNYC-TV (Nationally broadcast business and sports TV station in a joint venture with Dow Jones)
 - f. Supply and distribution of television programming for cable
 - g. Rights to New York Yankees' games
 - h. MSG Network-Advertiser supported cable television entertainment program service

II. Information Services

A. Scope of Business

Information services, facilities, and content, in connection with information training and educational services, electronic and print publication of informational and educational materials, collection, creation, production, compilation, storage and translation of informational and educational materials.

B. Major Businesses and Services Groupings

1. ITT World Directories, Inc.
 - a. publishing traditional telephone directories internationally
 - b. contracts for the publication of telephone directories with monopoly providers of telecommunications services
2. ITT Educational Services, Inc.
 - a. ITT Technical Institutes

III. Closely Related Businesses:

A. Acquisition, management, ownership and operation of:

1. Entertainment services, facilities and content of all types, including, without limitation: sports teams and franchises, television, theatrical studios, networks, broadcasting, theme parks, arenas, theaters and other performance facilities, musical recordings, merchandising, movies, television programs, magazines, electronic entertainment, interactive media and related marketing, distribution, promotion, advertising and licensing;
2. Hospitality, tourism, recreation and gaming services, including, without limitation, resort and destination facilities, services, hotels, gaming operations, lodging and transportation; and
3. Information services facility and content, including, without limitation
 - a. training and educational services, electronic and print publication of informational and educational materials;
 - b. collection, creation, production, compilation, storage and transmission, including interactive services, of informational and educational materials;
 - c. commercial communication equipment, services and facilities including, without limitation, telecommunications, satellites, cable and all other storage, access and transmission means.

EXHIBIT A2

ITT HARTFORD BUSINESS

- A. ITT Hartford is engaged in:
1. All lines of property and casualty insurance
 2. All lines of life company business, including without limitation all lines of life, disability, health, stop-loss and special risk (accidental death and dismemberment, blanket lines, and Medicare Supplements) insurance and annuities (the "Life Company Business")
 3. Ceded and assumed reinsurance in all lines of property and casualty insurance and life Company Business
 4. The following services related to property and casualty insurance and Life Company Business and reinsurance:
 - a. Underwriting
 - b. Loss control
 - c. Premium collection, audit and financing
 - d. Actuarial
 - e. Administrative (including without limitation, benefit plan administration and consulting)
 - f. Claim administration (including without limitation, processing)
 - g. Reinsurance consulting
 - h. Catastrophe evaluation
 - i. Reinsurance and insurance market research and assistance
 - j. Runoff of liabilities for discontinued insurance operations
 - k. Servicing or administration of voluntary and residual market plans, pools and other residual market mechanisms
 - l. Establishing and maintaining risk retention and purchasing group
 - m. Insurance-related information management
 5. Surety and fidelity/burglary bonds including, but not limited to, contract, miscellaneous and financial guarantee bonds and credit insurance.
 6. The providing of investment advisory services to mutual funds and/or the operation of mutual funds and/or any other pooled investment vehicles and/or the distribution of interests in such funds or other vehicles
- B. Closely Related Businesses:
1. Any insurance-related business permitted to be conducted by a company under applicable regulatory authority and any other business which may only be conducted by companies regulated by the applicable insurance regulatory authorities
 2. Investment banking activities, including but not limited to the underwriting of securities and stock brokerage activities

EXHIBIT A3

ITT INDUSTRIES BUSINESS

1. Automotive Group
 - A. Scope of Business: Supplier of systems and components to automotive vehicle manufacturers worldwide and related automotive aftermarket products
 - B. Major Automotive Product/Service Groupings:
 1. Brake and Chassis Systems
 - (a) antilock brake systems and components
 - (b) traction control system and components
 - (c) chassis systems and components
 - (d) foundation brake system and components
 - (e) fluid handling systems and components
 - (f) shock absorbers
 - (g) brake activation systems and components
 - (h) friction products
 2. Body and Electrical Systems
 - (a) electric motors and motor controllers
 - (b) wiper system and components
 - (c) activator systems and components
 - (d) switches and lamps
 - (e) body hardware
 - (f) seat sub-systems
 - (g) precision die cast products
 - (h) structural stampings
 - (i) door systems and components
 - (j) air management systems and components
 - (k) modular chassis systems
 3. Front and Rear Corner Modules
 - (a) brake sub-systems and components
 - (b) suspension sub-systems and components
 - (c) bearings
 - (d) complete axle assemblies and sub-assemblies
 - (e) vehicle stability management systems and components
 - (f) steering systems and components
- II. Defense & Electronics Group
 - A. Scope of Business: Develop, manufacture and support high technology electronic systems and components specifically designed for military and defense application on a worldwide basis.
 - B. Major Products/Service Groupings for Military and Defense Application:
 1. communications systems, equipment, and components:
 - (a) military communications equipment;
 - (b) tactical radios and components;
 - (c) air traffic control radio equipment;
 - (d) networking equipment;
 - (e) air traffic control radio equipment;
 - (f) switches;
 - (g) military "Private Mobile Radio" equipment;
 - (h) communications software;
 - (i) wireless LANS;

- (j) tactical data systems and components;
 - (k) communications security devices and software;
 - (l) computer security products;
 - (m) INFOSEC products;
 - (n) biometric authentication products;
 - (o) speech and speaker recognition, identification and verification systems and components;
 - (p) communication intelligence workstation components and subsystems;
 - (q) language and dialect identification products;
 - (r) Communications-Navigation-Identification systems and components;
 - (s) secure voice/data communications systems and components;
 - (t) command and control systems and components;
 - (u) communications and signal intelligence systems and components;
 - (v) satellite payload systems and components;
 - (w) military "Personal Communications Services" radios
2. electronic warfare systems including:
 - (a) Advanced Threat Radar Jammer and components;
 - (b) Airborne Self-Protection Jammer and components;
 - (c) electronic countermeasures and counter-countermeasures systems and components;
 - (d) decoy systems and components;
 - (e) electro-optical and infrared systems and components;
 3. night vision devices incorporating image intensifiers including:
 - (a) infantrymen's night vision devices and components;
 - (b) aviator's night vision devices and components;
 - (c) image intensifier tubes;
 - (d) night vision weapon sights and components;
 - (e) special purpose photosensitive devices;
 - (f) vehicle mounted night vision devices and components;
 4. radar systems including:
 - (a) shipboard radars and components;
 - (b) air-traffic radars and components;
 - (c) coastal defense radars and components;
 - (d) transmit/receive modules;
 - (e) bistatic radar systems and components;
 5. space payload products including:
 - (a) navigation payloads;
 - (b) meteorological instruments;
 - (c) suites of meteorological and navigation instruments;
 - (d) RF/microwave/millimeter wave sensor systems and components;
 - (e) control segment integration software;
 6. navigation systems including:
 - (a) global positioning satellite systems and components;
 - (b) TACAN systems and components;
 - (c) tactical navigation systems and components;
 7. semiconductor IC devices:
 - (a) Gallium Arsenide integrated circuits;
 - (b) MMIC products;

- (c) RF products;
- (d) Silicon based integrated circuit semiconductor devices;

8. connectors and cable assemblies

C. Defense and Electronics Products for Commercial Application

- 1. night vision devices incorporating image intensifiers:
 - (a) personal image identifier night vision devices and components;
 - (b) commercial image intensifier tubes;
 - (c) vehicle-mounted image identifier night vision devices and components;
 - (d) Retinitis Pigmentosa image intensifier night vision devices and components;
- 2. Manufacture of Gallium Arsenide semiconductor IC devices and circuits
- 3. biometric authentication products
- 4. speech and speaker recognition, identification and verification systems and devices
- 5. language and dialect identification products
- 6. Security Access Control Systems for accessing computer systems having application in computer and financial networks
- 7. global positioning satellite products
- 8. connectors and cable assemblies
- 9. integrated circuit cards and components
- 10. switches

D. Services:

- 1. Gallium Arsenide discrete and integrated circuit design and foundry services.
- 2. System integration, engineering, maintenance and repair of radar systems, military and government communications and information systems, and electronic warfare systems.
- 3. Current principal business lines* of ITT Defense, Inc. and ITT Federal Services Corporation, including, but not limited to, management and operation of:
 - a. military base operations support, equipment and maintenance and training services;
 - b. U.S. Government Job Corps Program Centers, including administration, placement, recruiting and training;
 - c. space and missile support operations and facilities;
 - d. system integration engineering and management of satellite payloads;
 - e. commercial satellite launch facilities;
 - f. government and semi-government sponsored training services; and
 - g. other current businesses of ITT Federal Services Corporation.

*Any overlap or commonality with the businesses in ITT Destinations Business will coexist.

III. Fluid Technology Group

- A. Business: Engaged in the design, development, production, marketing and sale of products, systems and services used to move, handle, transfer, control and contain fluids. The principal markets are water and wastewater treatment, industrial and process, and construction. The other markets consist of chemical processing, pharmaceutical and biotech sectors, selected segments of oil and gas and mining markets, HVAC, commercial and leisure marine aerospace and power industry markets.
- B. Major Product/Service Products:
 - 1. Pump products including drivers, controllers, accessories and components thereof for use in the markets specified in IIIA above.
 - 2. Mixer products including drivers, controllers, accessories and components thereof for use in the markets specified in IIIA above.

3. Valve products including drivers, actuators and components thereof for use in the markets specified in IIIA above.
4. Instrument and control products including drivers, actuators, sensors, microprocessors, accessories and components thereof for use in the markets specified in IIIA above.
5. Regulators, transducers, seals including drivers, actuators, sensors, microprocessors, accessories and components thereof for use in the markets specified in IIIA above.
6. Boiler and condensate equipment and products including drivers, controllers, accessories and components thereof for use in the markets specified in IIIA above.
7. Switches including actuators, sensors, controllers, and components thereof for use in the markets specified in IIIA above.
8. Heat transfer products and components thereof for use in the markets specified in IIIA above.
9. Lighting and sanitary products and components thereof for use in markets specified in IIIA above.
10. Software programs for the selection and design of above specified products.

IV. Closely Related Businesses:

- A. Transportation Products: The design, manufacture, sale, marketing and servicing of OEM and aftermarket automotive, truck, train and other such transportation products.
- B. Fluid Products: The design, manufacture, sale, marketing and servicing of fluid handling products related to the types of products/service products set out in III B above.
- C. Military and Defense Products/Services: The design, manufacture, sale, marketing and servicing of products, systems and operations specially designed for the military and defense application.
- D. Components: The design, manufacture, sale, marketing and servicing of components consisting of connectors, cable assemblies, integrated circuit cards and components thereof, and switches.

EXHIBIT B

[ITT LOGO]

EXHIBIT C

ITT INDUSTRIES, INC. COMPANY NAMES

ITT Industries, Inc.
ITT Fluid Technology Division
ITT Flygt Limited (Australia)
ITT Aerospace Controls Division
ITT Controls and Instruments Division
ITT Fluid Technology International, Inc.
ITT Fluid Tech S.A. de C.V. (Mexico)
ITT Fluid Technology Asia Pte. Ltd. (Singapore)
ITT Fluid Transfer Division
ITT Flygt Corporation
ITT Flygt Ltd. (Japan)
ITT FTC Manufacturing Division
ITT Grindex U.S. Pump Division
ITT Automotive Inc.
ITT AES Enterprises, Inc.
ITT Automotive Electrical Systems, Inc.
ITT Automotive Division
ITT Autowize Distribution Centers, Inc.
ITT Hancock Industries, Inc.
ITT Higbie Manufacturing Co.
ITT Thompson Industries Inc.
ITT Industries of Canada Ltd.
ITT A-C Pump Canada Division
ITT Automotive Division
ITT Barton Instruments Division
ITT Cannon Division
ITT Engineered Valves-Canada Division
ITT Fluid Products Canada Division
ITT Flygt Division
ITT Standard Division
ITT Datacommunications Limited
ITT Defense & Electronics, Inc.
ITT Cannon, Inc.
ITT Cannon Division
ITT Pomona Division
ITT DCD Saudi Arabia, Inc.
ITT Defense, Inc.
ITT Aerospace Communications Division
ITT Avionics Division
ITT Defense Division
ITT Electro-Optical Products Division
ITT Gallium Arsenide Tech Center Division
ITT Gilfillan Division
ITT Semiconductors Division
ITT Defense International, Inc.
ITT Federal Services Corporation
ITT Antarctic Services Corporation
ITT Arctic Services Corporation
ITT Commercial Services Corporation

ITT Employment and Training Systems Corporation
ITT Federal Electric GmbH
ITT Federal Electric International Espana
ITT Federal Services Inc.
ITT Federal Services International Inc.
ITT Job Training Services Corporation
ITT Gilfillan Inc.
ITT Schadow Inc.
ITT Cannon, Ltd.
ITT Auto Hungary KFT
ITT Automotive Czech Republic
ITT Composants et Instruments
ITT Teves Division
ITT Flygt AB
ITT Flygt Ltd. (UK)
ITT Flygt A/S
ITT Flygt GmbH
ITT Flygt Ltd. (Ireland)
ITT Flygt B.V. (Netherlands)
ITT Flygt Kft. (Hungary)
ITT Flygt Sp. Z.O.O. (Poland)
ITT Flygt NV/SA (Belgium)
ITT Flygt SA (France)
ITT Flygt SPA (Italy)
ITT Flygt SV
ITT Automotive Europe
ITT Reiss International
ITT Automotive Italy
ITT Automotive Spain
ITT Industrie-Beteiligungs
ITT Cannon GmbH
ITT Flygt Pumpen GmbH
ITT Flygt Werk GmbH
Deutsche ITT Industries
Deutsche ITT Industries Unterstutzungs
ITT Semiconductors Far East
ITT Industries Limited
ITT Barton Division
ITT Cannon U.K. Division
ITT Defence Limited
ITT Defence U.K. Division
ITT Jabsco Ltd.
ITT Switches (UK) Limited
ITT Community Development Corporation
ITT Community Realty
ITT Land Corporation
ITT Industries Belgium
ITT Manufacturing Enterprises, Inc.
ITT Hancock de Mexico
ITT South Florida Development Corporation
ITT Transportation Distribution Services
ITT-Sheng JIA Automotive Electric Systems, Co., Ltd.
ITT Industries (China) Investment Company, Limited

EXHIBIT DI

ITT INDUSTRIES, INC. GUIDELINES
 PERMITTED MANNER OF
 USE ITT NAME

THE CORPORATE NAME

The corporate name includes the letters "ITT", which are licensed under the Trade Name and Trademark License Agreement to ITT Manufacturing Enterprises, Inc. ("ITT Enterprises") dated November 1, 1995. Under the terms of the Agreement, ITT Enterprises has certain rights to grant sublicenses to use the ITT Name (as defined therein) to its parent ITT Industries, Inc. and the ITT Industries' Subsidiaries (e.g., ITT Automotive, Inc.). These guidelines are provided to ensure proper use of "ITT" as part of the legal or corporate name and the popular or trade name in accordance with the terms of that Agreement.

There are two versions of the corporate name: the legal version and the popular version.

LEGAL OR CORPORATE NAME

The legal (or corporate) name of the parent corporation is "ITT Industries, Inc.". The legal names of all other ITT Industries, Inc. entities authorized to use the letters "ITT" are listed in Exhibit C to the Agreement. No abbreviations or other modifications of these names are permitted when use of the corporate name is required.

The applicable corporate name and relevant address is required on all letterheads and other documents that can create legal commitments or obligations with third parties, such as order forms, bills of sale, invoices, form contracts and agreements, sales brochures and the like. The corporate name of the parent may also be used on subsidiary letterheads and other forms when the words "ITT Industries, Inc." would aid in the communication and clarification of corporate parentage.

Under no circumstances should the ITT logo (ITT) be used as part of the company or trade name.

POPULAR NAME

The popular (or trade) name of the parent corporation is "ITT Industries". The popular (or trade) name of ITT Automotive, Inc., is "ITT Automotive". Similar adaptations may be applied to other divisions and subsidiaries of ITT Industries, Inc. "ITT" must not be used as the Popular or trade name. Again, no periods or abbreviations are used.

These popular (or trade) names may be used in all instances where the legal name of the corporation is not required.

TYPE FACE AND SIZE OF LEGAL AND POPULAR NAMES

When the letters "ITT" are used as part of the corporate or trade name, they must be set in the same type face as the other letters or words in the full name. The "ITT" portion of any such use must be separated from the remaining portion of the name by at least a normal "word space". The first letter of the words of the name, other than "ITT", must be of the same size as "ITT". Either all caps or upper and lower case may be used. Except in the case of text material where standard typefaces may be used, the lower case portion of the words must be at least two-thirds the size of the capital letters. Examples are as follows:

ITT INDUSTRIES
 ITT AUTOMOTIVE

ITT INDUSTRIES
 ITT AUTOMOTIVE

USE OF THE ITT NAME IN TEXT

Standard formats for letterheads, envelopes, and business cards are discussed below. The examples represent the relationships between ITT Industries and its subsidiaries, divisions, and operations in the clearest, simplest, most straightforward manner. It is preferable to identify the relevant corporate legal entity on the upper right of a letterhead, but if necessary the placement may be varied so long as the corporate entity is readily identifiable.

The ITT Logo or ITT Industries Design Mark should not be used in text to indicate corporate identity, e.g.

Correct: Now, ITT Industries initiative has eliminated the problem.

Wrong: Now, ITT Industries initiative has eliminated the problem.

The ITT name or logo should never be used as part of a coined word.

Correct: RELIABILITY from ITT Industries

Wrong: RELIABILITTY from ITT Industries

Correct: ITT INDUSTRIES COMMITMENT

Wrong: CommITTment of ITT Industries

The ITT Logo and the ITT Industries Design Mark are trademarks that must be used as specified in the applicable Graphic Standards Manuals. Those Logos (or any portion thereof) should never be used to replace the letters "ITT" in an official corporate or popular name:

Correct: ITT Industries, Inc.

Wrong: ITT Industries, Inc.

Correct: ITT Name Division

Wrong: ITT Name Division

Correct: ITT Name Corporation

Wrong: ITT Name Corporation

Under no circumstances should a corporate or popular name be set in a typeface that looks similar to that of the ITT Logo or the ITT Industries Design Mark.

TITLES

Business cards and items that include the ITT Name must use the applicable full entity name listed in Exhibit C to the Agreement.

PROPER CORPORATE NAME AND LOGO PLACEMENT

The unit name may be placed beneath the ITT Logo or ITT Industries Design Mark where necessary due to space requirements.

In connection with the types of usage referenced above, when ITT is part of a unit's name, the ITT Logo or ITT Industries Design Mark should be placed at the opposite end of the signature for better visual presentation.

CONFLICTING TRADEMARK OR LOGOTYPES

Never connect the ITT Logo or the ITT Industries Design Mark with a unit name or the ITT Name in such a manner as to create a new combination.

SIZE RELATIONSHIP WITH LOGOS

When the ITT Logo is used with a subsidiary, division or operation name, the capital letters in such unit names should never be larger than two-thirds the height of the Logo.

*The ITT Logo has been used in these Guidelines for illustrative purposes.

EXHIBIT E

ITT INDUSTRIES MAJOR SUBSIDIARIES

Automotive, Inc.
Flygt Holdings Pty Limited
ITT Canada Limited
ITT Defense & Electronics, Inc.
ITT Industries Limited
ITT Automotive Europe

EXHIBIT F

SUBLICENSEE ACKNOWLEDGEMENT AND AGREEMENT

SUBLICENSEE ACKNOWLEDGEMENT AND AGREEMENT ("Agreement") dated as of _____ between _____, a _____ ("ITT Enterprises Sublicensee"), ITT Manufacturing Enterprises, Inc., a Delaware corporation ("ITT Enterprises") with a principal address at 1105 North Market Street, Suite 1217, Wilmington, Delaware 19801, and ITT Corporation, a Nevada corporation ("ITT Corporation") with a principal address at 1330 Avenue of the Americas, New York, New York 10019 (the "Parties").

WHEREAS, ITT Corporation is the owner of the company and trade name "ITT" and the trademark and service mark "ITT", and of all rights worldwide in such name and marks and the goodwill associated therewith;

WHEREAS, ITT Corporation is the owner of a Trade Name and Trademark License Agreement dated _____ with ITT Enterprises ("License Agreement"), which License Agreement is the sole source of rights for ITT Enterprises to use and to grant sublicensees to use the ITT Name and Marks (as defined in the License Agreement);

WHEREAS, ITT Enterprises Sublicensee is desirous of obtaining from ITT Enterprises the right to use one or more of the ITT Name and/or Marks and ITT Enterprises is willing to grant such rights to ITT Enterprises Sublicensee under Section 2.03 of the License Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual acknowledgements, agreements and covenants herein, the Parties hereto hereby agree as follows:

1. ITT Enterprises has determined that ITT Enterprises Sublicensee qualifies as an ITT Enterprises Sublicensee, as that term is defined in Section 1.01(v) of the License Agreement.

2. ITT Enterprises has prepared a written agreement pursuant to which ITT Enterprises Sublicensee is to be granted the right to use certain of the ITT Name and Marks ("Sublicense") as more fully set forth in said Sublicense.

3. ITT Enterprises and ITT Enterprises Sublicensee acknowledge that the ITT Enterprises Sublicensee requires ITT Enterprises Sublicensee to comply with and observe the terms and conditions of the License Agreement, and ITT Enterprises Sublicensee covenants that it has read, understands and will comply with those terms and conditions.

4. ITT Enterprises Sublicensee acknowledges its obligation to ITT Corporation to comply with the terms and conditions of the License Agreement, and acknowledges that ITT Enterprises and its parent ITT Industries, Inc., is guaranteeing to ITT Corporation ITT Enterprises Sublicensee's performance of those terms and conditions.

5. ITT Enterprises Sublicensee further acknowledges that the rights granted to it under the Sublicense are 1) personal, non-assignable, non-transferable; 2) do not include the right to grant sublicenses, and 3) may be restricted or terminated pursuant to the terms of the License Agreement.

6. ITT Corporation acknowledges ITT Enterprises Sublicensee's rights under the Sublicense, subject to the terms and conditions of the License Agreement and subject to this Agreement.

[ITT Enterprises Sublicensee]

By: -----
Name: -----
Title: -----

Date: -----

ITT MANUFACTURING
ENTERPRISES, INC.

By: -----
Name: -----
Title: -----

Date: -----

ITT CORPORATION

By: -----
Name: -----
Title: -----

Date: -----

ITT INDUSTRIES, INC.

By: -----
Name: -----
Title: -----

Date: -----

ITT INDUSTRIES

ENHANCED SEVERANCE PAY PLAN

1. PURPOSE

The purpose of this ITT Industries Enhanced Severance Pay Plan ("Plan") is to assist in occupational transition by providing Severance Benefits, as defined herein, for employees covered by this Plan whose employment is terminated under conditions set forth in this Plan within two years after an Acceleration Event, as defined herein.

2. COVERED EMPLOYEES

Covered employees under this Plan ("Employees") are full-time, regular salaried employees of ITT Industries, Inc. ("ITT Industries") and of any subsidiary company ("ITT Industries Subsidiary") (collectively or individually as the context requires "Company") who are United States or Canadian citizens, or who are employed in the United States or Canada, whose primary employment location is at ITT Industries Headquarters, White Plains, New York (and satellite locations, including, without limitation, Allentown, Pennsylvania, Secaucus, New Jersey and Washington, D.C.); ITT Automotive Headquarters, Auburn Hills, Michigan who are worldwide staff whose primary responsibility is in support of all ITT Automotive Business Units; Mississauga, Ontario, Canada whose primary responsibility is in support of all of ITT Industries of Canada Ltd.; ITT Defense and Electronics, McLean, Virginia; and ITT Fluid Technology Corporation, Midland Park, New Jersey at any time within the two year period immediately preceding the Employee's termination of employment (other than executives covered by the ITT Industries Special Senior Executive Severance Pay Plan) and such other employees of the Company who shall be designated as covered employees thereunder by the Chief Executive or the Senior Vice President, Director-Human Resources of ITT Industries or a designee of such officers ("Authorized Officers or Designees"). No person who is employed on a temporary, occasional or seasonal basis is eligible under this Plan.

After the occurrence of an Acceleration Event, the terms "ITT Industries", "ITT Industries Subsidiary" and "Company" as used herein shall also include, respectively and as the context requires, any successor company to ITT Industries or any successor company to any ITT Industries Subsidiary and any affiliate of any such successor company.

3. DEFINITIONS

An "ACCELERATION EVENT" shall occur if (i) a report on Schedule 13D shall be filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934 (the "Act") disclosing that any person (within the meaning of Section 13(d) of the Act), other than ITT Industries or a subsidiary of ITT Industries or any employee benefit plan sponsored by ITT Industries or a subsidiary of ITT Industries, is the beneficial owner directly or indirectly of twenty percent or more of the outstanding Common Stock, \$1 par value, of ITT Industries (the "Stock"); (ii) any person (within the meaning of Section 13(d) of the Act), other than ITT Industries or a subsidiary of ITT Industries, or any employee benefit plan sponsored by ITT Industries or a subsidiary of ITT Industries, shall purchase shares pursuant to a tender offer or exchange offer to acquire any Stock of ITT Industries (or securities convertible into Stock) for cash, securities or any other consideration, provided that after consummation of the offer, the person in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of fifteen percent or more of the outstanding Stock of ITT Industries (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire Stock); (iii) the stockholders of ITT Industries shall approve (A) any consolidation or merger of ITT Industries in which ITT Industries is not the continuing or surviving corporation or pursuant to which shares of Stock of ITT Industries would be converted into cash, securities or other property, other than a

merger of ITT Industries in which holders of Stock of ITT Industries immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before, or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of ITT Industries, or (iv) there shall have been a change in a majority of the members of the Board of Directors of ITT Industries within a 12-month period unless the election or nomination for election by ITT Industries' stockholders of each new director during such 12-month period was approved by the vote of two-thirds of the directors then still in office who were directors at the beginning of such 12-month period.

"CAUSE" shall mean action by the Employee involving willful malfeasance or gross negligence or the Employee's failure to act involving material nonfeasance that would tend to have a materially adverse effect on the Company. No act or omission on the part of the Employee shall be considered "willful" unless it is done or omitted in bad faith or without reasonable belief that the action or omission was in the best interests of the Company.

"GOOD REASON" shall mean (i) without the Employee's express written consent and excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company or its affiliates promptly after receipt of notice thereof given by the Employee, (A) a reduction in the Employee's annual base salary or annual bonus or service recognition award (as measured by the highest bonus or highest service recognition award paid or awarded, in respect of the three calendar years preceding an Acceleration Event, including, among the bonuses and service recognition awards taken into account for this purpose, any bonus or service recognition award paid or awarded by reason of an Acceleration Event, without regard to whether such bonus or service recognition award is paid during such three year period or after an Acceleration Event) or any reduction in any material compensation or benefits arrangement, (B) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, or (C) any other action by the Company or its affiliates which results in a diminution in such position, authority, duties or responsibilities; (ii) without the Employee's express written consent, the Company's requiring the Employee's work location to be other than within twenty-five (25) miles of the location where such Employee was principally working immediately prior to the Acceleration Event; or (iii) any failure by the Company to obtain the express written assumption of this Plan from any successor to the Company.

"ENHANCED SEVERANCE PERIOD" shall mean the period, expressed in weeks, equal to the sum of (x) two times the normal severance pay or termination pay period of weeks for the Employee, determined as if the Employee were an employee of the same grade, and having the same years of service, covered by and eligible for the severance pay or termination pay plans or policies at ITT Industries Headquarters, White Plains, New York, as in effect immediately preceding an Acceleration Event and (y) four weeks (in lieu of notice of termination), provided that the Enhanced Severance Period shall not exceed 104 weeks.

"ENHANCED WEEK'S PAY" shall mean the sum of (x) the highest annual base salary rate paid to the Employee at any time during the three year period immediately preceding the Employee's termination of employment and (y) the highest annual bonus or service recognition award paid or awarded to the Employee in respect of the three years preceding an Acceleration Event, including, among the bonuses and service recognition awards taken into account for this purpose, any bonus or service recognition award paid or awarded by reason of an Acceleration Event, without regard to whether such bonus or service recognition award is paid during such three year period or after an Acceleration Event, divided by 52 weeks.

4. SEVERANCE BENEFITS UPON TERMINATION OF EMPLOYMENT

If, within two years after an Acceleration Event, the Company terminates the employment of a Employee other than for Cause or if the Employee terminates his or her employment for Good Reason, he or she shall receive the severance benefits set forth in Section 5 hereof ("Severance Benefits"). For

purposes hereof, a determination by an Employee that he or she has "Good Reason" hereunder shall be final and binding on the parties hereto absent a showing of bad faith on the Employee's part.

5. SEVERANCE BENEFITS

Severance Benefits for Employees:

- Severance Pay -- The number of weeks of the Employee's Enhanced Severance Period times the Employee's Enhanced Week's Pay.

- Benefits

- Continued health and life insurance benefits for a period equal to the Employee's Enhanced Severance Period following the Employee's termination of employment at the same cost to the Employee, and at the same coverage levels, as provided to the Employee (and the Employee's eligible dependents) immediately prior to his or her termination of employment.

- Payment of a lump sum amount ("Pension Lump Sum Amount") equal to the difference between (i) the total lump sum value of the Employee's pension benefit under the ITT Industries Salaried Retirement Plan and, as applicable, ITT Industries Excess Pension Plan II (or corresponding pension arrangements (i) outside the United States or (ii) as may be designated by an Authorized Officer or Designee) ("Pension Plans") as of the Employee's termination of employment and (ii) the total lump sum value of the Employee's pension benefit under the Pension Plans after crediting to the Employee an additional number of weeks of age equal to the Employee's Enhanced Severance Period and an additional number of weeks of eligibility and benefit service equal to the Employee's Enhanced Severance Period and applying the highest annual base salary rate and highest bonus or service recognition award determined above under "Enhanced Week's Pay" with respect to the additional period of service so credited for purposes of determining Final Average Compensation under the Pension Plans. The above total lump sum values shall be determined in the manner provided in the Excess Pension Plans of the Company for determination of lump sum benefits upon the occurrence of an Acceleration Event, as defined in said Plans. This provision shall apply to any Employee having a pension benefit under any of the Pension Plans as of the Employee's termination of employment.

- Crediting of an additional number of weeks of age equal to the Employee's Enhanced Severance Period and an additional number of weeks of eligibility service equal to the Employee's Enhanced Severance Period for purposes of the Company's retiree health and retiree life insurance benefits. This provision shall apply to any Employees covered under such benefits any time during the three year period immediately preceding the Employee's termination of employment.

- Payment of a lump sum amount ("Savings Plan Lump Sum Amount") equal to the number of weeks of the Employee's Enhanced Severance Period times the following amount: the highest annual base salary rate determined above under "Enhanced Week's Pay", divided by 52 weeks, times the highest percentage rate of Company Contributions (not to exceed 3 1/2%) with respect to the Employee under the ITT Industries Investment and Savings Plan for Salaried Employees and/or the ITT Industries Excess Savings Plan (or corresponding savings plan arrangements (i) outside the United States or (ii) as may be designated by an Authorized Officer or Designee) ("Savings Plans") (including matching contributions and floor contributions) at any time during the three year period immediately preceding the Employee's termination of employment. This provision shall apply to any Employee who is a member of any of the Savings Plans at any time during such three year period.

- Outplacement -- Outplacement services for one year.

With respect to the provision of benefits during the above period equal to the Employee's Enhanced Severance Period, if, for any reason at any time the Company is unable to treat the Employee as being eligible for ongoing participation in any Company employee benefit plans in

existence immediately prior to the termination of employment of the Employee, and if, as a result thereof, the Employee does not receive a benefit or receives a reduced benefit the Company shall provide such benefits by (i) direct payment to the Employee of the amounts the Employee would have received from such benefit plan had the Employee continued to be eligible or (ii) at the Company's option, making available equivalent benefits from other sources.

6. FORM OF PAYMENT OF SEVERANCE PAY AND LUMP SUM PAYMENTS

Severance Pay shall be paid in cash, in a non-discounted lump sum within five business days after the date the employment of the Employee terminates. The Pension Lump Sum Amount and the Savings Plan Lump Sum Amount shall be paid in cash within thirty calendar days after the date the employment of the Employee terminates.

7. TERMINATION OF EMPLOYMENT FOR CAUSE

The only basis upon which the Severance Benefits shall not be provided to an Employee terminated by the Company within two years after an Acceleration Event is upon a termination of employment for Cause, as defined herein.

8. ADMINISTRATION OF PLAN

This Plan shall be administered by ITT Industries, who shall have the exclusive right to interpret this Plan, adopt any rules and regulations for carrying out this Plan as may be appropriate and decide any and all matters arising under this Plan, including but not limited to the right to determine appeals. Subject to applicable Federal and state law, all interpretations and decisions by ITT Industries shall be final, conclusive and binding on all parties affected thereby.

Notwithstanding the preceding paragraph, following an Acceleration Event, any controversy or claim arising out of or relating to this Plan, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules and the entire cost thereof shall be borne by the Company. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The Company shall pay all legal fees, costs of litigation, prejudgment interest, and other expenses which are incurred in good faith by the Employee as a result of the Company's refusal to provide any of the Severance Benefits to which the Employee becomes entitled under this Plan, or as a result of the Company's (or any third party's) contesting the validity, enforceability, or interpretation of this Plan, or as a result of any conflict between the Employee and the Company pertaining to this Plan. The Company shall pay such fees and expenses from the general assets of the Company.

9. TERMINATION OR AMENDMENT

ITT Industries may terminate or amend this Plan ("Plan Change") at any time except, that following an Acceleration Event, no Plan Change that would adversely affect any Employee may be made without the prior written consent of such Employee affected thereby.

10. OFFSET

Any Severance Benefits provided to an Employee under this Plan shall be offset by reducing (x) any Severance Pay hereunder by any severance pay, salary continuation pay, termination pay or similar pay or allowance and (y) any other Severance Benefits hereunder by corresponding employee benefits, or outplacement services, which the Employee receives or is entitled to receive, (i) pursuant to any other Company policy, practice, program or arrangement; (ii) pursuant to any Company employment agreement or other agreement with the Company; or (iii) by virtue of any law, custom or practice excluding, however, any unemployment compensation in the United States, unless the Employee voluntarily expressly waives (which the Employee shall have the exclusive right to do) in writing any such respective entitlement.

11. EXCISE TAX

In the event that it shall be determined that any payment or distribution by the Company to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise, but determined without regard to any additional payments required under this paragraph 11, such payments or distributions being referred to herein as "Payments") would give rise to liability of the Employee for the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended (the "Code"), or that any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (the "Gross-Up Payment") in an amount such that after payment by the Employee of all Federal, state and local taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income and employment taxes (and any interest and penalties imposed with respect to such taxes) and Excise Tax imposed upon the Gross-Up Payment, the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. For this purpose, the Employee shall be deemed to be in the highest marginal rate of Federal, state and local taxes. This payment shall be made as soon as possible following the date of the Employee's termination of employment, but in no event later than thirty calendar days of such date.

In the event the Gross-Up Payment shall fail to make the Employee whole on an after-tax basis, the Gross-Up Payment shall be recalculated ("Recalculated Gross-Up Payment"), using the Employee's actual effective tax rate, once it is known for the calendar year in which the Gross-Up Payment is made, and the Company shall reimburse the Employee for the full amount of any amount by which the Recalculated Gross-Up Payment exceeds the Gross-Up Payment ("Additional Gross-Up Payment").

The Gross-Up Payment and any Additional Gross-Up Payment shall be paid out of the general assets of the Company.

In the event the Internal Revenue Service subsequently adjusts the excise tax computation herein described, the Company shall reimburse the Employee for the full amount necessary to make the Employee whole on an after-tax basis (less any amounts received by the Employee that the Employee would not have received had the computations initially been computed as subsequently adjusted), including the value of any underpaid excise tax, and any related interest and/or penalties due to the Internal Revenue Service.

12. MISCELLANEOUS

The Employee shall not be entitled to any notice of termination or pay in lieu thereof except as included as part of Severance Pay as provided herein.

In cases where Severance Benefits are provided under this Plan, pay in lieu of any unused current year vacation entitlement will be paid to the Employee in a lump sum, in cash within five business days after the date the employment of the Employee terminates.

Severance Benefits under this Plan are paid entirely by the Company from its general assets.

This Plan is not a contract of employment, does not guarantee the Employee employment for any specified period and does not limit the right of the Company to terminate the employment of the Employee at any time.

If an Employee should die while any amount is still payable to the Employee hereunder had the Employee continued to live, all such amounts shall be paid in accordance with this Plan to the Employee's designated heirs or, in the absence of such designation, to the Employee's estate.

The numbered section headings contained in this Plan are included solely for convenience of reference and shall not in any way affect the meaning of any provision of this Plan.

If, for any reason, any one or more of the provisions or part of a provision contained in this Plan shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Plan not held so invalid, illegal or unenforceable, and each other provision or part of a provision shall to the full extent consistent with law remain in full force and effect.

13. ADOPTION DATE

This Plan was adopted by ITT Industries on April 15, 1997 ("Adoption Date") and does not apply to any termination of employment which occurred or which was communicated to the Employee prior to the Adoption Date.