

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

Date of Report - August 5, 1998
(Date of earliest event reported)

ALLIEDSIGNAL INC.
(Exact name of Registrant as specified in its Charter)

Delaware 001-08974 22-2640650
(State or other (Commission File Number) (I.R.S. Employer
jurisdiction Identification Number)
of incorporation)

101 Columbia Road, P.O. Box 4000, Morristown, New Jersey 07962-2497
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (973) 455-2000

ITEM 5. OTHER EVENTS.

On August 4, 1998, AlliedSignal Inc. announced its intention to commence, within five business days, a tender offer for all of the outstanding shares of AMP Incorporated at \$44.50 per share or approximately \$9.8 billion in the aggregate.

ITEM 7. EXHIBITS.

Exhibit No. Description
- - - - -

- 99.1 Text of Press Release, dated August 4, 1998, issued by AlliedSignal Inc.
- 99.2 Presentation to Analysts, August 4, 1998, used by AlliedSignal Inc. related to the proposed merger.
- 99.3 Complaint, dated August 4, 1998, filed in the United States District Court for the Eastern District of Pennsylvania by AlliedSignal Corporation regarding AlliedSignal Corporation v. AMP, Inc. (C.A. No. 98-CV-4058).

SIGNATURE

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 hereunto duly authorized.

Date: August 5, 1998

AlliedSignal Inc.
(Registrant)

By: /s/ Richard F. Wallman

Richard F. Wallman
Senior Vice President and
Chief Financial Officer

Exhibit Index

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Contact: Mark Greenberg
(973) 455-5445

AlliedSignal Offers \$9.8 Billion, Or \$44.50 Per Share, For AMP Incorporated

MORRIS TOWNSHIP, New Jersey, August 4, 1998 -- AlliedSignal Inc. (NYSE: ALD) said today that it intends to commence a tender offer for all of the approximately 220 million outstanding shares of AMP Incorporated (NYSE: AMP) at \$44.50 per share in cash, a premium of more than 55%.

The offer will commence within the next five business days. The AlliedSignal Board of Directors has unanimously approved the offer.

AlliedSignal Chairman and Chief Executive Officer Larry Bossidy said, "We are announcing this offer after our requests for discussions were ignored by AMP management.

"We are confident the combination of the two companies can achieve substantial benefits for all concerned, and we have made an effort to meet with AMP management in order to outline these benefits in friendly discussions. Their failure to respond thus far should not prevent us from working together to achieve these benefits as quickly as possible.

"Let me be clear. AlliedSignal prefers to conclude a negotiated transaction with AMP, and we are prepared to be flexible with respect to the nature and amount of consideration and the terms and conditions of an agreement.

"However, we are also determined that this process now go forward. If AMP is not responsive to our offer, we are prepared to initiate a consent solicitation to elect a majority of the directors of the Company who will be responsive to our proposal and the delivery of value to AMP shareowners. We are commencing litigation in Federal District Court for the Eastern District of Pennsylvania to assure that AMP shareowners will not be denied the opportunity to receive, consider and act upon our offer.

"AlliedSignal will bring a well managed, larger, financially stronger, more diverse company together with AMP at a crucial time. This combination will address positively all of the considerations that AMP's management and Board must evaluate under Pennsylvania law to ensure the combination will be advantageous to all their stakeholders.

"In particular, we can offer employees a wide range of career opportunities and the benefit of world class education programs. This is of great advantage when a company is going through the kind of adjustments that AMP is experiencing, including the recent Pennsylvania plant closings and layoffs announced by AMP.

"AlliedSignal has annual revenues of \$15 billion, with operations in the aerospace, engineered materials and automotive industries. With 26 consecutive quarters of earnings growth of 14% or more, AlliedSignal has demonstrated its ability to achieve growth on a consistent basis.

"Since we began our Six Sigma program more than six years ago, our earnings per share have grown at a compound average annual rate of 21% and our market value has grown more than six-fold, from less than \$4 billion to more than \$25 billion. The combination of the two companies will assure that AMP has the management and financial support necessary to achieve long-term success in its business. For AlliedSignal shareowners, AMP will represent a significant new business that will better position us to achieve our objective of consistent earnings growth."

AlliedSignal stated that financing for its offer is available.

The tender offer will be subject to customary terms and conditions. This news release does not constitute an offer to purchase any securities, nor solicitation of a proxy, consent or authorization for or with respect to a meeting of the shareowners of AlliedSignal Inc. or AMP or any action in lieu of a meeting. Any solicitations will be made only pursuant to separate materials in compliance with the requirements of applicable federal and state securities laws.

AlliedSignal is an advanced technology and manufacturing company serving customers worldwide with aerospace and automotive products, chemicals, fibers, plastics and advanced materials. The company employs 70,500 people worldwide. AlliedSignal is a component of the Dow Jones Industrial Average and Standard and Poor's 500 Index, and it is included in

Fortune magazine's lists of the "Most Admired Companies" and "Best Places to Work." Additional information on the company is available on the World Wide Web at <http://www.alliedsignal.com/>.

This release contains forward-looking statements as defined in Section 21E of the Securities Exchange Act of 1934, including statements about future business operations, financial performance and market conditions. Such forward-looking statements involve risks and uncertainties inherent in business forecasts.

A NEW SEGMENT

Why? More Diversity - Ability to Deliver
Consistent Earnings Growth

Characteristics of Search:

- - Strong Fundamental Growth
- - Good Margins
- - Not Capital Intensive
- - Leadership Position
- - Manufacturing and Technology Base

Broadening Our Portfolio Makes Sense

AMP OVERVIEW

Businesses

[SEVEN PHOTOS OF ELECTRICAL
CONNECTION DEVICES]

Electrical Connection Devices for
the Following Industries:

- Consumer & Industrial
- Telecommunications
- Automotive
- Personal Computers

1998 Statistics

Sales	\$5.4B
Op. Margins	~9%
EPS	\$1.50
Market Cap	~6.5B

Strengths

- Leading Market Position
- Global
- Diverse Markets
- Strong Technical Capabilities

World's Leading Manufacturer of Electrical & Electronic Connection Devices

TERMINALS & CONNECTORS ("T&C") MARKET
Industry Growth Rate

\$25B Market

5 Year Average - 9%

[BAR GRAPH SHOWING INDUSTRY GROWTH RATE]

1994 - 13%
1995 - 17%
1996 - 5%
1997 - 8%
1998 - 4%

Source: Bishop & associates, inc.

Large Growing Industry

TERMINALS & CONNECTORS INDUSTRY

Sales by Industry

[PIE GRAPH SHOWING SALES BY INDUSTRY]

Industrial & Consumer - 45%
Computer/Peripherals - 25%
Telecom - 15%
Automotive - 15%

Sales by Region

[PIE GRAPH SHOWING SALES BY REGION]

North America - 38%
Asia - 30%
Europe - 26%
ROW - 6%

\$25B Market

- Value Added Market an Additional \$25B - \$30B

Diverse And Global

AMP'S SHARE OF T&C SALES

[BAR GRAPH SHOWING EACH COMPANY'S SHARE OF
TERMINAL AND CONNECTOR SALES]

AMP	20%
Molex	6%
Framatome	4%
Berg	3%
Thomas & Betts	3%
Amphenol	3%
3M	3%

Leading Global Position In Fragmented Market

AMP'S REVENUE COMPOSITION

1998 = \$5.4B

Sales by Industry

- -----

[PIE GRAPH SHOWING SALES
BY INDUSTRY]

Consumer & Industrial - \$1.6B
Automotive - \$1.4B
Telecom - \$1.4B
Personal Computer - \$1.0B

Sales by Region

- -----

[PIE GRAPH SHOWING SALES
BY REGION]

Americas - 50%
Europe - 30%
Asia/Pacific - 20%

- 77% T&C; 14% Value Added; 9% M/A - Com
- Over 15,000 Patents Issued or Pending
- 90,000 Customers in 145 Countries

Wide Range Of Product Offerings To Diverse Industries

AMP OPPORTUNITIES

Peer Revenue Comparison

 (1998 Projected Growth)

[BAR GRAPH SHOWING
 A COMPARISON OF AMP'S
 PROJECTED 1998 GROWTH WITH
 THOSE OF OTHER COMPANIES]

AMP	(5.8%)		Peer Group Margins		

Amphenol	3%		1994	1998	Chg.
			----	----	----
Berg	5%				
		AMP	16.1%	9.4%	(6.7 pts)
Molex	6%	Peer Avg.	12.1%	14.6%	+2.5 pts
Thomas & Betts	8%	Amphenol	15.0%	17.0%	+2.0 pts
Peer Avg.	5.5%	Molex	16.3%	16.3%	--
		Thomas & Betts	9.4%	12.5%	+3.1pts
		Berg	7.8%	12.6%	+4.8pts

Underperforming Its Peers

AMP OPPORTUNITIES
Market Value (\$B)

[LINE GRAPH COMPARING THE MARKET CAPITALIZATION OF AMP TO THE SUM OF THE MARKET CAPITALIZATIONS OF ITS INDUSTRY PEERS AT THREE MONTH INTERVALS BEGINNING JUNE 1996 AND ENDING JUNE 1998 (ALL DOLLAR AMOUNTS ARE APPROXIMATE). THE GRAPH ALSO INCLUDES THE COMPOUND ANNUAL GROWTH RATES OF AMP (-13%) AND OF THE SUM OF ITS INDUSTRY PEERS (11%) OVER THE SAME PERIOD.]

Peer Group	6.6B	7.5B	7.9B	7.6B	9.3B	10.8B	10.1B	10.1B	8.1B
AMP	8.8B	8.5B	8.4B	7.6B	9.2B	11.8B	9.3B	9.6B	6.6B
	6/96	9/96	12/96	3/97	6/97	9/97	12/97	3/98	6/98

Market Recognizes Need For Change

ALD PERFORMANCE

Earnings Per Share

- - - - -

[LINE GRAPH SHOWING GROWTH IN ACTUAL EARNINGS PER SHARE FOR 1992 THROUGH 1997, INCLUDING AN ESTIMATE FOR 1998. EARNINGS PER SHARE IS EXPECTED TO INCREASE FROM \$0.96 IN 1992 TO APPROXIMATELY \$2.30 TO \$2.34 IN 1998.]

Market Value

- - - - -

[LINE GRAPH COMPARING ALD'S MARKET VALUE GROWTH VS. THE S&P 500 MARKET VALUE GROWTH FOR 1990 TO 1998. OVER THIS PERIOD, ALD'S MARKET VALUE HAS INCREASED SIX FOLD FROM \$4 BILLION \$25 BILLION WHILE THE MARKET VALUE OF THE S&P 500 HAS INCREASED 3.4 FOLD.]

26 Qtrs of 14%+ Growth

Consistency Drives Market Value

ALD PRODUCTIVITY PERFORMANCE

Total Productivity

[LINE GRAPH SHOWING TOTAL PRODUCTIVITY AND THE BREAK-DOWN BETWEEN GROWTH PRODUCTIVITY AND COST PRODUCTIVITY FROM 1992 TO 1997.]

Total Productivity

Average 5.9%

Since '92

Cost Productivity

[GRAPH SHOWING THE COMPONENTS OF COST PRODUCTIVITY FROM 1992 TO 1997. IN 1992, CENSUS, REPOSITIONING AND MATERIAL SAVINGS COMPRISED MOST OF COST PRODUCTIVITY. OVERTIME COST PRODUCTIVITY HAS INCREASINGLY COME FROM SIX SIGMA SAVINGS COMPARED TO CENSUS, REPOSITIONING AND MATEIRAL SAVINGS.]

	1990	1998	
	----	----	
Sales/Employees	\$117K	\$200K	[UP ARROW] 71%
Suppliers	[MORE THAN] 10,000	[LESS THAN] 3,000	[DOWN ARROW] 70%

Proven Record Of Productivity

ALD SIX SIGMA JOURNEY

Manufacturing Quality vs. COPQ

[LINE GRAPH SHOWING IMPROVEMENT
IN THE DEFECT RATE OF MANUFACTUR-
ING PROCESSES FROM 1992 (2 SIGMA)
TO 1998 (4+SIGMA), RESULTING IN
COST SAVINGS OF \$2 BILLION OVER
THAT PERIOD.]

ALD Operating Margins

[LINE GRAPH SHOWING ALD OPERATING
MARGINS INCREASING FROM 5% IN 1991
TO 13% IN 1998, AN INCREASE OF 800
BASIS POINTS]

Significant Progress, Trained Resources

ESTIMATED MARGIN IMPROVEMENT

[BAR GRAPH]

	AMP				
	\$4.2B	\$5.4B	+8% Sales Growth After 1999	\$6.5B	
Op. Income	15%	9%		18%	Cost Takeout
	\$630M	\$495M		\$1170M	
SG&A	18%	21%	- Corporate Overhead	17%	\$185M
	\$760M	\$1130M	- Shared Services	\$1105M	
Cost of Goods Sold	67%	70%	- Six Sigma/Productivity	65%	\$280M
	\$2810M	\$3775M	- Purchasing	\$4225M	
			- Plant Rationalization		
	1993-1995	1998		2001	
	AVG				

Growth & Productivity Will Improve Margins
Beyond Historic Level

AMP OPERATING MARGIN EXPANSION

[BAR GRAPH SHOWING AN ACTUAL AND
PROJECTED OPERATING MARGIN EXPANSION]

				Productivity & Synergies	
15%	9%	+2%	+4%	+3%	18%
'93 - '95 Average	1998	Volume/ Price	Manufacturing Productivity	Corporate Overhead & Shared Svcs.	2001

Growth & Productivity Will Improve Margins
Beyond Historic Levels

ALD AND AMP

What AMP Brings to ALD

- - High Growth Industry
- - Industry Leadership
- - Global
- - Product Differentiation
- - Technological Leadership

What ALD Brings to AMP

- Strong Management Team
- Productivity
- Six Sigma
- Size and Scale
- Financial Consistency

Ideal Combination

ALD AND AMP - \$21B
1998 Pro-Forma

[PIE GRAPH]

Connectors	\$5.4
Spec Chem & Electronic Solutions	\$2.4
Performance Polymers	\$2.0
Aerospace Systems	\$4.9
Transportation Products	\$2.5
Turbine Technologies	\$3.9

- - Broad Product Offering	- High Growth
- - Diverse Customer Base	- High Margin Businesses
- - Globally Positioned	- Consistency

Breadth Of Products And Geographical Diversity Drives Consistency

THE DEAL STRUCTURE

- - Cash Tender - \$44.50 Per Share
- - Funded by:
 - Debt
 - Internally Generated Cash Flow
 - Asset Sales
 - Secondary Equity Offering
- - Anticipated Closing - 12/31/98

Funding Available

EARNINGS PER SHARE

[BAR GRAPH SHOWING THE OVERALL POSITIVE PROJECTED EFFECTS OF EACH OF ALD'S BUSINESS GROWTH, THE ADDITION OF THE AMP BUSINESS, THE LOSS OF GOODWILL, THE LOSS DUE TO FINANCING AND THE GAINS ON DISPOSITIONS ON THE EARNINGS PER SHARE OF A COMBINED ALD/AMP]

				Equity ----- Debt			
\$2.30 - \$2.34	+\$0.30 - \$0.35	+\$0.83	-\$0.32	-\$0.78	+\$0.27	\$2.60 - \$2.65	
1998	ALD Business Growth	AMP Business	Goodwill	Financing	Gains on Dispositions	1999	

[LINE GRAPH SHOWING A COMPARISON OF THE PROJECTED GROWTH RATE OF EARNINGS PER SHARE OF ALD AND THE COMBINED ALD/AMP FROM 1998 TO 2001]

		Combined Includes Disposition Gains		
ALD	\$2.30 - \$2.34	13%	15%	15%
COMBINED	\$2.30 - \$2.34	13%	15%	18%
	1998	1999	2000	2001

No Net Dilution

FREE CASH FLOW

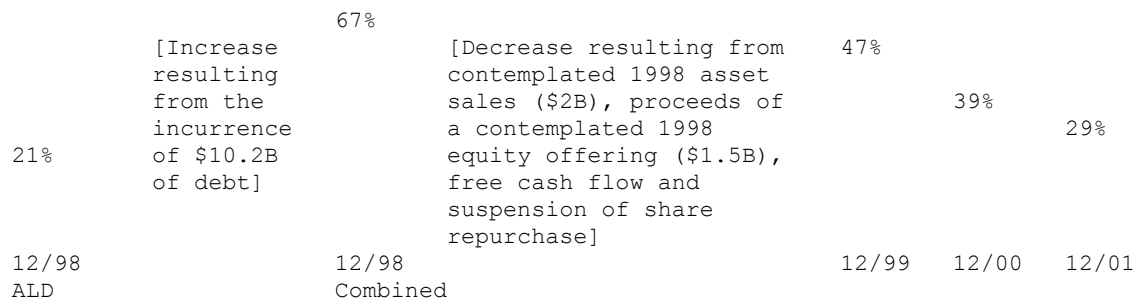
[LINE GRAPH SHOWING A PROJECTED FREE CASH FLOW FOR
ALD AND THE COMBINED ALD/AMP FROM 1998 TO 2001]

	Combined -----	ALD ---
1998	\$500	\$500
1999	\$500	\$625
2000	\$800	\$780
2001	\$1,300	\$980

Improves Cash Flow

ALD DEBT/CAPITAL

[BAR GRAPH SHOWING A PROJECTION OF ALD'S DEBT-TO-CAPITAL RATIO
FROM DECEMBER 1998 TO DECEMBER 2001]



Manageable Transaction

PORTFOLIO IMPROVEMENT

1999 (Without AMP)		1999 (With AMP)		2001 (Includes AMP)	
[PIE GRAPH]		[PIE GRAPH]		[PIE GRAPH]	
High Growth High Margin	67%	High Growth High Margin	75%	High Growth High Margin	85%
\$16.5B		\$22B		\$26B	

Accelerates Transformation

CONTINUED EVOLUTION OF ALLIED SIGNAL

- - Market Leadership in High Margin Growth Businesses
- - Broader, More Global, More Diverse
- - Breadth of Markets
- - Cost Take-out Opportunities
- - High Margin, High Growth Segments
- - Enhanced Ability For Financial Consistency

ALD And AMP Combine To Form A Premier Company

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

-----x

ALLIEDSIGNAL CORPORATION,	:	
a Delaware Corporation,	:	
P.O. Box 3000	:	
Morristown, NJ 07962-2496	:	
	Plaintiff, :	
- against -	:	C.A. No. 98-CV-4058
AMP, INC.,	:	
a Pennsylvania Corporation,	:	
470 Friendship Road	:	
Harrisburg, PA 17111	:	
	Defendant. :	

-----x

COMPLAINT FOR
DECLARATORY AND INJUNCTIVE RELIEF

Plaintiff AlliedSignal Corporation ("AlliedSignal"), by its undersigned attorneys, as and for its Complaint, alleges upon knowledge with respect to itself and its own acts, and upon information and belief as to all other matters, as follows:

Nature of the Action

1. AlliedSignal has today announced that it will commence a tender offer for the stock of defendant AMP, Inc. ("AMP") at \$44.50 per share, a price representing a premium of approximately 50% over the closing trading price of AMP common stock on August 3, 1998. This action for injunctive and declaratory relief is brought to ensure that AlliedSignal's statutory and constitutional rights to make its tender offer to AMP stockholders and to exercise its rights under the federal proxy rules are protected, while also ensuring the rights of all AMP stockholders to consider AlliedSignal's offer. AlliedSignal also seeks to prevent AMP from manipulating or otherwise subverting the process of corporate democracy by impermissibly taking action to frustrate the consent solicitation that AlliedSignal will have to conduct to gain majority representation on the AMP Board of Directors if AMP attempts to obstruct AlliedSignal's tender offer. This action also seeks relief declaring AMP's so-called "dead hand" poison pill to be inapplicable or legally impermissible.

Parties

2. Plaintiff AlliedSignal is a Delaware corporation with its principal executive offices in Morristown, New Jersey. AlliedSignal is a manufacturing company with operations in the aerospace, automotive and engineered materials businesses. AlliedSignal's 1997 revenues were nearly \$15 billion. AlliedSignal is the beneficial owner of 100 shares of AMP common stock.

3. Defendant AMP is a Pennsylvania corporation with its principal executive offices in Harrisburg, Pennsylvania. AMP designs, manufactures and markets electronic, electrical and electro-optic connection devices, interconnection systems and connector-intensive assemblies.

Jurisdiction and Venue

4. This Court has jurisdiction over this action pursuant to 28 U.S.C. ss.ss. 1331, 1332 and 1367. The amount in controversy is in excess of \$75,000.

5. Venue is proper in this District under 28 U.S.C. ss. 1391 (b) and (c).

AlliedSignal's Offer

6. On July 29, 1998, AlliedSignal Chairman and Chief Executive Officer ("CEO") Larry Bossidy telephoned AMP's CEO and President, William J. Hudson, to determine whether AMP would be interested in pursuing a business combination with AlliedSignal. Mr. Hudson was unavailable to speak with Mr. Bossidy, and he did not thereafter return Mr. Bossidy's telephone call.

7. On July 30, 1998, Mr. Bossidy sent a letter to Mr. Hudson proposing a combination of AlliedSignal and AMP. The letter stated that AlliedSignal was prepared to offer \$43.50 per share in cash for all of AMP's outstanding shares, at a premium of approximately 50% over the market value.

8. AMP has not responded to Mr. Bossidy's July 30 letter.

9. On August 4, 1998, AlliedSignal announced that it will commence within five (5) business days a tender offer for the stock of defendant AMP at \$44.50 per share (the "Tender Offer"), which, as stated in Mr. Bossidy's July 30, 1998 letter, represents approximately a 50% premium over the closing trading price of AMP common stock on August 3, 1998. The Tender Offer gives AMP shareholders the opportunity to accept the Offer if they determine it is in their best interests. Upon consummation of the Tender Offer, AlliedSignal intends to acquire the remaining shares of AMP in a second-step merger in which AMP shareholders will receive \$44.50 in cash for each AMP share they own.

10. AlliedSignal's Tender Offer and second-step merger cannot be consummated unless the AMP Board -- voluntarily or by direction of a court -- removes or makes inapplicable various anti-takeover devices, including AMP's "poison pill" and certain provisions of the Pennsylvania Business Corporation Law ("PBCL").

11. In light of AMP's failure to respond to AlliedSignal's July 30, 1998 letter, the current AMP Board cannot be expected to facilitate AlliedSignal's Tender Offer and second-step merger, but can be expected, instead, to maintain AMP's anti-takeover devices in place and actively oppose the Tender Offer and merger. For this reason, AlliedSignal is preparing to conduct a consent solicitation (the "Consent Solicitation") to gain majority representation on the AMP Board of Directors by electing individuals nominated by AlliedSignal who will support a sale of AMP to AlliedSignal, subject to their fiduciary duties to AMP shareholders.

AMP's Anti-Takeover Devices

12. The "Dead Hand" Poison Pill. Foremost among the numerous anti-takeover devices at AMP's disposal is its shareholders' "rights plan," better known as a "poison pill" (the "Poison Pill"). As part of the Poison Pill, the Board authorized and declared a dividend of one common share purchase right (a "Right") per outstanding share of common stock of AMP, payable to shareholders of record as of the close of business on November 6, 1989.

13. The Poison Pill provides that the Rights do not become exercisable until ten business days following the first public announcement that a person (an "Acquiring Person") has acquired beneficial ownership of 20% or more of the outstanding shares of AMP common stock (the "Stock Acquisition Date"), at which time each holder of a Right, other than an Acquiring Person, is entitled, upon exercise of the Right, to receive common stock having a market value equal to two times the Purchase Price. The effect of this provision (the "Flip-In Provision") thus would be a massive dilution of the value of the holdings of an unwanted acquiror like AlliedSignal.

14. The Dead Hand Restriction. The Board may redeem the Poison Pill until 10 business days after a person becomes an Acquiring Person. The Board's ability to redeem the Rights, however, is purportedly restricted by a provision of the Poison Pill that serves no purpose other than to entrench the current Board (the "Dead Hand Restriction").

15. Under the Dead Hand Restriction, redemption of the Poison Pill requires the approval of a majority of Continuing Directors (i.e., members of the Board who are not Acquiring Persons or representatives of an Acquiring Person, and either (x) were directors prior to the institution of the Poison Pill or (y) are nominated by a majority of Continuing Directors) if effected (i) after a person becomes an Acquiring Person but prior to the expiration of a ten business day period, or (ii) after a change (resulting from a proxy or consent solicitation) in a majority of the directors in

office at the time of the commencement of a proxy or consent solicitation. Furthermore, the Dead Hand Restriction provides that the Poison Pill can be amended only by Continuing Directors.

16. Under the Dead Hand Restriction, directors, other than Continuing Directors, elected pursuant to a consent or proxy solicitation in which an Acquiring Person (or a person who intends to become an Acquiring Person) participates, are purportedly without power or authority to redeem the Rights so that the Tender Offer may go forward.

17. Because the Dead Hand Restriction purports to prevent newly-elected, insurgent-nominated directors from redeeming the Poison Pill and thus removing a key obstacle to the accomplishment of the very purpose for which they were elected, the Dead Hand Restriction effectively disenfranchises shareholders. In effect, it denies the shareholders of AMP the opportunity to replace the current Board and prevent any person intending to become an Acquiring Person, such as AlliedSignal, from soliciting votes to replace the current Board. It represents an intentional effort by the Board to manipulate the corporate machinery so as to prevent the effectiveness of a shareholder vote.

18. The Pennsylvania Anti-Takeover Statutes. Among other provisions, Defendant AMP also has the anti-takeover protections PBCL ss. 2551-2556 (the "Business Combination Statute").

19. Under the Business Combination Statute, an interested shareholder cannot engage in a business combination with AMP for five years unless the acquisition of the shares or the business combination is approved by the AMP Board before an "Interested Shareholder" becomes the beneficial owner, directly or indirectly, of at least 20% of AMP's shares.

20. The Business Combination Statutes will delay or make more difficult acquisitions or changes of control of AMP, have the effect of preventing changes in the management of AMP, and make it more difficult to accomplish transactions which AMP shareholders may otherwise deem to be in their best interests.

21. Fixing the Consent Solicitation Record Date. AlliedSignal cannot obtain shareholder consents to its proposals without a record date for the determination of the shareholders entitled to vote on the proposals. AMP's by-laws (the "By-laws") provide that any shareholder seeking to have shareholders take action by consent must, by written notice, request that the Board fix a record date. The By-laws require the Board to fix the record date no later than 10 days after receipt of the request. (If not fixed within 10 days, the record date will be the day on which the first consent is received by the company.)

22. It is anticipated that the Board will seek to delay shareholder consent action on AlliedSignal's proposals by fixing a record date outside the required time period to impede its shareholders from exercising their franchise.

First Claim for Relief

(Declaratory Judgment and Injunctive Relief)

23. Plaintiff repeats and realleges the allegations contained in each of the preceding paragraphs as if fully set forth herein.

24. Fixing a record date beyond the required ten (10) days would violate AMP's Articles and By-laws and constitute an illegal interference with the shareholder franchise, in violation of the PBCL and fundamental principles of corporate governance.

25. Plaintiffs have no adequate remedy at law.

Second Claim for Relief

(Declaratory Judgment)

26. Plaintiff repeats and realleges the allegations contained in each of the preceding paragraphs as if fully set forth herein.

27. The Dead Hand Restriction is invalid per se under Pennsylvania statutory law, in that it purports to limit the discretion of future Boards of AMP by denying any directors other than the Continuing Directors the power or authority to redeem the Poison Pill so that the Tender Offer and Merger may go forward. PBCL ss. 1721 requires that any such limitation on Board discretion be set forth in a by-law adopted by the shareholders. Since the shareholders of AMP have adopted no such by-law provision, the Board was without power to so limit the discretion of future

Boards of AMP by adopting the Dead Hand Restriction.

28. Moreover, PBCL ss. 1729 provides that unless otherwise provided in a by-law adopted by the shareholders, every director shall be entitled to one vote. The Dead Hand Restriction creates different classes of directors with different voting rights -- those who have the power to redeem the Poison Pill, and those who do not. Since the shareholders of AMP have adopted no by-law provision creating such distinctions in the voting powers of directors, the Board was without power to adopt the Dead Hand Restriction.

29. Additionally, the Dead Hand Restriction is invalid under AMP's By-laws. Under Section 2.1 of AMP's By-laws, the power to manage the business and affairs of the Corporation is broadly vested in its duly elected board of directors. Insofar as the Dead Hand Restriction purports to restrict the power of AMP's Board to redeem or amend the Poison Pill, it conflicts with Section 2.1 of AMP's By-laws and is therefore of no cause or effect.

30. Furthermore, the Dead Hand Restriction purposefully interferes with the shareholder voting franchise without any compelling justification. Moreover, the Dead Hand Restriction is an unreasonable and disproportionate defensive measure, because it either precludes or materially abridges the shareholders' rights to receive tender offers and wage proxy contests to replace the Board.

Third Claim for Relief

(Declaratory Judgment)

31. Plaintiff repeats and realleges the allegations contained in each of the preceding paragraphs as if fully set forth herein.

32. To the extent that the Dead Hand Restriction and other anti-takeover devices that preclude tender offers and consent solicitations are permitted under Pennsylvania law, such law is unconstitutional under the Commerce Clause because it impermissibly burdens interstate commerce far in excess of local benefits. The Dead Hand Restriction renders futile the Consent Solicitation and other contests for corporate control, because the shareholders will be powerless to elect a board that is both willing and able to accept an insurgent's bid. If Pennsylvania law is deemed to permit the Dead Hand Restriction, such law thus gives a Pennsylvania corporation's pre-existing board of directors a de facto veto power over tender offers and mergers, and therefore thwarts shareholder democracy and impermissibly burdens interstate commerce.

33. To the extent the Dead Hand Restriction is permissible under Pennsylvania law, such law injures and will continue to injure Plaintiff because it deprives Plaintiff of its right to proceed with its Proposed Business Combination.

Fourth Claim for Relief

(Declaratory Judgment)

34. Plaintiff repeats and realleges the allegations contained in each of the preceding paragraphs as if fully set forth herein.

35. To the extent that the Dead Hand Restriction and other anti-takeover devices that preclude tender offers and consent solicitations are permitted under Pennsylvania law, such law is preempted by the Williams Act and thereby violates the Supremacy Clause of the United States Constitution. It frustrates the full purpose and objectives of Congress in enacting the Williams Act by: (a) giving intransigent management the ability to defeat a noncoercive proposal without a vote by shareholders, (b) impermissibly tilting the balance between management and a potential acquirer in the context of a noncoercive proposal, and (c) depriving Plaintiff of its right to have AMP shareholders consider the Proposed Business Combination under federal law.

36. To the extent the Dead Hand Restriction is permissible under Pennsylvania law, such law injures and will continue to injure Plaintiff because it deprives Plaintiff of its right to proceed with its Proposed Business Combination as contemplated by the Williams Act and other applicable law.

Fifth Claim for Relief

(Injunctive Relief)

37. Plaintiff repeats and realleges the allegations contained in

each of the preceding paragraphs as if fully set forth herein.

38. The effect of AMP's anti-takeover devices is to frustrate and impede the ability of AMP shareholders to decide for themselves whether they wish to receive the benefits of the AlliedSignal Tender Offer and proposed second-step merger. These devices unreasonably and inequitably frustrate and impede the ability of AlliedSignal to proceed with its Tender Offer and Consent Solicitation. The failure of AMP and its board to (i) redeem the AMP Poison Pill or to amend the Poison Pill by removing the Dead Hand Restriction, and (ii) adopt a resolution approving the AlliedSignal Tender Offer for purposes of the Business Combination Statute is clearly a breach of their fiduciary duty and thus a violation of Pennsylvania law.

39. Plaintiff has no adequate remedy at law.

WHEREFORE, plaintiff respectfully requests that this Court enter judgment against Defendant, as follows:

A. Declaring pursuant to the Declaratory Judgment Act, 28 U.S.C. ss. 2201(a), that:

(a) if the Board should fail to fix a record date for the Consent Solicitation within 10 days of its receipt of AlliedSignal's written notice requesting such a record date, the record date for the Consent Solicitation shall be the date such written notice is delivered to AMP in accordance with AMP's By-laws;

(b) the fixing of a record date more than ten (10) days after the date of AlliedSignal's written notice is impermissible because it would effectively prevent AMP's shareholders from exercising their franchise;

(c) the Dead Hand Restriction is inapplicable or, to the extent applicable, is in violation of Pennsylvania law and the fiduciary duties owed to AlliedSignal and all other AMP shareholders;

(d) to the extent Pennsylvania law authorizes the Dead Hand Restriction, it (i) constitutes an impermissible burden on interstate commerce in violation of the Commerce Clause of the United States Constitution, and (ii) is preempted by the Williams Act and therefore unconstitutional under the Supremacy Clause of the United States Constitution; and

(e) AlliedSignal's tender offer and consent solicitation comply with all applicable laws, obligations and agreements.

B. Preliminarily and permanently enjoining the Defendant, its directors, officers, partners, employees, agents, subsidiaries and affiliates, and all other persons acting in concert with or on behalf of the Defendant directly or indirectly, from:

(a) fixing a record date for determining the shareholders entitled to vote on the proposals in AlliedSignal's Consent Solicitation more than ten (10) days after the date of AlliedSignal's written notice;

(b) increasing the size of AMP's Board and filling the new seats with Board nominees after commencement of AlliedSignal's Consent Solicitation;

(c) refusing to redeem AMP's Poison Pill or amending the Poison Pill so as to make the Rights inapplicable to AlliedSignal's Tender Offer, and refusing to grant prior approval of the Tender Offer and Merger for purposes of the Pennsylvania Business Combination Statute;

(d) amending its By-laws to in any way impede the effective exercise of the stockholder franchise; or

(e) taking any other steps to impede or frustrate the ability of AMP's shareholders to consider or make their own determination as to whether to accept the terms of AlliedSignal's Tender Offer and the proposals in AlliedSignal's Consent Solicitation, or taking any other action to thwart or interfere with the Tender Offer or Consent Solicitation.

C. Granting compensatory damages for all incidental injuries suffered as a result of defendant's unlawful conduct.

D. Awarding plaintiff the costs and disbursements of this action, including attorney's fees.

E. Granting plaintiff such other and further relief as the court deems just and proper.

/s/ Alexander R. Sussman/JAOC

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Attorneys for Plaintiff

DATED: August 4, 1998

CERTIFICATE OF SERVICE

I hereby certify that I caused this day the foregoing Complaint for Declaratory and Injunctive Relief to be served on the following by Federal Express:

Charles Goonrey, Esq.
General Counsel
AMP Incorporated
47 Friendship Road
Harrisburg, PA 17111

/s/ Joseph A. O'Connor

Dated: August 4, 1998

Joseph A. O'Connor, Esq.