SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-1

Tender Offer Statement
Pursuant to Section 14(d)(1)
of the Securities Exchange Act of 1934
and
SCHEDULE 13D

Pursuant to Section 13(d)
of the Securities Exchange Act of 1934

International Comfort Products Corporation
(Name of Subject Company)

Titan Acquisitions, Ltd.
United Technologies Corporation
(Bidders)

Ordinary Stock, No Par Value Per Share
(Title of Class of Securities)

458978-10-3
(CUSIP Number of Class of Securities)

William H. Trachsel, Esq.
Senior Vice President, General Counsel and Secretary
United Technologies Corporation
One Financial Plaza
Hartford, CT 06101
Tel. Number (860) 728-7000
(Name, Address and Telephone Number of Persons Authorized to
Receive Notices and Communications on Behalf of Bidders)

With a copy to:
Christopher E. Austin, Esq.
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
(212) 225-2000

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
$503,277,504.00	$100,655.50

* Transaction valuation assumes the purchase of 42,832,128 shares of ordinary stock at $11.75 in cash per share.
** The amount of the filing fee, calculated in accordance with Regulation 240.0-11 of the Securities Exchange Act of 1934, equals 1/50 of one percent of the value of the shares to be purchased.

[_]Check Box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not applicable. Filing Party:
Form or Registration No.: Date Filed
- ---
- ---

SCHEDULE 14D-1

1.
Name of Reporting Persons:
S.S. or I.R.S. Identification Nos. of Above Person

Titan Acquisitions Ltd.

2.
Check the Appropriate Box if a Member of a Group (a) [_]
(See Instructions) (b) [_]

3.
SEC Use Only

4.
Sources of Funds (see Instructions)
AF

5.
Check if Disclosure of Legal Proceedings is Required
Pursuant to Items 2(e) or 2(f) [_]

6.
Citizenship or Place of Organization
Province of New Brunswick, Ontario, Canada

7.
Aggregate Amount Beneficially Owned by Each Reporting
Person
15,809,508

8.
Check Box if the Aggregate Amount in Row (7) Excludes
Certain Shares [_]
(See Instructions)

9.
Percent of Class Represented by Amount in Row (7)
38.7%

10.
Type of Reporting Person (See Instructions)
CO

1.
Name of Reporting Persons:
S.S. or I.R.S. Identification Nos. of Above Person

United Technologies Corporation
060570975

2.
Check the Appropriate Box if a Member of a Group (a) [_]
(See Instructions) (b) [_]

3.
SEC Use Only

4.
Sources of Funds (see Instructions)
WC & OO

5.
Check if Disclosure of Legal Proceedings is Required
Pursuant to Items 2(e) or 2(f) [_]

6.
Citizenship or Place of Organization
Delaware

7.
Aggregate Amount Beneficially Owned by Each Reporting
Person
15,809,508

8.
Check Box if the Aggregate Amount in Row (7) Excludes
Certain Shares [_]
(See Instructions)

9.
Percent of Class Represented by Amount in Row (7)
38.7%

10.
Type of Reporting Person (See Instructions)
CO

INTRODUCTION

This Tender Offer Statement on Schedule 14D-1 relates to a tender offer by Titan Acquisitions, Ltd., a corporation organized under the laws of the Province of New Brunswick, Canada ("Purchaser") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), to purchase all of the outstanding ordinary shares (the "Shares"), of International Comfort Products Corporation, a corporation continued under the federal laws of Canada, at a cash purchase price of $11.75 per Share, upon the terms and subject to the conditions set forth in the Offer to Purchase and Circular (collectively, the "Offer to Purchase"), dated June 30, 1999, and in the related Letter of Transmittal and the Notice of Guaranteed Delivery (which, together with any Offer to Purchase and the amendments or supplements thereto, collectively constitute the "Offer"), copies of which are filed as Exhibits (a)(1), (a)(2) and (a)(3) hereto, respectively.

Item 1. Security and Subject Company.

(a) The subject company is International Comfort Products Corporation, a Canadian corporation (the "Company"), and the principal executive offices of the Company are located at 501 Corporate Center Drive, Suite 200, Franklin, TN 37067.

(b) The class of equity securities sought is the Company's ordinary shares, no par value per share. The information set forth in "Introduction" of the Offer to Purchase is incorporated herein by reference.

(c) The information regarding the principal market for, and the high and low sales prices for, the Shares set forth in "Section 7. Price Range of the Shares; Dividends" of the Offer to Purchase is incorporated herein by reference.

Item 2. Identity and Background.

(a)-(d),(g) The persons filing this statement are Parent and Purchaser. The information set forth in "Section 10. Certain Information Concerning Parent and Purchaser" of the Offer to Purchase is incorporated herein by reference. The names, business addresses, present principal occupations or employment, material occupations, positions, offices or employments during the last five years and citizenship of the directors and executive officers of Parent and Purchaser are set forth in Annex I of the Offer to Purchase, which Annex is incorporated herein by reference.

(e)-(f) During the last five years, none of Parent or Purchaser nor, to the best knowledge of Parent or Purchaser, none of the persons listed in Annex I of the Offer to Purchase, (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, Federal or State securities laws or finding any violation of such laws.

Item 3. Past Contacts, Transactions or Negotiations with the Subject Company.

(a)-(b) The information set forth in "Introduction", "Section 12. Background of the Transaction" and "Section 13. Purpose of the Offer; The Pre-Acquisition Agreement; The Lock-up Agreements" of the Offer to Purchase is incorporated herein by reference.

Item 4. Source and Amount of Funds or Other Consideration.

(a)-(b) The information set forth in "Introduction", "Section 11. Source and Amount of Funds" of the Offer to Purchase is incorporated herein by reference.

Item 5. Purpose of the Tender Offer and Plans or Proposals of the Bidders.

(a)-(e) The information set forth in "Introduction", "Section 8. Certain Effects of the Transaction", "Section 12. Background of the Transaction" and "Section 13. Purpose of the Offer; The Pre-Acquisition Agreement; The Lock-up Agreements" of the Offer to Purchase is incorporated herein by reference.

(f)-(g) The information set forth in "Section 8. Certain Effects of the Transaction" of the Offer to Purchase is incorporated herein by reference.

Item 6. Interest in Securities of the Subject Company.

(a)-(b) The information set forth in "Introduction", "Section 10. Certain Information Concerning Parent and Purchaser," "Section 12. Background of the Transaction" and "Section 13. Purpose of the Offer; The Pre-Acquisition Agreement; The Lock-up Agreements" of the Offer to Purchase is incorporated herein by reference.

Item 7. Contracts, Arrangements, Understandings or Relationships with Respect to the Subject Company's Securities.

The information set forth in "Introduction", "Section 10. Certain Information Concerning Parent and Purchaser", "Section 12. Background of the Transaction" and "Section 13. Purpose of the Offer; The Pre-Acquisition Agreement; The Lock-up Agreements" of the Offer to Purchase is incorporated herein by reference.

Item 8. Persons Retained, Employed or to be Compensated.

The information set forth in "Introduction", and "Section 16. Certain Fees and Expenses" of the Offer to Purchase is incorporated herein by reference.

Item 9. Financial Statements of Certain Bidders.

The information set forth in "Section 10. Certain Information Concerning Parent and Purchaser" of the Offer to Purchase is incorporated herein by reference.

The incorporation by reference herein of the above-referenced financial information does not constitute an admission that such information is material to a decision by a securityholder of the Company whether to sell, tender or hold Shares.

Item 10. Additional Information.

(a) The information set forth in "Introduction", "Section 12. Background of the Transaction", "Section 13. Purpose of the Offer; The Pre-Acquisition Agreement; The Lock-up Agreements" and "Section 5. Certain Conditions of the Offer" of the Offer to Purchase is incorporated herein by reference.

(b)-(c) The information set forth in "Introduction", "Section 5. Certain Conditions of the Offer" and "Section 15. Certain Legal Matters" of the Offer to Purchase is incorporated herein by reference.

(d) The information set forth in "Section 8. Certain Effects of the Transaction" of the Offer to Purchase is incorporated herein by reference.

(e) The information set forth in "Section 15. Certain Legal Matters" of the Offer to Purchase is incorporated herein by reference.

(f) The information set forth in the Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery, the Pre-Acquisition Agreement dated as of June 23, 1999 among the Company, Purchaser and Parent, the Lock-Up Agreements dated as of June 23, 1999 among Purchaser, Parent and certain stockholders of the Company, copies of which are attached hereto as Exhibits (a)(1), (a)(2), (a)(3), (c)(1), (c)(2) and (c)(3), respectively, is incorporated herein by reference.

Item 11. Material to be Filed as Exhibits.

See Exhibit Index.

SIGNATURES

After due inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

United Technologies Corporation

/s/ William Trachsel
By: _____
Name: William Trachsel
Title: Senior Vice President,
General Counsel & Secretary

Titan Acquisitions, Ltd.

/s/ Ari Bousbib
By: _____
Name: Ari Bousbib
Title: President

Dated June 30, 1999

EXHIBIT INDEX

Exhibit (a)(1)

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, broker, bank manager, lawyer or other advisor

Offer to Purchase for Cash

All Outstanding Ordinary Shares
of
INTERNATIONAL COMFORT PRODUCTS CORPORATION
at
US$11.75 Per Share
by
TITAN ACQUISITIONS, LTD.

A Wholly Owned Subsidiary of
UNITED TECHNOLOGIES CORPORATION

THE OFFER WILL EXPIRE AT 12:00 MIDNIGHT, TORONTO TIME, ON WEDNESDAY, JULY 28, 1999, UNLESS EXTENDED OR WITHDRAWN

The Offer (as defined herein) is subject to certain conditions, including that there are validly tendered and not withdrawn at the Expiry Time (as defined herein) a number of Shares (as defined herein) that, together with any Shares held by or on behalf of United Technologies Corporation, represents not less than 71% of the Shares outstanding (calculated on a fully diluted basis) at the Expiry Time. See Section 5. Tendered Shares may be withdrawn at any time prior to the Expiry Time. Titan Acquisitions, Ltd. ("Purchaser") intends to acquire all Shares remaining untendered after the Offer, at the same price per Share as in the Offer, through a share consolidation, compulsory acquisition or other second stage transaction. See Section 13.

Purchaser has entered into an agreement with certain shareholders pursuant to which, among other things, such holders have agreed, subject to terms and conditions described in Section 13, to validly tender an aggregate of 15,809,508 Shares, constituting approximately 36.9% of the Shares on a fully diluted basis.

The Board of Directors of International Comfort Products Corporation has, by the unanimous vote of all Directors present, recommended that holders of Shares accept the Offer and tender all their Shares pursuant to the Offer.

Shareholders who wish to tender Shares should either (1) complete and sign the Letter of Transmittal (or a manually signed facsimile thereof) in accordance with the instructions in the Letter of Transmittal, mail or deliver it and any other required documents to the U.S. or Canadian Depositary (as defined herein) and either deliver the certificates for such Shares to the U.S. or Canadian Depositary along with the Letter of Transmittal or tender such Shares pursuant to the procedures for book-entry transfer set forth in Section 3 or (2) request their broker, dealer, commercial bank, trust company or other nominee to effect the transaction for them. Any shareholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such holder desires to tender such Shares. Any shareholder who desires to tender Shares and whose certificates representing such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedures for guaranteed delivery set forth in Section 3.

All payments will be made in U.S. dollars, unless the holder tenders Shares to the Canadian Depositary and elects to receive payment in Canadian dollars by checking the appropriate box in the Letter of Transmittal, with the amount determined based on the market rate of exchange obtained by Purchaser (net of any applicable commissions or exchange charges) on the business day immediately preceding the date of the delivery of such payment by such Depositary.

Questions and requests for assistance may be directed to the Information Agent, either Depositary or, in the case of questions and requests from U.S. investors only, the U.S. Dealer Manager at the addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other related materials may be directed to the

Information Agent or to brokers, dealers, commercial banks and trust companies.

The Dealer Manager for the Offer in the United States is:

Salomon Smith Barney

June 30, 1999

TABLE OF CONTENTS

To the Holders of Ordinary Shares of
INTERNATIONAL COMFORT PRODUCTS CORPORATION:

OFFER TO PURCHASE

Introduction

Titan Acquisitions, Ltd., a corporation organized under the laws of the Province of New Brunswick, Canada ("Purchaser") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("Parent"), hereby offers to purchase all of the outstanding ordinary shares (the "Shares") of International Comfort Products Corporation, a corporation continued under the federal laws of Canada (the "Company"), at a cash purchase price of US$11.75 per Share (the "Offer Price") upon the terms and subject to the conditions set forth in this Offer to Purchase and Circular and in the related Letter of Transmittal and Notice of Guaranteed Delivery (each of which, together with any supplements or amendments thereto, collectively constitutes the "Offer").

Tendering shareholders will not be obligated to pay brokerage fees or commissions or, except as set forth in the Letter of Transmittal, transfer taxes on the purchase of Shares pursuant to the Offer. However, any tendering shareholder or other payee who is a U.S. Holder (as defined in Section 6a) and who fails to complete and sign the Substitute Form W-9 that is included in the Letter of Transmittal may be subject to a required backup United States federal income tax withholding of 31% of the gross proceeds payable to such holder or other payee pursuant to the Offer. See Section 6a. Purchaser will pay all charges and expenses of Salomon Smith Barney Inc., as the dealer manager for the Offer in the United States (the "U.S. Dealer Manager"), Citibank, NA., as the depositary in the United States (the "U.S. Depositary"), Montreal Trust Company of Canada, as the depositary in Canada (the "Canadian Depositary") and Georgeson & Company, Inc., as the information agent (the "Information Agent") incurred in connection with the Offer. See Section 16.

The Offer is being made pursuant to a Pre-Acquisition Agreement, dated June 23, 1999 (the "Pre-Acquisition Agreement"), among Purchaser, Parent and the Company. The Pre-Acquisition Agreement provides, among other things, for the making of the Offer by Purchaser. For a description of the Pre-Acquisition Agreement, see Section 13. Certain U.S. and Canadian tax consequences of the sale of Shares pursuant to the Offer are described in Sections 6a and 6b.

All payments will be made in U.S. dollars, unless the holder tenders Shares to the Canadian Depositary and elects to receive payment in Canadian dollars by checking the appropriate box in the Letter of Transmittal, with the amount determined based on the market rate of exchange obtained by the Purchaser (net of applicable commissions or exchange charges) on the business day immediately preceding the date of the delivery of such payment by such Depositary.

Concurrently with the execution of the Pre-Acquisition Agreement, Purchaser entered into lock-up agreements (the "Lock-up Agreements") with Ravine Partners, Ltd. ("Ravine"), the owner of 7,889,870 Shares (representing approximately 18.4% of the Shares on a fully diluted basis), and Ontario Teachers' Pension Plan Board ("Teachers"), the owner of 7,919,638 Shares (representing approximately 18.5% of the outstanding Shares on a fully diluted basis), respectively. Pursuant to the Lock-up Agreements, Ravine and Teachers agreed to validly tender and not withdraw their Shares, unless (in the case of Teachers only) a Superior Takeover Proposal (as defined in the Pre-Acquisition Agreement) is made. In addition, Ravine has granted Purchaser an option to purchase its Shares at a price of US$11.75 per Share (or any greater amount per Share paid in the Offer). Such option is exercisable in certain circumstances following termination of the Pre-Acquisition Agreement. For a description of these Lock-up Agreements, see Section 13.

The Board of Directors of the Company has determined, by the unanimous vote of all Directors present, that the Offer is fair to, and in the best interests of, the Company's shareholders, has approved the Pre-Acquisition Agreement and the transactions contemplated thereby and recommends that the Company's shareholders accept the Offer and tender all of their Shares pursuant thereto.

Credit Suisse First Boston Corporation, the Company's independent financial advisor ("CSFB"), has delivered to the Board of Directors of the Company its written opinion, dated June 23, 1999, that as of such date and subject to the assumptions and qualifications therein, that the consideration to be received by holders of the Shares pursuant to the Offer was fair to such shareholders from a financial point of view. A copy of the opinion of CSFB is contained in the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") filed with the U.S. Securities and Exchange Commission (the "SEC") in connection with the Offer, a copy of which (without certain exhibits) is being furnished to shareholders concurrently herewith.

The Offer is conditioned upon, among other things, at the Expiry Time there being validly tendered and not withdrawn that number of Shares that, together with the Shares held by or on behalf of Parent, represents not less than 71% of the outstanding Shares on a fully diluted basis (the "Minimum Condition"). The Offer is also subject to certain other conditions contained in this Offer to Purchase. See Sections 1 and 5.

The Company has advised Purchaser that as of June 25, 1999, there were 40,789,128 Shares issued and outstanding, and outstanding options and rights to purchase 2,043,000 Shares. Parent, Purchaser and their affiliates do not currently beneficially own any Shares or rights to acquire Shares other than the rights to acquire Shares under the Lock-up Agreements under certain circumstances. Accordingly, the Minimum Condition will be satisfied if 30,410,811 Shares (including the Shares subject to the Lock-up Agreements) are validly tendered and not properly withdrawn before the Expiry Time.

Purchaser intends to acquire all Shares remaining untendered after the Offer at the Offer Price through a share consolidation, compulsory acquisition or other second stage transaction. See Section 13.

This Offer to Purchase and the related Letter of Transmittal and Notice of Guaranteed Delivery contain important information which should be read carefully by shareholders before they make any decision whether to tender their Shares pursuant to the Offer.

1. Terms of the Offer

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will accept for payment and will pay for all Shares validly tendered and not properly withdrawn. As used herein, the term "Expiry Time" shall mean 12:00 midnight, Toronto time, on Wednesday, July 28, 1999, unless and until Purchaser shall have extended the period of time during which the Offer is open, in which event the term "Expiry Time" shall mean the latest time and date at which the Offer, as so extended by Purchaser, shall expire. If all conditions to the Offer have not been satisfied or waived at the scheduled Expiry Time, then pursuant to the Pre-Acquisition Agreement, Purchaser may elect (but will not be obligated) to extend such Expiry Time for any period required by any applicable rule, regulation, interpretation or position of a securities regulatory authority or to permit the Company to cure a misrepresentation, breach or non-performance under the Pre-Acquisition Agreement. In addition, the Pre-Acquisition Agreement obligates Purchaser to extend the Expiry Time from time to time for such periods as necessary to satisfy the conditions to the Offer, unless in the reasonable judgment of Parent, all of such conditions cannot be satisfied or waived on or before December 15, 1999.

Purchaser reserves the right (but will not be obligated), subject to compliance with applicable U.S. and Canadian regulatory requirements, to waive or reduce the Minimum Condition or to waive any other condition to the Offer. If the Minimum Condition or any of the other conditions set forth in Section 5 have not been satisfied by the scheduled Expiry Time, Purchaser may elect (1) subject to the terms of the Pre-Acquisition Agreement, to extend the Offer and, subject to applicable withdrawal rights, retain all tendered Shares until the expiration of the Offer, as extended, (2) subject to compliance with applicable U.S. and Canadian regulatory requirements and to the terms of the Pre-Acquisition Agreement, to waive such conditions and accept for payment all Shares so tendered and not extend the Offer or (3) subject to applicable U.S. and Canadian regulatory requirements and to the terms of the Pre-Acquisition Agreement, to terminate the Offer and not accept for payment any Shares and return all tendered Shares to the tendering stockholders.

The Offer is conditioned upon, among other things, expiration or termination of all waiting periods imposed by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), the satisfaction of conditions related to competition and foreign investment regulations in Canada and other non-U.S. jurisdictions, and the Minimum Condition being satisfied. The Offer is also subject to certain other conditions set forth in Section 5.

Subject to the limitations set forth in the Pre-Acquisition Agreement as described above, Purchaser reserves the right (but will not be obligated other than as provided by the Pre-Acquisition Agreement), at any time or from time to time in its sole discretion, to extend the period during which the Offer is open by giving oral or written notice of such extension to the Depositaries and, to the extent required by applicable law, notice to shareholders, and by making a public announcement of such extension. There can be no assurance that Purchaser will exercise its right to extend the Offer.

If all the conditions to the Offer have been satisfied or waived at any scheduled Expiry Time, Purchaser will become obligated to accept for payment all Shares validly tendered and not withdrawn at such time.

In the Pre-Acquisition Agreement, Purchaser has agreed that it will not, without the consent of the Company, (1) decrease the Offer Price or change the form of consideration, (2) decrease the number of Shares sought pursuant to the Offer, (3) add to or modify the conditions to the Offer or (4) amend, alter, add or waive any term of the Offer in any manner that is, in the reasonable opinion of the Company, materially adverse to the holders of the Shares. Purchaser's right to delay payment for any Shares or not to pay for any Shares theretofore accepted for payment is subject to the applicable rules and regulations of the SEC and applicable Canadian regulatory authorities, including Rule 14e-1(c) under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act"), relating to Purchaser's obligation to pay promptly for or return tendered Shares promptly

after the termination or withdrawal of the Offer and applicable provincial securities laws in Canada which require that payment be made as soon as possible following acceptance by Purchaser of the tendered Shares and in any event not more than three days following such acceptance.

Any extension of the period during which the Offer is open, delay in acceptance for payment or payment, or termination or amendment of the Offer will be followed, as promptly as practicable, by public announcement thereof, such announcement in the case of an extension to be issued not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiry Time in accordance with the public announcement requirements of Rule 14d-4(c) under the Exchange Act. Without limiting the obligation of Purchaser under such rule or the manner in which Purchaser may choose to make any public announcement, Purchaser currently intends to make announcements by issuing a press release to the Dow Jones News Service and making any appropriate filing with the SEC and applicable Canadian regulatory authorities and stock exchanges.

If Purchaser makes a material change in the terms of the Offer or the information concerning the Offer or if it waives a material condition of the Offer (including a waiver of the Minimum Condition), Purchaser will disseminate additional tender offer materials and extend the Offer if and to the extent required by Rules 14d-4(c), 14d-6(d) and 14e-1 under the Exchange Act and applicable Canadian securities regulations. These rules generally provide that the minimum period during which a tender offer must remain open following a material change in the terms of the offer or information concerning the offer, other than a change in price or a change in percentage of securities sought, will depend upon the facts and circumstances, including the relative materiality of the changes in the terms or information. With respect to a change in price or a change in percentage of securities sought, a minimum ten-business day period is generally required under U.S. securities laws to allow for adequate dissemination to shareholders and for investor response. In the case of other changes or other material information, an offer is required under U.S. securities laws to remain open for a minimum of five business days from the date a material change is first published, sent or given to security holders, and, if material changes are made with respect to information that approaches the significance of price and share levels, a minimum of ten business days may be required to allow for adequate dissemination and investor response.

The Company has provided Purchaser with the Company's shareholder list and security position listings for the purpose of disseminating the Offer to stockholders. This Offer to Purchase and Circular, and the related Letter of Transmittal and Notice of Guaranteed Delivery and other relevant materials will be mailed to record holders of Shares on the date hereof and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the Company's shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

The Offer is not being made for any options, warrants or rights to acquire Shares, but only for Shares outstanding at the time of their tender.

The Offer and all contracts resulting from the acceptance hereof shall be governed by and construed in accordance with (i) the laws of the Province of Ontario and the laws of Canada applicable therein in the case of tenders from Canada and (ii) the laws of the State of New York in all other cases.

The Offer to Purchase, including the accompanying Circular, constitute the take-over bid circular required under Canadian provincial securities legislation with respect to the Offer.

2. Acceptance for Payment and Payment for Shares

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will accept for payment, and will pay for, all Shares validly tendered and not properly withdrawn at the Expiry Time, promptly and, in any event, not later than the third day after acceptance by Purchaser of the tendered Shares.

If all the conditions to the Offer have been satisfied or waived at any scheduled Expiry Time, Purchaser will become obligated to accept for payment all Shares validly tendered and not withdrawn at such time.

In all cases, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by the U.S. or Canadian Depositary of (i) certificates evidencing such Shares (or a timely Book-Entry Confirmation (as defined in Section 3) with respect to such Shares), (ii) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed with all required signature guarantees from Eligible Institutions (as described in Section 3) or an Agent's Message, as defined below, in connection with a book-entry transfer, and (iii) all other documents required by the Letter of Transmittal. See Section 3. The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility (as defined in Section 3) to, and received by, the Depositary and forming a part of a Book-Entry Confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against such participant.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not withdrawn as, if and when Purchaser gives oral or written notice to the relevant Depositary of Purchaser's acceptance of such Shares for payment. In all cases, payment for Shares purchased pursuant to the Offer will be made by deposit of the purchase price therefor with the relevant Depositary, which will act as agent for tendering shareholders for the purpose of receiving payment from Purchaser and transmitting payment to tendering shareholders whose Shares have theretofore been accepted for payment. If, for any reason, acceptance for payment of any Shares tendered pursuant to the Offer is delayed, or Purchaser is unable to accept for payment Shares tendered pursuant to the Offer, then, without prejudice to Purchaser's rights under the Offer, the Depositary may, nevertheless, on behalf of Purchaser, retain tendered Shares and such Shares may not be withdrawn, except to the extent that the tendering shareholders are entitled to withdrawal rights as described in Section 4 and under applicable regulatory requirements. Under no circumstances will interest on the Offer Price be paid by Purchaser, regardless of any delay in making such payment.

If any tendered Shares are not purchased because of an invalid tender or for any reason or if certificates are submitted for more Shares than are tendered, certificates for such Shares not purchased or tendered will be returned pursuant to the instructions of the tendering stockholder without expense to the tendering shareholder (or, in the case of Shares delivered by book-entry transfer into U.S. or Canadian Depositary's account at a Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3, such Shares will be credited to an account maintained at the appropriate Book-Entry Transfer Facility) as promptly as practicable following the expiration, termination or withdrawal of the Offer.

If, prior to the Expiry Time, Purchaser increases the consideration to be paid per Share pursuant to the Offer, Purchaser will pay such increased consideration for all such Shares purchased pursuant to the Offer, whether or not such Shares were tendered prior to such increase in consideration.

Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to Parent or one or more of Parent's subsidiaries the right to purchase Shares tendered pursuant to the Offer; provided, however, that no such transfer or assignment will release Purchaser from its obligations under the Offer or prejudice the rights of tendering shareholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

All payments will be made in U.S. dollars, unless the person tenders Shares to the Canadian Depositary and elects to receive payment in Canadian dollars by checking the appropriate box in the Letter of Transmittal. The amount payable in Canadian dollars will be determined on the basis of the rate of exchange obtained by Purchaser (net of any applicable commissions or exchange charges) on the business day immediately preceding the date of the delivery of such payment by the Depositary.

In accordance with Rule 10b-13 under the Exchange Act and applicable provincial securities laws in Canada, Purchaser will not purchase (or arrange to purchase) Shares otherwise than pursuant to the Offer until the Expiry Time.

3. Procedure for Tendering Share

Valid Tender. For Shares to be validly tendered pursuant to the Offer, either (a) a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message in connection with a book-entry delivery of Shares and any other required documents, must be received by the U.S. or Canadian Depositary at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiry Time and either (i) certificates representing Shares must be received by the U.S. or Canadian Depositary at any such address on or prior to the Expiry Time or (ii) such Shares must be delivered pursuant to the procedures for book-entry transfer set forth below and a Book-Entry Confirmation must be received by the U.S. or Canadian Depositary, in each case prior to the Expiry Time, or (b) the tendering shareholder must comply with the guaranteed delivery procedures set forth below. No alternative, conditional or contingent tenders will be accepted.

Book-Entry Transfer. The U.S. Depositary and the Canadian Depositary will make a request to establish an account with respect to the Shares at The Depository Trust Company and The Canadian Depository for Securities Limited ("CDS"), respectively (each, a "Book-Entry Transfer Facility" and collectively, the "Book-Entry Transfer Facilities") for purpose of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in a Book-Entry Transfer Facility's system may make book-entry delivery of Shares by causing a Book-Entry Transfer Facility to transfer such Shares into a Depositary's account at such Book-Entry Transfer Facility in accordance with that Book-Entry Transfer Facility's procedure for such transfer. However, although delivery of Shares may be effected through book-entry transfer into a Depositary's account at a Book-Entry Transfer Facility, the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guaranteed (or an Agent's Message in connection with a book-entry transfer) and any other required documents, must, in any case, be transmitted to, and received by, the relevant Depositary at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiry Time, or the tendering stockholder must comply with the guaranteed delivery procedures described below. The confirmation of a book-entry transfer of Shares into a Depositary's account at a Book-Entry Transfer Facility as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents (including an executed Letter of Transmittal) to a Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures does not constitute delivery to either Depositary.

Signature Guarantees. Signatures on all Letters of Transmittal submitted to the U.S. Depositary must be guaranteed by a member in good standing of the Securities Transfer Agent's Medallion Program in the United States or by any other bank, broker, dealer, credit union, savings association or other entity that is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act, and signatures on all Letters of Transmittal submitted to the Canadian Depositary must be guaranteed by a Schedule A Canadian chartered bank,, a major trust company in Canada or a member in good standing of the Securities Transfer Agent's Medallion Program in Canada (each of the foregoing signature guarantors with respect to Letters of Transmittal submitted to the U.S. or Canadian Depositary, as applicable, an "Eligible Institution"), unless the Shares tendered thereby are tendered (i) by a registered holder of Shares who has not completed either the box labeled "Special Delivery Instructions" or the box labeled "Special Payment Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. See Instruction 1 of the Letter of Transmittal. If the certificates representing Shares are registered in the name of a person or persons other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for Shares not accepted for payment or not tendered are to be issued to a person other than the registered holder, then the certificates representing Shares must be endorsed or accompanied by appropriate stock powers, in each case signed exactly as the name or names of the registered holder or holders appear on the certificates, with the signatures on the certificates or stock powers guaranteed as described above and as provided in the Letter of Transmittal. See the Instructions to the Letter of Transmittal.

Guaranteed Delivery. If a shareholder desires to tender Shares pursuant to the Offer and such shareholder's certificates are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the U.S. or Canadian

Depositary on or prior to the Expiry Time, such Shares may nevertheless be tendered if all of the following guaranteed delivery procedures are complied with:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Purchaser herewith, is received by the U.S. or Canadian Depositary, as provided below, prior to the Expiry Time; and

(iii) the certificates for all tendered Shares in proper form for transfer, or a Book-entry Confirmation with respect to all tendered Shares, in either case together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with any requested signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by the Letter of Transmittal, are received by the U.S. or Canadian Depositary within three trading days after the date of execution of such Notice of Guaranteed Delivery. A "trading day" is any day on which shares are traded on the American Stock Exchange in the case of the U.S. Depositary or on The Toronto Stock Exchange in the case of the Canadian Depositary.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile to the U.S. or Canadian Depositary and must include an endorsement by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery.

The method of delivery of certificates for Shares, the Letter of Transmittal and all other required documents, including delivery through any Book-Entry Transfer Facility, is at the option and risk of the tendering shareholder. In all cases, sufficient time should be allowed to ensure timely delivery.

Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer in all cases will be made only after timely receipt by the U.S. or Canadian Depositary of certificates for (or a Book-Entry Confirmation with respect to) such Shares, a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message, and all other documents required by the Letter of Transmittal.

Backup U.S. Federal Income Tax Withholding. Under applicable U.S. federal income tax laws, unless an exception applied thereunder, the relevant Depositary will be required to withhold 31% of the amount of any payments made to shareholders who are U.S. Holders (as defined in Section 6a) pursuant to the Offer. To prevent backup federal income tax withholding with respect to the purchase price of Shares purchased pursuant to the Offer, each shareholder that is a U.S. Holder (as defined in Section 6a) and not otherwise exempt must provide the relevant Depositary with such shareholder's correct taxpayer identification number and certify that such U.S. Holder is not subject to backup federal income tax withholding by completing the Substitute Form W-9 included in the Letter of Transmittal. Under certain circumstances, non-U.S. Holders may be required to comply with certification procedures to establish their non-U.S. status. See Instructions to the Letter of Transmittal and Section 6a.

Determination of Validity. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares pursuant to any of the procedures described above will be determined by Purchaser in its sole discretion, which determination shall be final and binding on all parties. Purchaser reserves the absolute right to reject any or all tenders of Shares that are determined by it not to be in proper form or the acceptance or payment for which, in the opinion of Purchaser, may be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in any tender of Shares. Subject to the terms of the Pre-Acquisition Agreement and applicable U.S. and Canadian regulatory requirements, Purchaser also reserves the absolute right to waive or to amend any of the conditions of the Offer. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding on all parties. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of Purchaser, Parent, the Depositaries, the Information Agent, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

Appointment as Proxy. By executing a Letter of Transmittal, a tendering shareholder irrevocably appoints designees of Purchaser as such shareholder's attorneys-in-fact and proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such shareholder's rights with respect to the Shares tendered by such shareholder and accepted for payment by Purchaser (and with respect to any and all other Shares or other securities issued or issuable in respect of such Shares on or after the date of the Offer). All such powers of attorney and proxies shall be considered coupled with an interest in the tendered Shares. Such powers of attorney and proxies shall be irrevocable and shall be effective when, and only to the extent that, Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by such shareholder with respect to such Shares (and any other Shares or other securities so issued in respect of such purchased Shares) will be revoked, without further action, and no subsequent powers of attorney and proxies may be given (and, if given, will not be deemed effective) by such shareholder. The designees of Purchaser will be empowered to exercise all voting and other rights of such shareholder with respect to such Shares (and any other Shares or securities so issued in respect of such accepted Shares) as they in their sole discretion may deem proper, including, without limitation, in respect of any annual or special meeting of the Company's shareholders, or any adjournment or postponement thereof, or in connection with any action by written consent in lieu of any such meeting or otherwise. Purchaser reserves the absolute right to require that, in order for Shares to be validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser must be able to exercise full voting and other rights with respect to such Shares (and any other Shares or securities so issued in respect of such accepted Shares), including voting at any meeting of shareholders then scheduled or giving or withdrawing written consents as to which the record date has passed.

Binding Agreement. Purchaser's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the tendering shareholder and Purchaser upon the terms and conditions of the Offer.

4. Withdrawal Rights

Except as otherwise provided in this Section 4, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiry Time and, unless theretofore accepted for payment by Purchaser as provided herein, may also be withdrawn at any time after August 14, 1999. If Purchaser is delayed in its purchase of or payment for Shares or is unable to purchase or pay for Shares for any reason, then, without prejudice to the rights of the Purchaser hereunder, tendered Shares may be retained by the Depositaries on behalf of Purchaser and may not be withdrawn except to the extent that tendering shareholders are entitled to withdrawal rights as set forth in this Section 4 or as provided by applicable U.S. or Canadian law or regulation. The reservation by Purchaser of the right to delay the acceptance or purchase of or payment for Shares is subject to the provisions of Rule 14e-1(c) under the Exchange Act, which requires Purchaser to pay the consideration offered or return Shares deposited by or on behalf of shareholders promptly after the termination or withdrawal of the Offer, and applicable provincial securities legislation in Canada, which requires that payment be made as soon as possible following acceptance by Purchaser of the tendered Shares and in any event not more than three days following such acceptance.

For a withdrawal of tendered shares to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the relevant Depositary at one of its addresses set forth on the back cover of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares. If certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the relevant Depositary, then prior to the physical release of such certificates, the tendering shareholder must also submit the serial numbers shown on such certificates, and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (except in the case of Shares tendered for the account of an Eligible Institution). If Shares have been tendered pursuant to the procedure for book-entry transfer set forth in Section 3, any notice of withdrawal with respect to such Shares must specify the name and number of the account at the applicable Book-Entry Transfer Facility to be credited with the withdrawn Shares.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by Purchaser, in its sole discretion, whose determination shall be final and binding on all parties. No withdrawal of Shares shall be deemed to have been properly made until all defects and irregularities have been cured or waived. None of Purchaser, Parent, the Depositaries, the Information Agent, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failing to give such notification.

Any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer, but may be retendered at any subsequent time prior to the Expiry Time by following any of the procedures described in Section 3.

In addition, if after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer, a change occurs in the information contained in this Offer to Purchase, as amended from time to time, that would reasonably be expected to affect the decision of a shareholder to accept or reject the Offer, unless such change is not within the control of the Purchaser or of any affiliate of the Purchaser, any Shares deposited under the Offer and not accepted and paid for by the Purchaser at such time may be withdrawn by or on behalf of the depositing shareholder, as the case may be, at the place of deposit at any time until the expiration of ten calendar days after the date upon which the notice of such change is mailed, delivered or otherwise communicated, subject to abridgement of that period pursuant to such order or orders as may be granted by Canadian courts or securities regulatory authorities.

In addition to the foregoing rights of withdrawal, shareholders in certain provinces of Canada are entitled to statutory rights of rescission in certain circumstances. See Section 15.

5. Certain Conditions of the Offer

Notwithstanding any other provision of the Offer, and subject to the Pre-Acquisition Agreement, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14c-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered shares promptly after termination or withdrawal of the Offer) and applicable provisional securities laws in Canada, pay for any Shares tendered pursuant to the Offer and may terminate or amend the Offer and may postpone the acceptance of, and payment for, any Shares, if the following conditions (the "Offer Conditions") are not satisfied or waived:

(a) at the Expiry Time, the number of Shares that shall have been validly tendered under the Offer (and not properly withdrawn), together with any Shares held by or on behalf of Parent, or any of its subsidiaries, shall constitute at least 71.0% of the outstanding Shares (calculated on a fully diluted basis);

(b) all material requisite governmental and regulatory approvals and consents (including, without limitation, those of any stock exchanges or securities regulatory authorities) required in Parent's reasonable judgment to make lawful the purchase by, or the sale to, Purchaser of the Shares (whether under the Offer, or a compulsory acquisition or other Second Stage Transaction (as defined in Section 13)) shall have been obtained and all applicable statutory or regulatory waiting periods, during the pendency of which the purchase by, or the sale to, Purchaser of the Shares would be illegal, shall have expired or been terminated without the imposition of any conditions that, individually or in the aggregate, have or are reasonably likely to have the consequences referred to in clauses (i) through (iii) of paragraph (c) below; without limiting the foregoing: (i) the applicable waiting periods under the HSR Act and the Competition Act (Canada) with respect to the Offer shall have expired or been terminated; (ii) the Offer shall have been approved or deemed to be approved or exempted pursuant to the Investment Canada Act; and (iii) all other consents and approvals, without which in Parent's reasonable judgment the purchase by, or the sale to, Purchaser of the Shares (whether under the Offer or a compulsory acquisition or other Second Stage Transaction) would be illegal, have been obtained;

(c) no statute, rule, regulation, executive or other order shall have been enacted, issued, promulgated or enforced by any Governmental Authority (as defined in the Pre-Acquisition Agreement) and no

preliminary or permanent injunction, temporary restraining order or other legal restraint or prohibition shall have been threatened or issued by (and no action, proceeding or counterclaim shall be pending or threatened by or before) a court or other Governmental Authority (i) preventing or rendering, or seeking to prevent or render, illegal the making of the Offer, the acceptance for payment of, the payment for, or ownership, directly or indirectly, of some or all of the Shares by Purchaser or the completion of a compulsory acquisition or other Second Stage Transaction (as defined in Section 13), (ii) imposing or confirming, or seeking to impose or confirm, limitations on the ability of Parent or Purchaser, directly or indirectly, effectively to acquire or hold or to exercise full rights of ownership of the Shares or otherwise control the Company, in a manner that, in the reasonable judgment of Parent, would reasonably be expected, in the aggregate, to materially impair the overall benefits to be realized by Parent from consummation of the Offer and the other transactions contemplated by the Pre-Acquisition Agreement, or (iii) requiring, or seeking to require, divestiture by Purchaser, directly or indirectly, of any Shares or requiring Purchaser, Parent, the Company or any of their respective subsidiaries or affiliates to dispose of or hold separate all or any portion of their respective businesses, assets or properties or imposing any limitations on the ability of any of such entities to conduct their respective businesses or own such assets, properties or the Shares or on the ability of Parent or Purchaser to conduct the business of the Company and its subsidiaries and own the assets and properties of the Company and its subsidiaries, in each case under this clause (iii) in a manner that, in the reasonable judgment of Parent, would reasonably be expected, in the aggregate, to materially impair the overall benefits to be realized by Parent from consummation of the Offer and the other transactions contemplated by the Pre-Acquisition Agreement;

(d)(i) the Company shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under the Pre-Acquisition Agreement, and (ii) each of the representations and warranties of the Company contained in the Pre-Acquisition Agreement that is qualified as to materiality shall be true and correct and any such representation or warranty that is not so qualified shall be true and correct, in all material respects, as of the date of the Pre-Acquisition Agreement and as of the Expiry Time as if made on and as of the Expiry Time (except to the extent such representations and warranties speak as of a specific date, which shall be so true and correct as of such date); provided that, in either case, the Company has been given notice of and ten business days to cure any such misrepresentation, breach or non-performance or such misrepresentation, breach or non-performance, by its timing or nature, cannot be cured before such tenth business day;

(e) at any time after date of the Pre-Acquisition Agreement, there shall not have occurred any event, occurrence, development or state of circumstances that has had a Material Adverse Effect (as defined in Pre-Acquisition Agreement);

(f) there shall not have occurred, developed or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law, regulation, action, governmental regulation, inquiry or other occurrence of any nature whatsoever which, in the reasonable judgment of Parent, materially adversely affects or involves, the general economic, financial, currency exchange, securities or commodity market operations in Canada or the United States;

(g) neither the Company nor any of its subsidiaries (or the Board of Directors, or any committee thereof, of the Company) shall have approved, recommended, authorized, proposed, filed a document with any Securities Authorities not opposing, or publicly announcing its intention to enter into, any Take-Over Proposal (as defined in Pre-Acquisition Agreement) (other than with Purchaser or any of its affiliates) and shall not have resolved to do any of the foregoing;

(h) the Pre-Acquisition Agreement shall not have been terminated pursuant to its terms; and

(i) the Board of Directors or any committee thereof of the Company shall not have modified or amended in any manner adverse to Parent or Purchaser, and shall not have withdrawn, its authorization, approval or recommendation of the Offer or the Pre-Acquisition Agreement and shall not have resolved to do any of the foregoing.

The foregoing conditions are for the sole benefit of Parent and Purchaser and may be asserted regardless of the circumstances (including any action or inaction by Parent or Purchaser or any of their affiliates giving rise to any such condition) or waived by Parent or Purchaser in whole or in part at any time from time to time in its discretion subject to the terms and conditions of the Pre-Acquisition Agreement. The failure of Parent or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

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Dated: June 30, 1999

TITAN ACQUISITIONS, LTD.

By (Signed) Ari Bousbib
Director and President

6a. Certain U.S. Federal Income Tax Consequences

The following is a general discussion of certain U.S. federal income tax consequences of the receipt of cash by a holder of Shares pursuant to the Offer and certain subsequent acquisitions by the Offeror. Except as specifically noted, this discussion applies only to a U.S. Holder (as defined below). It applies only to Shares held as capital assets and does not address aspects of U.S. federal income tax that may be applicable to holders that are subject to special tax rules, including, without limitation, banks, insurance companies, tax-exempt organizations, financial institutions, dealers in securities or currencies, persons who acquired Shares pursuant to an exercise of employee stock options or rights or otherwise as compensation, persons who hold Shares as a position in a "straddle" or as part of a "hedging" or "conversion" transaction, persons that have a "functional currency" other than the U.S. dollar and persons that own (or are deemed to own for U.S. federal income tax purposes) ten percent or more (by voting power or value) of the Shares. Also, the summary does not address state, local or foreign tax consequences of the Offer. Consequently, each holder should consult such holder's own tax advisor as to the specific tax consequences of the Offer to such holder.

For purposes of this discussion, a "U.S. Holder" means a holder of Shares that is (i) an individual who is a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof or therein, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust and (y) one or more United States persons have the authority to control all substantial decisions of the trust.

General. The receipt of cash for Shares pursuant to the Offer or pursuant to a compulsory acquisition (as described in Section 13) by a U.S. Holder will be taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. In general, a U.S. Holder will recognize gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount of cash received in exchange for the Shares sold and such U.S. Holder's adjusted tax basis in such shares. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder has held the Shares for more than one year at the time of the sale.

Subsequent Acquisition by Purchaser. As described in Section 13, Purchaser may, in certain circumstances, propose a share consolidation or other form of business combination in which holders who do not deposit their Shares under the Offer may have such Shares exchanged for cash.

For United States federal income tax purposes, an exchange of Shares for cash would be a taxable transaction and may also be a taxable transaction under the applicable tax laws of various states and localities within the United States. In general, such U.S. Holders would recognize gain or loss on such exchange equal to the difference, if any, between (i) the amount of cash received by such U.S. Holder on the sale and (ii) such U.S. Holder's tax basis in the Shares exchanged therefor. Such gain or loss would be long-term capital gain or loss, if the holding period for the Shares, as of the time of sale, exceeds one year.

Purchaser may also propose an arrangement, reclassification, continuance or other transaction, the tax consequences of which may differ from those discussed above. U.S. Holders should consult their tax advisers regarding the tax consequences of any such proposal.

United States Backup Withholding. United States backup withholding tax and information reporting requirements generally apply to certain payments to certain non-corporate holders. Information reporting will apply to proceeds from the sale or redemption of Shares by a paying agent within the United States to a U.S. Holder (other than an "exempt recipient," including a corporation and certain other persons). As noted in Section 3, a paying agent within the United States will be required to withhold 31% of any such payment within

the United States to a U.S. Holder (other than an "exempt recipient") if such U.S. Holder fails to furnish its correct taxpayer identification number and certifies that such U.S. Holder is not subject to backup withholding tax by submitting a completed Substitute Form W-9 to the U.S. or Canadian Depositary or otherwise fails to comply with such backup withholding requirements. Accordingly, each U.S. Holder should complete, sign and submit the Substitute Form W-9 included as part of the Letter of Transmittal, if appropriate, in order to avoid the imposition of such backup withholding tax. Certain non-U.S. Holders may be required to comply with certification procedures to establish their non-U.S. status.

The United States federal income tax discussion set forth above is included for general information only and is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly retroactively). U.S. Holders are urged to consult their tax advisors with respect to the specific tax consequences of the Offer to them, including the application and effect of the alternative minimum tax, and state, local and foreign tax laws.

6b. Certain Canadian Federal Income Tax Considerations

In the opinion of Stikeman Elliott, Canadian counsel to the Purchaser, the following is a summary of the principal Canadian federal income tax considerations generally applicable to Shareholders in respect of the sale of Shares pursuant to the Offer or pursuant to certain transactions described in Section 13, under "Acquisition of Shares Not Tendered".

This summary is based upon the current provisions of the Canadian federal Income Tax Act (the "Tax Act"), the regulations thereunder (the "Regulations"), and counsel's understanding of the current administrative practices of Revenue Canada. This summary also takes into account specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Proposed Amendments") and assumes that all proposed amendments will be enacted substantially as proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in the law whether by way of legislative, judicial or governmental decisions or action or decision or in Revenue Canada's practices, nor does it take into account provincial, territorial or foreign tax legislation or considerations. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. No representations with respect to the income tax consequences to any particular shareholder are made. Shareholders are advised and expected to consult with their own tax advisers for advice regarding the income tax consequences to them of disposing of their Shares pursuant to the Offer, a compulsory acquisition or a subsequent acquisition transaction, having regard to their own particular circumstances and any other consequences to them of such transactions under Canadian federal, provincial, local and foreign tax laws.

This summary does not apply to shareholders that are "financial institutions" for the purposes of the mark-to-market rules contained in the Tax Act or to shareholders who are "specified financial institutions" for the purposes of the Tax Act.

Resident Shareholders

This summary is generally applicable to shareholders who are resident or are deemed to be resident in Canada for purposes of the Tax Act (a "Resident Shareholder") and who, for purposes of the Tax Act, hold their Shares as capital property, and who deal at arm's length and are not affiliated with Purchaser and/or the Company. Shares will generally constitute capital property to a holder thereof unless the holder holds such securities in the course of carrying on a business, or the holder has acquired such securities in a transaction or transactions considered to be an adventure in the nature of trade. Certain holders whose Shares might not

otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making the election permitted by subsection 39(4) of the Tax Act.

The Offer. A Resident Shareholder whose Shares are taken up and paid for under the Offer will realize a capital gain (or capital loss) to the extent that the proceeds received for such Shares, net of any reasonable cost of disposition exceed (or are less than) the adjusted cost base to such Resident Shareholder of such Shares. A Resident Shareholder will generally be required to include, in computing income for the year in which the disposition occurs, three quarters of the amount of any resulting capital (a "taxable capital gain") and will generally be entitled to deduct three quarters of the amount of any resulting capital loss (an "allowable capital loss") from taxable capital gains realized by the Resident Shareholder in the year in which the disposition occurs, in any of the three preceding taxation years or in any future taxation year to the extent and in the circumstances described in the Tax Act. In the case of a Resident Shareholder that is a corporation, the amount of any capital loss otherwise determined on the disposition of its Shares may in certain circumstances be reduced by the amount of dividends previously received on such Shares to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation, a partnership or a trust is a member of a partnership or a beneficiary of a trust that owns Shares.

In addition to any other tax payable by a corporation, the Tax Act imposes a refundable tax of 6 2/3% on certain investment income, including capital gains, earned by a Canadian controlled private corporation (as defined by the Tax Act). This tax will be refunded when the corporation pays taxable dividends (at a rate of one dollar for each three dollars of taxable dividends paid). Capital gains realized by an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Shareholders should consult their tax own advisers with respect to the alternative minimum tax provisions.

Compulsory Acquisition. As described in Section 13, "Acquisition of Shares Not Tendered--Compulsory Acquisition", Purchaser may, in certain circumstances, acquire Shares not deposited under the Offer pursuant to the compulsory acquisition provisions of section 206 of the CBCA. A Resident Shareholder whose Shares are acquired by the Purchaser pursuant to a compulsory acquisition will generally realize a capital gain (or a capital loss) calculated in the manner, and subject to the treatment, described above under "Resident Shareholders--the Offer".

Subsequent Acquisition Transactions. As described in Section 13, "Acquisition of Shares not Tendered--Other Second Stage Transactions", if the compulsory acquisition provisions are not available or not utilized, Purchaser will consider other means of acquiring, directly or indirectly, all of the Shares of the Company not tendered under the Offer by way of a subsequent acquisition transaction. The tax treatment of such a transaction to a Resident Shareholder will depend upon the exact manner in which the transaction is carried out and may be substantially the same as, or materially different from, that described above. Resident Shareholders should consult their own tax advisers for advice with respect to the potential income tax consequences to them of having their Shares acquired pursuant to such a subsequent acquisition transaction.

In particular, in such circumstances, the Purchaser currently intends to propose a consolidation of the Shares pursuant to which shareholders who do not deposit their Shares under the Offer would have the number of Shares they hold changed into a number of Shares which is less than one, resulting in a payment by the Company to the shareholders of cash equal to the purchase price which would have been paid for such Shares had they been deposited under the Offer.

A Resident Shareholder whose Shares are consolidated and who receives a cash payment from the Company will be deemed to have received a taxable dividend (subject to the potential application of subsection 55(2) of the Tax Act to shareholders that are corporations, as discussed below) equal to the amount by which such payment exceeds the paid-up capital for purposes of the Tax Act of the Shares that are cancelled.

In the case of a Resident Shareholder who is an individual, the deemed dividend described above will be included in computing the Resident Shareholder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. The receipt of the deemed dividend may give rise to liability for alternative minimum tax. In the case of a Resident Shareholder that is a corporation, the deemed dividend will be included (subject to the potential application of subsection 55(2) of the Tax Act as discussed below) in computing the Resident Shareholder's income and generally will be deductible in computing taxable income.

A Resident Shareholder which is a "private corporation" as defined in the Tax Act or any other corporation resident in Canada and controlled by or for the benefit of an individual or a related group of individuals may be liable to pay a refundable tax under Part IV of the Tax Act in respect of the deemed dividend.

A Resident Shareholder whose Shares are consolidated and who receives a cash payment from the Company will also have disposed of the Resident Shareholder's fractional interest in a consolidated share and a capital gain or capital loss may result. For the purpose of calculating the Resident Shareholder's capital gain or capital loss with respect to this disposition, the proceeds of disposition will be equal to the amount by which the cash payment received from the Company exceeds the amount of the deemed dividend.

A Resident Shareholder will be required to include in its income the amount of its taxable capital gain resulting from the disposition of a fractional interest in a consolidated share, and may deduct from its income any allowable capital loss resulting from the disposition of such interest against taxable capital gains realized by the Resident Shareholder in the year of disposition. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following year against taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Taxable capital gains of a Canadian-controlled private corporation may be subject to an additional refundable tax. Capital gains realized by an individual, including a trust other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act.

In the case of a Resident Shareholder that is a corporation, the amount of any capital loss otherwise determined resulting from the disposition of the Resident Shareholder's interest may be reduced by the amount of dividends previously received or deemed to have been received on Shares that are consolidated in accordance with the detailed provisions of the Tax Act in that regard. Analogous rules apply where a corporation is a member of a partnership or a beneficiary of a trust which owns a fractional interest in a consolidated share. Recent amendments to the Tax Act extend these rules to apply where a trust or partnership is a member of a partnership or beneficiary of a trust that owns a fractional interest in a consolidated share and, in certain circumstances, where an individual, including a trust, owns a fractional interest in a consolidated share or is a member of a partnership that owns a fractional interest in a consolidated share in circumstances where capital dividends have been or are deemed to have been received on Shares that have been consolidated.

Under subsection 55(2) of the Tax Act, a Resident Shareholder that is a corporation may be required to recognize all or a portion of the dividend otherwise deemed to have been received upon the consolidation of the Shares as proceeds of disposition in the computation of the capital gain or capital loss resulting from the disposition, except to the extent the deemed dividend is subject to tax under Part IV of the Tax Act and the tax is not refunded under the circumstances specified in subsection 55(2) of the Tax Act.

These income tax consequences are important in arriving at the after-tax consequence to Resident Shareholders. In particular, the acquisition by the Company of its Shares or any interest therein will give rise to a deemed dividend which will be taxed as a taxable dividend and not as a capital gain or loss. Some Resident Shareholders may accordingly find it preferable to sell their Shares prior to the consolidation becoming effective instead of participating in the consolidation.

As an alternative to the consolidation discussed above, Purchaser may propose an arrangement, amalgamation, reclassification or other transaction, the tax consequences of which may differ from those arising from the sale of the Shares under the Offer. No opinion is expressed as to the tax consequences of any such alternative transaction to a Resident Shareholder.

Non-Resident Shareholders

The following summary is only applicable to shareholders who are neither resident nor deemed to be resident in Canada for purposes of the Tax Act at any time while they hold their Shares, who deal at arm's length with Purchaser and the Company, who hold their Shares as capital property, who do not use or hold, and are not deemed to use or hold, their Shares in connection with carrying on a business in Canada, and whose Shares do not constitute "taxable Canadian property" for the purposes of the Tax Act (each such shareholder being a "Non-Resident Shareholder"). Shares of a Non-Resident Shareholder will not constitute taxable Canadian property" unless either (a) at any time during the period of five years immediately preceding the date such Shares are disposed of, 25% or more of the issued Shares (and in the view of Revenue Canada, taking into account certain rights to acquire Shares) of any class or series of the capital stock of the Company were owned by the Non-Resident Shareholder, by persons with whom the Non-Resident Shareholder did not deal at arm's length or by any combination thereof, or (b) the Non-Resident Shareholder's Shares are deemed to be "taxable Canadian property" under the Tax Act.

The Offer and Compulsory Acquisition. No tax will be payable under the Tax Act on any capital gain realized by a Non-Resident Shareholder on the disposition of such Non-Resident Shareholder's Shares pursuant to the Offer or pursuant to the Compulsory Acquisition provisions of section 206 of the CBCA as described in Section 13 "Acquisition of Shares Not Tendered--Compulsory Acquisition".

Subsequent Acquisition Transactions. A Non-Resident Shareholder whose Shares are consolidated and who receives a cash payment from the Company will be deemed to have received a taxable dividend (calculated in the manner described above under "Residents of Canada"). Such a Non-Resident Shareholder will be subject to Canadian non-resident withholding tax under the Tax Act at the rate of 25% of the amount of the deemed dividend, subject to reduction under the provisions of an applicable income tax treaty. For example, under the Canada-United States Income Tax Convention (the "Convention"), the rate of Canadian non-resident withholding tax is generally reduced to 15% in respect of dividends paid to a person who is a beneficial owner thereof and who is a resident of the United States for the purpose of the Convention.

A Non-Resident Shareholder will not be subject to any Canadian capital gains tax with respect to the cancellation of Shares on the consolidation. However, a Non-Resident Shareholder may realize a capital gain or loss with respect to the disposition of the Non-Resident Shareholder's fractional interest in a consolidated share of the Company. Because fractional interests in consolidated shares may not be interests in shares listed on any stock exchange, a fractional interest in a consolidated share held by a Non-Resident Shareholder may be "taxable Canadian property" for purposes of the Tax Act, notwithstanding that the Non-Resident Shareholder's Shares do not constitute "taxable Canadian property". As a result, any capital gain realized by a Non-Resident Shareholder on such disposition may be subject to tax under the Tax Act unless such gain is exempted from Canadian tax by the application of an applicable income tax treaty. Accordingly, unless the Non-Resident Shareholder provides the Company with a satisfactory certificate under section 116 of the Tax Act prior to the date cash payment is made by the Company, the Company intends to withhold and remit as tax for the account of the Non-Resident Shareholder 33 1/3% of the amount that the Non-Resident Shareholder is entitled to receive (determined before Canadian non-resident withholding taxes). This withholding under section 116 of the Tax Act will be in addition to Canadian non-resident withholding tax on the deemed dividend referred to above. Non-Resident Shareholders should consult their own tax advisors concerning Section 116 of the Tax Act and their ultimate Canadian tax liability, including the potential advantages to them of selling their Shares prior to the effective date of the consolidation.

Dissenting Shareholders

Dissenting shareholders who receive a payment from the Company in respect of their Shares will generally be subject to the same tax treatment as described above for Canadian Resident Shareholders and Non-Resident

Shareholders receiving a payment for their Shares from the Company. However, a dissenting Non-Resident Shareholder should not be subject to any Canadian capital gains tax or to the provisions of Section 116 of the Tax Act with respect to the disposition of Shares, and a dissenting Non-Resident Shareholder should not be regarded as having received and disposed of any interest in a consolidated share. Accordingly, the only Canadian tax consequence to a dissenting Non-Resident Shareholder should be the deemed dividend described above.

7. Price Range of the Shares; Dividends

According to the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "Company 10-K"), the Company's Shares are traded on The Toronto Stock Exchange ("TSE") and the American Stock Exchange ("AMEX") under the symbol ICP. The following table sets forth, for the periods indicated, the high and low trading prices of the Company's ordinary shares as reported by the TSE and AMEX during each of the fiscal quarters of the prior two years, the first quarter of 1999 and the second quarter of 1999 through June 29, 1999:

	TSE Cdn$		AMEX US$	
	High	Low	High	Low
Fiscal Year Ending December 31, 1999:				
First Quarter	12.25	9.00	8.38	5.88
Second Quarter (through June 29, 1999)	17.00	10.50	11.50	6.63
Fiscal Year Ended December 31, 1998:				
First Quarter	12.80	10.85	9.13	7.38
Second Quarter	18.25	11.65	12.50	8.06
Third Quarter	18.20	11.00	12.25	6.63
Fourth Quarter	14.50	10.15	9.25	6.25
Fiscal Year Ended December 31, 1997:				
First Quarter	7.35	3.90	5.38	2.88
Second Quarter	8.25	6.30	6.06	4.56
Third Quarter	12.85	8.00	9.50	5.50
Fourth Quarter	13.35	9.60	9.50	6.31

On June 23, 1999, the last full trading day before the public announcement of the execution of the Pre-Acquisition Agreement and Purchaser's intention to make the Offer, the closing price per share on TSE was Cdn$16.20 and on AMEX was US$10.75. On June 29, 1999, the last full trading day before commencement of the Offer, the closing price per share on TSE was Cdn$16.75 and on AMEX was US$11.38. Company shareholders are encouraged to obtain current market quotations for the shares. According to publicly available information, the aggregate trading volumes of Shares from January 1, 1999 through June 29, 1999 on the TSE and AMEX were approximately 665,000 and 13,400,000, respectively.

8. Certain Effects of the Transaction

The purchase of Shares pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and the number of holders of Shares, which could adversely affect the liquidity and market value of the remaining Company Shares held by the public. The Company 10-K indicates that, as of December 31, 1998, there were 1,416 shareholders of record of the Shares (not taking into account record ownership through nominees and depositaries).

The extent of the public market for the Shares and, according to the published guidelines of TSE and AMEX, the continued trading of the Shares on TSE and AMEX after the purchase of Shares pursuant to the Offer will depend upon the number of holders of Shares remaining at such time, the interest in maintaining a market in such Shares on the part of securities firms, the possible termination of registration of such Shares under

the Exchange Act, as described below, and other factors. If, as a result of the purchase of Shares pursuant to the Offer or otherwise, trading of the Shares on TSE and AMEX is discontinued, the liquidity of and market for the Shares could be adversely affected. Purchaser cannot predict whether or to what extent the reduction in the number of Shares that might otherwise trade publicly would result in the suspension of trading of the Shares on TSE and AMEX or would have an adverse or beneficial effect on the market price for or marketability of the Shares or whether it would cause future prices to be greater or less than the Offer Price.

The Shares are currently "margin securities," as such term is defined under the rules of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares. Depending upon factors similar to those described above regarding listing and market quotations, following consummation of the Offer it is possible that the Shares might no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which event such Shares could no longer be used as collateral for loans made by brokers.

The Shares are currently registered under the Exchange Act. Registration of the Shares under the Exchange Act may be terminated upon application of the Company to the SEC if the Shares are not listed on a national securities exchange or quoted on AMEX and there are fewer than 300 record holders of the Shares in the United States. Termination of registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to its stockholders and to the SEC and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy statement in connection with stockholders' meetings pursuant to Section 14(a) of the Exchange Act, and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the Company. In addition, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the U.S. Securities Act of 1933, as amended. It is the present intention of Purchaser to seek to cause the Company to make applications for the termination of the registration of the Shares under the Exchange Act and for the de-listing of the Shares from AMEX and TSE as soon as possible after the purchase of all validly tendered Shares in the Offer if the requirements for such termination and de-listing are met. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or be eligible for AMEX reporting. If registration of the Shares is not terminated prior to a compulsory acquisition or any other Second Stage Transaction (each as described in Section 13) following the Offer, the registration of the Shares under the Exchange Act may be terminated and the de-listing of the Shares from AMEX and TSE may occur following consummation of such a Transaction. See Section 13.

In connection with this Offer, and as required by the Pre-Acquisition Agreement, International Comfort Products Holdings, Inc. (the "Note Issuer"), a wholly owned subsidiary of the Company, will be making an offer to purchase for cash, and a solicitation of consents to proposed amendments to the indenture relating to, the Note Issuer's 8 5/8% Senior Notes Due 2008 Series B, with an outstanding principal amount of US$150 million (the "Senior Note Offer"). The Senior Note Offer is conditioned upon the consummation of this Offer; however this Offer is not contingent upon the results of the Senior Note Offer.

9. Certain Information Concerning the Company

Except as otherwise stated in this Offer to Purchase, the information concerning the Company contained herein has been taken from or based upon publicly available documents and records on file with the SEC and other public sources including, but not limited to, the Company 10-K and the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 1999 (the "Company 10-Q"). Although neither Parent nor Purchaser has any knowledge that any statements contained herein based on such documents and records are untrue, neither Parent nor Purchaser takes any responsibility for the accuracy or completeness of the information concerning the Company, furnished by the Company or contained in such documents and records, or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any such information.

The Company is a corporation continued under the laws of Canada with its principal executive offices located at 501 Corporate Center Drive, Suite 200, Franklin, Tennessee, USA 37067. The Company designs, manufactures, sells and distributes a complete range of central air conditioners, heat pumps and combination gas/electric units, and gas, oil, and electric furnaces along with related parts and accessories for the residential and light commercial markets. The Company's products are sold primarily through a network of approximately 400 independent heating, ventilation and air conditioning distributors in the United States, Canada and other international markets. These distributors are the Company's link to dealers and, in turn, to consumers. The Company's products are also marketed through independent air conditioning and refrigeration wholesalers, major commercial contractors and builders.

International Comfort Products Corporation

Selected Financial Data
(In Millions of U.S. Dollars)

Set forth below are selected historical financial data and other historical operating data of the Company as of and for the periods that have been taken or derived from the audited financial statements contained in the Company 10-K and Company 10-Q (in each case prepared in accordance with Canadian GAAP). More comprehensive financial information and other information is included in the Company 10-K and Company 10-Q and other documents filed by the Company with the SEC, and the following summary financial information is qualified in its entirety by reference to such reports and other documents, including the financial statements and related notes contained therein.

Statement of Operations Data:

	Quarter Ended		Year Ended		
	March 31, 1999	March 31, 1998	December 31, 1998	December 31, 1997	December 31, 1996
	(unaudited)				
Net Sales	US$158.1	US$132.8	US$733.5	US$630.7	US$641.9
Gross Profit	31.9	28.5	155.2	127.0	124.1
Operating Profit	4.9	8.3	58.8	41.5	33.4
Net Income	--	3.5	35.2	22.0	8.5

Balance Sheet Data:

	March 31, 1999	December 31, 1998	December 31, 1997
	(unaudited)		
Total Assets	US$ 475.6	US$ 427.8	US$ 352.0
Total Liabilities	381.7	331.5	300.5
Stockholders' Equity	93.9	96.3	51.5

Certain Company Projections. During the course of discussions between Parent and the Company that led to the execution of the Pre-Acquisition Agreement (see Section 12), the Company provided Parent with certain information relating to the Company that Parent and Purchaser believes is not publicly available. This information included projections of the operating performance of the Company for the years ended December 31, 1999 through 2001, based on financial projections developed by the Company. The projections do not reflect consummation of the Offer, any Second Stage Transaction (as defined in Section 13) between Purchaser and the Company or any future possible acquisitions or divestitures by the Company.

The projections include the following estimates regarding the Company's anticipated results of operations for the years ended 1999, 2000 and 2001:

	Year ended December 31		
Statement of Operations	2001	2000	1999
Sales	US$ 1056.1	US$ 972.9	US$ 870.3
Gross Profit	257.5	231.8	196.1
Net Income	63.4	51.5	36.7

These projections are based on a variety of estimates and assumptions, including but not limited to those listed below, which involve judgments with respect to future economic and competitive conditions, inflation rates and

technology trends, including the following major economic, financial market and operations assumptions:

- There is no recession (the last two recessions have generally resulted in a 10% decline in industry sales);

- U.S. GDP growth rates of 2.0% to 3.0% per year;
- Industry growth rates beyond 1999 of 5.0% to 6.0% per year;
- Constant U.S./Canadian exchange rates of Cnd$1.47 per US$1.00;
- No new facilities are built by the Company; and
- The Company's programs will increase sales growth above the projected industry growth rate.

The Company does not as a matter of course make public any projections as to future performance or earnings, and the projections set forth above are included in this Offer to Purchase only because the information was made available to Parent and Purchaser by the Company. Parent and Purchaser understand that the projections were not prepared with a view to public disclosure or compliance with the published guidelines of the SEC, the applicable requirements of the various provincial securities legislation in Canada or the guidelines established by the American Institute of Certified Public Accountants regarding projections or forecasts. Projected information of this type is based on estimates and assumptions that are inherently subject to significant economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Company, Parent and Purchaser. Accordingly, actual results may vary materially from such projections and none of the Company, Parent or Purchaser assumes any responsibility for the accuracy or validity of any of the projections. The inclusion of the foregoing projections should not be regarded as an indication that the Company, Parent or Purchaser or any other person who received such information considers it an accurate prediction of future events, and Parent and Purchaser have not relied on them as such.

Available Information. The Company is subject to the informational filing requirements of the Exchange Act. In accordance therewith, the Company files periodic reports, proxy statements and other information with the SEC under the Exchange Act relating to its business, financial condition and other matters. The Company is required to disclose in such proxy statements certain information, as of particular dates, concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company. Such reports, proxy statements and other information may be inspected at the Commission's office at 450 Fifth Street, N.W., Washington, D.C. 20549, and also should be available for inspection and copying at the regional offices of the Commission located at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511; and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such reports, proxy statements and other information should be obtainable upon payment of the Commission's prescribed fees by writing to the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C.. 20549.

10. Certain Information Concerning Parent and Purchaser

Parent and the Purchaser. Purchaser is a corporation incorporated under and governed by the laws of the Province of New Brunswick, Canada, with its principal executive offices located at One Financial Plaza, Hartford, Connecticut 06101. The Purchaser is a wholly-owned subsidiary of Parent, which was organized for the purpose of acquiring the Company and has not conducted any unrelated activities since its organization. Parent is a Delaware corporation with its principal executive offices located at One Financial Plaza, Hartford, Connecticut 06101.

Parent and its consolidated subsidiaries provide high technology products to aerospace and building systems customers throughout the world. Parent and its consolidated subsidiaries conduct their business within four principal operating segments. The operating units of Parent and its consolidated subsidiaries are grouped based upon the operating segment in which they participate. The units participating in each operating segment and their respective principal products are as follows:

- Otis offers a wide range of elevators, escalators, moving walks and shuttle systems and related installation, maintenance and repair services; and modernization products and services for elevators and escalators.

- Carrier provides heating, ventilating and air conditioning (HVAC) equipment for commercial, industrial and residential buildings; HVAC replacement parts and services; building controls; commercial, industrial and transport refrigeration equipment; and aftermarket service and components.

- Pratt & Whitney provides large and small commercial and military turbofan (jet) and turboprop engines, spare parts and product support; specialized engine maintenance and overhaul and repair services for airlines, government and private fleets; and rocket engines and space propulsion systems and industrial gas turbines.

- Flight Systems is made up of Sikorsky and Hamilton Standard. Sikorsky offers military and commercial helicopters and maintenance services. Hamilton Standard offers engine and flight controls; propellers; environmental controls systems; space life support systems; electrical, mechanical and power systems products for aircraft; rotary screw compressors; power transmission equipment; pumps and other industrial products.

Until recently, Parent conducted its business through a fifth operating segment. The business of this segment, which was conducted through UT Automotive, manufactured automotive electrical and electronic components, automotive trim systems and insulation and acoustical materials and systems. On May 4, 1999, Parent completed the sale of its UT Automotive unit to Lear Corporation. Parent's financial statements for the three year period ending December 31, 1998, have been restated to reflect UT Automotive as a discontinued operation. These restated financial statements have been filed in Parent's Current Report on Form 8-K filed on June 11, 1999.

On June 10, 1999, Parent completed the acquisition of Sundstrand Corporation. Sundstrand Corporation was merged with a wholly owned subsidiary of Parent, which was renamed Hamilton Sundstrand Corporation. Hamilton Sundstrand Corporation is a leader in the design and manufacture of proprietary, technology based components and subsystems for aerospace and industrial markets. Hamilton Sundstrand Corporation and Parent's Hamilton Standard division are part of the Flight Systems operating segment.

Selected Financial Information. The following tables contain selected consolidated historical financial information included in Quarterly Report on Form 10-Q for the three months ended March 31, 1999 and in Parent's Annual Report on Form 10-K for the year ended December 31, 1998 as restated by its Current Report on Form 8-K filed on June 11, 1999 to reflect UT Automotive as a discontinued operation. More comprehensive financial and other information is included in such reports (including management's discussion and analysis of financial condition and results of operations) and in other reports and documents filed by Parent with the SEC. The financial information set forth below is qualified in its entirety by reference to such reports and documents filed with the SEC and the financial statements and related notes contained therein. These reports and other documents may be examined and copies thereof may be obtained as described below under "Available Information."

Statement of Operations Data

In Millions of Dollars	Years Ended December 31, 1998	1997	1996
Revenues	US$22,809	US$21,288	US$19,872
Research and development	1,168	1,069	1,014
Income from continuing operations before interest, taxes and minority interests	2,007	1,762	1,530
Interest expense	197	188	213
Income taxes	568	514	430
Income from:			
Continuing Operations	1,157	962	788
Discontinued Operation	98	110	118
Net income	US$ 1,255	US$ 1,072	US$ 906

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In Millions of Dollars	Quarter Ended March 31, 1999	1998
	(Unaudited)	
Revenues	US$5,442	US$5,308
Research and development	274	277
Income from continuing operations before interests, taxes and minority interests	490	409
Interest expense	55	47
Income taxes	136	114
Income from:		
Continuing operations	278	229
Discontinued operations	30	31
Net income	US$ 308	US$ 260

Balance Sheet Data

In Millions of Dollars (except ratio data)	As of March 31, 1999	As of December 31, 1998	1997	1996
	(Unaudited)			
Cash	US$657	US$550	US$655	US$998
Working capital (excluding net investment and discontinued operation)	1,422	1,359	1,712	2,168
Total assets	17,912	17,768	15,697	15,566
Long-term debt (including current portion)	1,653	1,669	1,389	1,506
Total debt	2,194	2,173	1,567	1,709
Shareowners' equity	4,499	4,378	4,073	4,306

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Operating Segment Data

In Millions of Dollars	Years Ended December 31, Revenues 1998	1997	1996	Operating Profit 1998	1997	1996
Otis	US$5,572	US$ 5,548	US$ 5,595	US$ 533	US$ 465	US$ 524
Carrier	6,922	6,056	5,958	495	458	422
Pratt & Whitney	7,876	7,402	6,201	1,024	816	637
Flight Systems	2,891	2,804	2,596	287	301	244
UT Automotive	2,962	2,987	3,233	169	173	196
Total segment	US$26,223	US$24,797	US$23,583	US$2,508	US$2,213	US$ 2,023
Eliminations and other	(452)	(522)	(478)	(89)	(56)	(109)
Discontinued operation	(2,962)	(2,987)	(3,233)	(169)	(173)	(196)
General corporate expenses	--	--	--	(243)	(222)	(188)
Consolidated	US$22,809	US$21,288	US$19,872	US$2,007	US$1,762	US $1,530

Available Information. Parent is subject to the information reporting requirements of the Exchange Act and, in accordance therewith, files reports relating to its business, financial condition and other matters. Information, as of particular dates, concerning Parent's directors and officers, their remuneration, stock options and other matters, the principal holders of the Parent's securities and any material interest of such persons in transactions with the Parent is required to be disclosed in proxy statements distributed to Parent's shareholders and filed with the SEC. These reports, proxy statements and other information are available for inspection at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the SEC located at Seven World Trade Center, 13th Floor, New York, NY 10048 and Citicorp Center, 500 West Madison Street (Suite 1400), Chicago, IL 60661. Copies of such information are obtainable from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates.

Directors and Officers. The name, business address, citizenship, present principal occupation or employment and five-year employment history of each of the executive officers of the Parent and Purchaser are set forth in Schedule I hereto.

Neither Parent nor Purchaser nor, to the best of the Purchaser's and Parent's knowledge, any of the persons listed in Schedule I hereto or any associate or majority owned subsidiary of the Parent, beneficially owns or has a right to acquire any securities of the Company or has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities of the Company, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss, or the giving or withholding of proxies, or has effected any transaction in the securities of the Company during the past 6 months.

From time to time Parent and its subsidiaries have purchased from the Company or its subsidiaries, and the Company and its subsidiaries have purchased from Parent or its subsidiaries, certain products in the ordinary course of business of the respective companies, but the aggregate amount of all such transactions is not material to the Company and is below the levels at which the relevant regulations of the SEC would require disclosure in connection with this Offer. Except as set forth in this Offer to Purchase, since January 1, 1996, neither the Parent, Purchaser, any person acting jointly or in concert with the Purchaser nor, to the best of the Parent's and Purchaser's knowledge, any of the persons listed on Schedule I hereto nor any associate of a person listed on Schedule I hereto, has had any transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the SEC applicable to the Offer. Except as set forth in this Offer to Purchase, since January 1, 1996, there had been no contracts, negotiations or transactions between the Parent, any of its subsidiaries or, to the best of the Parent's and Purchaser's knowledge, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its

affiliates, on the other hand, concerning a merger, consolidation or acquisition; a tender offer for or other acquisition of securities of any class of the Company, an election of directors of the Company; or a sale or other transfer of a material amount of assets of the Company or any of its subsidiaries.

11. Source and Amount of Funds

The total amount of funds required by Purchaser to purchase the Shares and pay related expenses will be approximately U.S.$500 million. Purchaser will obtain all such funds from Parent or its affiliates in the form of capital contributions or advances. Parent anticipates funding the capital contributions or advances through one or more of a combination of cash on hand and other internally generated funds, commercial paper, privately placed notes, and arranged bank credit facilities. In addition, Parent has a shelf registration statement on file, pursuant to which it might elect to issue debt securities prior to, or following, the consummation of the Offer. The proceeds of any such issuance might be used to finance or refinance all or a part of the consideration of the Offer. The Offer is not conditioned upon any financing arrangements.

12. Background of the Transaction

In March 1999, Credit Suisse First Boston Corporation ("CSFB"), the Company's financial advisor, contacted Parent to notify Parent that it had been retained by the Board of Directors of the Company to conduct a selective sale process and was contacting potentially interested parties. Parent was informed that a Special Committee of the Company's Board of Directors was formed to monitor the sale process. CSFB wanted to ascertain whether Parent had any preliminary interest in an acquisition of the Company. Parent indicated that it was preliminarily interested. Parent and the Company entered into a confidentiality and standstill agreement. Following the receipt by Parent of a confidential information memorandum relating to the Company and its business, Parent confirmed its potential interest in an acquisition of the Company on April 23, 1999. Parent was then invited to attend a confidential management presentation on the Company and its businesses and to conduct due diligence.

During the week of May 24, 1999, Parent received a formal request from CSFB for a written offer to acquire all outstanding shares, which offer was to be made by June 15, 1999. Accompanying the bid request was a draft of the Pre-Acquisition Agreement which Parent was asked to review, and to indicate any proposed changes to, for purposes of any offer.

On June 15, 1999, Parent's Finance Committee and Board of Directors authorized management to proceed to make a bid for the Company. On June 16, 1999, representatives of Parent and the Company held a meeting at which the proposed terms and conditions of a bid by Parent were discussed. Subsequently that day Parent submitted a written bid to the Company to proceed with an offer to Company shareholders to purchase all outstanding Shares. In connection with such bid, Parent proposed changes to the Pre-Acquisition Agreement. Parent also indicated that its bid was conditioned on entering into lock-up agreements with Ravine and Teachers. Following discussions between representatives of Parent and the Company on June 17 and 18, 1999, the parties agreed on the principal economic terms of the proposed Pre-Acquisition Agreement (the Offer Price of U.S. $11.75 per share, the amounts of the termination fees payable by the Company to Parent or Parent to the Company under certain circumstances if the Offer is not consummated, and the treatment of the outstanding Company stock options), subject to satisfactory resolution of all other outstanding issues with respect to the Pre-Acquisition Agreement and the requested Lock-up Agreements. Between June 21 and June 23, representatives of Parent and the Company negotiated the final terms of the Pre-Acquisition Agreement and representatives of Parent separately negotiated the terms of the Lock-up Agreements with Ravine and Teachers.

After the close of trading on June 23, 1999, the respective parties entered into the Pre-Acquisition Agreement and the Lock-up Agreements. Before the opening of trading on June 24, 1999, Parent and the Company issued a press release announcing the execution of the Pre-Acquisition Agreement and the Lock-up Agreements. On June 30, 1999 the Offer was commenced.

13. Purpose of the Offer; the Pre-Acquisition Agreement; the Lock-up Agreements

General

The purpose of the Offer and the Pre-Acquisition Agreement is to enable Purchaser to acquire, in one or more transactions, control of, and to acquire the entire equity interest in, the Company.

The Pre-Acquisition Agreement

The following is a summary of the material terms of the Pre-Acquisition Agreement. This summary is not a complete description of the terms and conditions thereof and is qualified in its entirety by reference to the full text thereof, which is incorporated herein by reference and a copy of which has been filed with the SEC as an exhibit to the Schedule 14D-1. The Pre-Acquisition Agreement may be examined, and copies thereof may be obtained, as set forth in Section 17.

The Offer. The Pre-Acquisition Agreement provides for the commencement of the Offer, in connection with which Purchaser has expressly reserved the right to waive the conditions to the Offer (the "Offer Conditions") (as described in Section 5) and expressly reserved the right, subject to compliance with applicable U.S. and Canadian securities laws (the "Securities Laws"), to modify the terms of the Offer, except that without prior written consent of the Company, Purchaser has agreed that it will not (i) reduce the number of Company Shares subject to the Offer, (ii) reduce the Offer Price, (iii) add to or modify the Offer Conditions, (iv) except as provided in the next sentence, change the time for the expiration of the Offer, (v) change the form of consideration payable in the Offer or (vi) amend, alter, add or waive any term of the Offer in any manner that is, in the opinion of the Company, acting reasonably, materially adverse to the holders of the Shares. Notwithstanding the foregoing, (A) if on any scheduled expiration date of the Offer, which shall initially be the twentieth business day from and including the day that the Offer Documents (as described in the Pre-Acquisition Agreement) are filed with the appropriate securities authorities and mailed to shareholders of the Company, all of the Offer Conditions have not been satisfied or waived, Purchaser shall, unless in the reasonable judgment of Purchaser all of the Offer Conditions cannot be satisfied or waived on or prior to December 15, 1999, from time to time, extend the expiration time for such period of time as is necessary to satisfy or fulfill such Offer Conditions, (B) Purchaser may extend the Offer for any period required by any rule, regulation, interpretation or position of any of the securities authorities applicable to the Offer, or to permit the Company to cure certain misrepresentations, breaches or instances of non-performance under the Pre-Acquisition Agreement, and (C) Purchaser may extend the Offer for up to ten business days (but not beyond December 15, 1999) if there have been validly tendered (and not properly withdrawn) prior to the expiration of the Offer such number of the Shares that would constitute at least 80%, but less than 90%, of the issued and outstanding Company Shares as of the date of determination.

Board Representation. Promptly upon the purchase by Purchaser of the outstanding Shares pursuant to the Offer, and from time to time thereafter, Parent shall be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board of Directors of the Company as shall give Parent representation on the Board of Directors of the Company equal to the product of the total number of directors on the Board of Directors (giving effect to the directors appointed pursuant to this sentence) multiplied by the percentage that the aggregate number of the Shares beneficially owned by Parent or any affiliate of Parent following such purchase bears to the total number of Shares then outstanding, and the Company shall, at such time, immediately take all actions necessary to cause Parent's designees to be appointed as directors of the Company, including increasing the size of the Board of Directors of the Company or securing the resignations of incumbent directors or both.

The Company is obligated to promptly take all actions required pursuant to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder in order to fulfill such obligations (including mailing to its stockholders the information required by such Section and Rule) and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under Section 14(f) and

Rule 14f-1. Parent shall supply to the Company and be solely responsible for any information with respect to Parent and its nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

Following the appointment of designees of Parent and prior to consummation of a compulsory acquisition or Second Stage Transaction (as described below), any amendment of the Pre-Acquisition Agreement or the Company's Certificate and Articles of Continuance or By-Laws (collectively, the "the Company Governing Documents"), any termination of the Pre-Acquisition Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Parent or waiver thereof, any waiver of any condition to the obligations of the Company or waiver of any of the Company's rights under the Pre-Acquisition Agreement or other action by the Company shall require the concurrence of a majority of the directors of the Company then in office who were not designated by Parent, which action shall be deemed to constitute the action of the full Board of Directors of the Company even if such majority does not constitute a majority of all directors then in office.

Termination of Stock Options. Pursuant to the Pre-Acquisition Agreement, the Company shall cause the vesting of option entitlements under the Company's stock option plans to accelerate prior to or concurrent with the time of the consummation of the Offer (the "Effective Time"), such that all outstanding Company options to acquire Shares are exercisable prior to or concurrent with the Effective Time. At the Effective Time, each holder of a then outstanding Company option shall, in settlement thereof, be entitled to receive from the Company, and shall be paid in full satisfaction for each Share subject to such Company option an amount (subject to any applicable withholding tax) in cash equal to the product of (i) the excess of the Offer price over the per share exercise or purchase price of such the Company option and (ii) the number of Shares subject to such Company option. Upon receipt of such consideration, each such Company option shall be cancelled. The surrender of a Company option to the Company in exchange for such consideration shall be deemed a release of any and all rights the holder had or may have had in respect of such Company option. The Company's stock option plans shall terminate as of the Effective Time and any and all rights under any provisions in any other plan, program or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of the Company or any subsidiary thereof shall be cancelled by the Company as of the Effective Time.

Representations and Warranties. The Pre-Acquisition Agreement contains various representations and warranties of the parties thereto. These include representations and warranties by the Company with respect to corporate existence and good standing, capital structure, subsidiaries, indebtedness, corporate authorization, absence of changes, securities laws filings, consents and approvals, no violations of other agreements, employee benefits, litigation, taxes, compliance with applicable laws, environmental matters, Year 2000 compliance, insurance, financial statements, undisclosed liabilities and other matters. The Company has also represented that it has not retained (nor will it retain) any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of the Pre-Acquisition Agreement, any transaction contemplated thereby or any transaction presently ongoing or contemplated, except that Credit Suisse First Boston Corporation has been retained as the Company's financial advisor in connection with certain matters including the transactions contemplated thereby. Parent has also made certain representations and warranties with respect to corporate existence, corporate authorization, securities laws filings, consents and approvals, no violations of other agreements, the availability of cash or financing to consummate the Offer and the Second Stage Transaction, litigation and other matters.

Conduct of Business and Other Covenants Prior to the Termination of the Pre-Acquisition Agreement. The Company has agreed that, except as otherwise agreed in writing by Parent or as expressly contemplated or permitted by the Pre-Acquisition Agreement, during the period from the date of the Pre-Acquisition Agreement until the Pre-Acquisition Agreement is terminated, (A) the business of the Company and its subsidiaries shall be conducted only in, and the Company and its subsidiaries shall not take any action except in, the usual and ordinary course of business and consistent with past practice, and the Company shall use all commercially reasonable efforts to maintain and preserve its and its subsidiaries' business organization, assets, employees and advantageous business relationships; (B) it shall not directly or indirectly: (i) amend the Company Governing Documents; (ii) declare, set aside or pay any dividend or other distribution or payment in respect of its share

capital; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of the Company or its subsidiaries, other than Shares issuable pursuant to the terms of the Company options outstanding on the date hereof; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its shares; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of the Company or any of its subsidiaries; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above; (C) other than pursuant to commitments entered into prior to the date of the Pre-Acquisition Agreement as disclosed in the disclosure schedule to the Pre-Acquisition Agreement (the "Disclosure Schedule") or the Company's reports filed with the Commission (the "SEC Reports"), neither the Company nor any of its subsidiaries shall directly or indirectly: (i) sell, pledge, dispose of or encumber any assets except in the ordinary course of business; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or, except for investments in securities made in the ordinary course of business, make any investment either by purchase of shares or securities, contributions of capital (other than to subsidiaries), property transfer, or, except in the ordinary course of business, purchase of any property or assets of any other individual or entity; (iii) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, except in the ordinary course of business; (iv) except for certain previously disclosed obligations to officers, pay, discharge or satisfy any material claims, liabilities or obligations other than the payment, discharge or satisfaction in the ordinary course of business consistent with past practice of liabilities reflected or reserved against in its financial statements or incurred in the ordinary course of business consistent with past practice; (v) authorize, recommend or propose any release or relinquishment of any material contract right other than in the ordinary course of business consistent with past practice; (vi) waive, release, grant or transfer any rights of material value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other document, other than in the ordinary course of business consistent with past practice; (vii) enter into any interest rate swaps, currency swaps or any other rate fixing agreement for a financial transaction or enter into any call arrangement of any sort or any forward sale agreement for commodities, other than in the ordinary course of business consistent with past practice; (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing; or (ix) make any capital expenditures other than in accordance with the 1999 capital expenditure budget previously disclosed in writing to Parent; (D) neither the Company nor any of its subsidiaries shall create any new payment obligations to officers, grant to any officer or director an increase in compensation in any form, grant any general salary increase other than in accordance with the requirements of any existing collective bargaining or union contracts, grant to any other employee any increase in compensation in any form other than routine increases in the ordinary course of business consistent with past practices, make any loan to any officer or director, or take any action with respect to the grant of any severance or termination pay arising from the Offer or a change of control of the Company or the entering into of any employment agreement with, any senior officer or director, or with respect to any increase of benefits payable under its current severance or termination pay policies; (E) neither the Company nor any of its subsidiaries shall adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with the law or as required by existing provisions of any such plans, programs, arrangements or agreements; and (F) the Company shall use its reasonable efforts to cause it current insurance (or re-insurance) policies not be canceled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

Employment Agreements, Maintenance of Employment and Benefit Plans. The Pre-Acquisition Agreement requires Parent to honor and comply with the terms of those existing executive termination and severance

agreements, plans or policies of the Company and its subsidiaries, in each case to the extent disclosed in the Disclosure Schedule or the Company's SEC Reports or except as may otherwise be agreed with the relevant employee if Parent or the Company choose to terminate, whether constructively or actually, the employment of any employees (other than for cause) of the Company or any of its subsidiaries within one year of the completion of the Offer, notice and severance shall be provided to such employees in accordance with the Company's existing severance practices, in each case to the extent disclosed in the Disclosure Schedule or the Company's SEC Reports or except as may otherwise be agreed with the relevant employee. Except as otherwise agreed with a relevant employee, Parent and the Purchaser agree, and after the Effective Time will cause the Company and any successor to the Company to agree, to maintain until December 31, 1999 salaries and all benefit plans and compensation programs currently available to employees of the Company or any of its subsidiaries, including without limitation members of management of the Company or any of its subsidiaries, or to make available until December 31, 1999 alternative benefit plans and compensation programs which are comparable in the aggregate to those currently available to such employees.

Fees and Expenses. Except in connection with fees payable to obtain the modification of the Company's debt covenants (which shall be paid or reimbursed by Parent) or fees payable as a result of the reason for the termination of the Pre-Acquisition Agreement, all fees, costs and expenses incurred in connection with the Pre-Acquisition Agreement and the transactions contemplated thereby shall be paid by the party incurring such cost or expense, whether or not the Offer is consummated.

Termination. The Pre-Acquisition Agreement may be terminated by one party giving written notice to the other parties thereto, at any time prior to completion of the transactions contemplated thereby: by mutual written consent of the Company and Parent; by either Parent or the Company (provided that the terminating party is not then in breach, in any material respect, of any covenant or other agreement contained therein and no representation or warranty of such terminating party contained therein that is qualified as to materiality shall be untrue or incorrect, and no representation or warranty of such terminating party contained therein that is not so qualified shall be untrue or incorrect in any material respect, at any time before the Effective Time, in each case, as if made at and as of such time (or, to the extent such representation or warranty speaks as of a specific date, no such representation or warranty was so untrue or incorrect as of such date)), if there shall have been a breach, in any material respect, of any covenant or other agreement contained therein on the part of the other party or if any representation or warranty of such other party contained therein that is qualified as to materiality shall not be true and correct, or any representation or warranty of such other party contained therein that is not so qualified shall not be true and correct in all material respects, at any time before the Effective Time, in each case as if made at and as of such time (or, to the extent such representation or warranty speaks as of a specific date, such representation or warranty was not so true and correct as of such date), which breach or misrepresentation is not cured within 10 days following written notice to such other party, or such breach, by its nature or timing cannot be cured prior to the Expiry Time. The Pre-Acquisition Agreement may also be terminated: by the Company, following receipt of, and in order to accept or recommend, a superior take-over proposal if, after consulting with outside counsel, the Board of Directors of the Company has determined that such action is required in order to discharge properly the directors' fiduciary duties under applicable law; by Purchaser, if (i) the Board of Directors or any committee thereof of the Company modifies or amends in any manner adverse to Parent or Purchaser, or withdraws, its authorization, approval or recommendation of the Offer or the Pre-Acquisition Agreement or shall have resolved to do any of the foregoing or (ii) the Company or any of its subsidiaries (or the Board of Directors or any committee thereof) shall have approved, recommended, authorized, proposed or filed a document with any securities authority not opposing, or publicly announced its intention to enter into any take-over proposal (other than with Parent, Purchaser or any of their affiliates), or shall have resolved to do any of the foregoing; by either Parent or the Company, if the Offer terminates or expires at the Expiry Time, without Purchaser taking up and paying for any Company Shares on account of the failure of any of the Offer Conditions which has not been waived by Purchaser, unless the absence of such occurrence shall be due to the failure of the party seeking to terminate the Pre-Acquisition Agreement to perform its requisite obligations thereunder; or by either Parent or the Company, if the date that Purchaser first takes up and acquires Company Shares pursuant to the Offer has

not occurred on or prior to December 15, 1999. No termination of the Pre-Acquisition Agreement shall relieve any party from liability for any breach of the Pre-Acquisition Agreement.

In the event of termination of the Pre-Acquisition Agreement (a) by the Company, following receipt of, and in order to accept or recommend, a superior take-over proposal if, after consulting with outside counsel, the Board of Directors of the Company has determined that such action is required in order to discharge properly the directors' fiduciary duties under applicable law or (b) by Parent, if (i) the Board of Directors or any committee thereof of the Company modifies or amends in any manner adverse to Parent, or withdraws, its authorization, approval or recommendation of the Offer or the Pre-Acquisition Agreement or shall have resolved to do any of the foregoing or (ii) the Company or any of its subsidiaries (or the Board of Directors or any committee thereof) shall have approved, recommended, authorized, proposed or filed a document with any securities authority not opposing, or publicly announced its intention to enter into any take-over proposal (other than with Parent or any of its affiliates), or shall have resolved to do any of the foregoing, the Company shall make payment to Parent by wire transfer of immediately available funds of a fee in the amount of $15 million.

In the event of termination of the Pre-Acquisition Agreement without consummation of the Offer principally as a result of a failure to obtain the antitrust approvals contemplated by paragraph (b) of the Offer Conditions, then, within two business days after such termination, Parent shall make payment to the Company by wire transfer of immediately available funds of a fee in the amount of $10 million, provided, however, that no payment shall be due if the Company shall have breached certain sections of the Pre-Acquisition Agreement.

In the event a take-over proposal is announced publicly while the Offer is open for acceptance and the Minimum Condition is not satisfied at the Expiry Time (other than principally as a result of a failure to obtain the antitrust approvals contemplated by the Offer Conditions), then the Company shall make payment to Parent by wire transfer of immediately available funds of a fee in the amount of $15 million.

In the event a take-over proposal is announced publicly and made after the Expiry Time but prior to March 31, 2000, then, if Purchaser did not take up and pay for any Shares under the Offer and the Company was not entitled to any payment from Parent as a result of a failure to obtain the antitrust approvals contemplated by the Offer Conditions, the Company shall within two business days of the date on which such take-over proposal is made make payment to Parent by wire transfer of immediately available funds of a fee in the amount of $15 million.

Indemnification and Insurance. The Pre-Acquisition Agreement also provides for the Parent's agreement to use reasonable efforts to secure directors and officers liability insurance coverage for the Company's current and former directors and officers on a six year "trailing" or "runoff" basis from and after the Effective Time. If a "trailing" policy is not available, then Parent agrees that for the entire period from the Effective Time until six years after the Effective Time, Parent will use reasonable efforts to cause the Company or any successor to the Company to maintain the Company's current directors' and officers' insurance policy or an equivalent policy, subject in either case to terms and conditions no less advantageous to the directors and officers of the Company than those contained in the policy in effect on the date hereof, for all present and former directors and officers of the Company, covering claims made prior to or within six years after the Effective Time. This obligation shall not require Parent to pay an annual premium in excess of 200% of the aggregate annual amounts currently paid by the Company to maintain the existing policies (the "Insurance Amount") and, if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of such amount, Parent shall use its reasonable best efforts to obtain as much comparable insurance as available for the Insurance Amount. Parent agrees that if it acquires the Shares under the Offer it shall cause the Company to fulfill its obligations pursuant to indemnities provided or available to past and present officers and directors of the Company pursuant to the provisions of the Company's Governing Documents, the CBCA, and the written indemnity agreements entered into between the Company and its officers and directors, in each case to the extent disclosed in the Disclosure Schedule or the Company's SEC Reports.

No Solicitation. The Pre-Acquisition Agreement requires the Company to cease immediately and cause to be terminated all existing discussions and negotiations, if any, with any parties conducted before the date of the Pre-Acquisition Agreement with respect to any takeover proposal and, without limitation, promptly following the execution of the Pre-Acquistion Agreement to request the return of all confidential information provided by the Company to all parties who have had such discussions or negotiations or who have entered into confidentiality agreements with the Company pertaining to the sale of the Company or a substantial portion of its assets.

The Company also must immediately notify Purchaser of any takeover proposal received by it or any of its subsidiaries or any of their respective directors, officers, employees, agents, financial advisors, counsel or other representatives or any request for confidential information relating to the Company in connection with a takeover proposal or for access to the properties, books or records of the Company or any of its subsidiaries by any person or entity that it is considering making a takeover proposal. Any such notice to Purchaser shall be made orally immediately following any such receipt or request, shall be confirmed in writing, and shall indicate such details of the takeover proposal or information request known to such persons as the Purchaser may reasonably request, including the identity of the person making such takeover proposal or request for information.

Neither the Company nor any of its subsidiaries, or any of their respective directors, officers, employees, agents, financial advisors, counsel or other representatives may, directly or indirectly, (i) solicit, initiate or encourage, or enter into any agreements or understandings with respect to any takeover proposal (other than from Parent and its subsidiaries and their respective directors, officers, employees, agents, financial advisors, counsel or other representatives) or (ii) provide any confidential information to any person or entity (other than Parent and its affiliates) or participate in any discussions or negotiations relating to any such takeover proposal.

Notwithstanding the foregoing, if the Board of Directors of the Company receives a request for confidential information from a party who proposes to the Company a takeover proposal and the Board of Directors of the Company determines that such proposal is reasonably likely to lead to a takeover proposal which is more favorable to holders of Company Shares from a financial point of view than the Offer and, after consulting with its outside counsel, that it is necessary to do so in order for the directors to discharge properly their fiduciary duties under applicable law, then, and only in such case, the Company may, subject to the prior execution and delivery of a confidentiality agreement in substantially the same form and containing the same restrictions and limitations as are set forth in the confidentiality agreement between the Company and Parent, provide such party with access to such information regarding the Company as was provided to or made available to Parent and/or the Purchaser, and the Company or its Board of Directors may consider and negotiate such superior takeover proposal (it being understood that neither the Company nor its Board of Directors may approve, make a recommendation to the Company shareholders or enter into an agreement with respect to such superior takeover proposal unless the Pre-Acquisition Agreement has been previously terminated). In such event, upon Parent's request, the Company shall from time to time advise Parent as to the status of such discussions and shall provide to Parent a copy of any such confidentiality agreement immediately upon its execution.

The Company is also prohibited from waiving, in whole or in part, the "standstill" provisions applicable to any party to a confidentiality agreement with the Company (other than Parent) as at June 23, 1999.

Other Covenants of Parent and Purchaser. Parent and Purchaser have agreed to take any and all steps necessary to avoid or eliminate each and every impediment under any antitrust, competition, or trade regulation law that may be asserted by any governmental authority or any other party so as to enable the parties to consummate the transactions contemplated by the Pre-Acquisition Agreement as soon as practicable, but in any event no later than December 15, 1999, including without limitation, committing to and/or effecting, by consent decree, hold separate orders, or otherwise, the sale, divestiture or disposition of such assets or businesses of Parent, Purchaser or the Company as are required to be divested in order to avoid the entry of any injunction, temporary restraining order or other governmental order, which would otherwise have the effect of preventing the consummation of all or any part of the transactions contemplated under the Pre-Acquisition Agreement; provided, however, that neither Parent nor Purchaser shall have any obligation to take any actions if such actions,

in the reasonable judgment of Parent, would reasonably be expected, in the aggregate, to materially impair the overall benefits to be realized by Parent from consummation of the Offer and the other transactions contemplated by the Pre-Acquisition Agreement.

Other Mutual Covenants. Subject to the terms and conditions herein provided, each of the parties to the Pre-Acquisition Agreement has agreed to use all commercially reasonable efforts to take, and to cause its officers, employees, representatives, advisors and agents to take, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by the Pre-Acquisition Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements (including, without limitation, the agreement of any persons as may be required pursuant to any agreement, arrangement or understanding relating to the Company's operations), (ii) to make all filings and obtain all necessary consents, approvals and authorizations as are required to be obtained under any federal, provincial or foreign law or regulations, (iii) to defend all lawsuits or other legal proceedings challenging the Pre-Acquisition Agreement or the consummation of the transactions contemplated hereby, (iv) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated hereby, (v) to effect all necessary registrations and other filings and submissions of information requested by governmental authorities and (vi) to fulfill all conditions and satisfy all provisions of the Pre-Acquisition Agreement and the Offer.

Nothing in the Pre-Acquisition Agreement (other than as expressly provided for) shall obligate Parent or the Purchaser (i) to keep the Offer open for acceptance beyond the expiration date set forth in the Offer (as it may be extended from time to time) or (ii) to take any action that, in the reasonable judgment of Parent, would reasonably be expected to materially impair the overall benefits to be realized by Parent from consummation of the Offer and the other transactions contemplated by the Pre-Acquisition Agreement.

Subject to the confidentiality agreement between Parent and the Company and upon reasonable notice, the Company is obligated to afford Parent's officers, employees, counsel, accountants and other authorized representatives and advisers reasonable access, during normal business hours and until the expiration of the Pre-Acquisition Agreement, to all of its properties, books, contracts and records as well as to its management personnel, and, during such period, the Company is obligated to furnish promptly to Parent all information concerning its business, properties and personnel as Parent may reasonably request.

In the Pre-Acquisition Agreement, the Company acknowledged that following completion of the Offer the modification or elimination of the covenants contained in, and reduction of the outstanding amount of, its existing debt obligations is integral to Parent's business plans. The Company has agreed to use reasonable efforts to cooperate and assist Parent in obtaining consents to such modifications and in purchasing such obligations in furtherance of those plans, including the conduct of (or provision of assistance to Parent in conducting) a consent solicitation and tender offer for the outstanding debt securities of the Company or its subsidiaries on terms satisfactory to Parent; provided that (i) the Company shall not be required to purchase any debt obligations or pay any fees in connection with such efforts prior to consummation of the Second Stage Transaction, unless funds therefore are provided by Parent on terms satisfactory to the Company and (ii) Parent shall pay or reimburse the Company for all reasonable expenses in connection therewith.

Lock-up Agreements with Shareholders

The following sets forth a summary of certain provisions of the Lock-up Agreements between Purchaser and Ravine and between Purchaser and Teachers, respectively. A copy of each of the Lock-up Agreements is filed with the SEC as an exhibit to Purchaser's Schedule 14D-1.

Concurrently with the execution of the Pre-Acquisition Agreement, Purchaser entered into Lock-up Agreements with Ravine, the owner of 7,889,870 Shares (representing approximately 18.4% of the outstanding Shares on a fully diluted basis), and Teachers, the owner of 7,919,638 Shares (representing approximately 18.5%

of the outstanding Shares on a fully diluted basis), respectively. Pursuant to the Lock-up Agreements, Ravine and Teachers agreed to validly tender and not withdraw their Shares, unless (in the case of Teachers only) a Superior Takeover Proposal (as defined in the Pre-Acquisition Agreement) is made. In addition, Ravine has granted Purchaser an option to purchase its Shares at a price of U.S.$11.75 per Share (or any greater amount per Share paid in the Offer). Such option is exercisable in certain circumstances following termination of the Pre-Acquisition Agreement.

The option to acquire Ravine's Shares is exercisable if (a) the Pre-Acquisition Agreement is terminated (i) by the Company because the Company has received a superior take-over proposal and the Board of Directors of the Company has determined that its fiduciary duties require it to terminate the Pre-Acquisition Agreement, or (ii) by Parent because (A) the Board of Directors of the Company or any committee thereof has modified or withdrawn its approval or recommendation of the Offer or (B) the Company has publicly announced its intention to enter into a business combination with any person other than Parent or Purchaser or taken other public actions not opposing another take-over proposal; (b) a take-over proposal with respect to the Company is announced by a person other than Parent or Purchaser while the Offer is open and the Minimum Condition is not satisfied; or (c) a take-over proposal with respect to the Company is announced by a person other than Parent or Purchaser after the Offer has closed but prior to March 31, 2000 and Purchaser did not consummate the Offer.

If Purchaser acquires the Shares by exercising its option in respect of Ravine and then sells such Shares to a buyer pursuant to any Take-over Proposal within 12 months of the Closing, Ravine is entitled to receive 75% of the excess of the aggregate proceeds received by the Purchaser in such sale over the aggregate price the Purchaser paid in exercising the option for those Shares.

The two Lock-up Agreements also contain covenants by Ravine and Teachers not to take any action to solicit, initiate or encourage inquiries, proposals or offers from, or provide information to any other person relating to the direct or indirect acquisition or disposition of any securities of the Company or its subsidiaries. Each of Ravine and Teachers further covenants not to cooperate or participate in any amalgamation, merger or other business combination of the Company or its subsidiaries and not to dispose of any of their Shares, except in accordance with the applicable Lock-up Agreement.

The Lock-up Agreements further contain a covenant by Ravine and Teachers to use all reasonable efforts to cause their associates or nominees who serve as directors of the Company to resign as the Purchaser requests after the Purchaser acquires the Shares under the Offer. Currently, at least two Board members, one of whom is the chair, are designees of Ravine and Teachers.

In the case of the Lock-up Agreement with Ravine, from and after the date when the option ceases to be exercisable, the Lock-up Agreement terminates. Teachers may terminate its Lock-up Agreement at the earliest of (i) a third party's making a bona fide offer that constitutes a Superior Take-over Proposal; (ii) termination of the Pre-Acquisition Agreement; and (iii) December 15, 1999.

Arrangements with Certain Employees of the Company

Parent has offered employment effective upon consummation of the Offer upon terms to be negotiated to each of: W. Michael Clevy, President and Chief Executive Officer of the Company; Herman V. Kling, Senior Vice President for Sales and Marketing of the Company; and David B. Schumacher, Vice President and General Manager of the Commercial Products Group for the Company. In addition, each of these individuals has been offered sign-on bonuses of US$100,000 and the opportunity to convert certain severance benefits and stock awards. At this time, no agreement has been reached with any of these individuals.

The Company, in consultation with Parent, also has adopted an incremental bonus plan for certain senior officers in respect of services to be provided by such officers in connection with the transition of the Company's ownership to Purchaser. The bonus plan will provide for bonuses to be paid by the Company within 60 to 90 days after the consummation of the Offer and will involve aggregate payments of approximately US$1 million. With the exception of W. Michael Clevy, President and Chief Executive Officer, who is proposed to receive US$500,000, the participating officers and the amounts to be paid to the participating officers have not yet been determined; however, the Company and Parent intend to consult with each other in respect of the details of the plan.

Confidentiality Agreement

The following is a summary of certain material provisions of the Confidentiality Agreement, dated March 19, 1999 (the "Confidentiality Agreement"), between Parent and the Company, a copy of which is filed with the SEC as an exhibit to Purchaser's 14D-1. This summary does not purport to be complete and is qualified in its entirety by reference to the complete text of the Confidentiality Agreement.

Pursuant to the Confidentiality Agreement, Parent and its representatives agreed to keep confidential certain information received from the Company. The Confidentiality Agreement also contains a six-month standstill provision and a provision pursuant to which Parent agreed not to solicit for employment any person employed by the Company. The provisions of the Confidentiality Agreement shall remain binding and in full force and effect for a period of two years and the parties shall comply with, and shall cause their respective agents and representatives to comply with, all of their respective obligations under the Confidentiality Agreement.

Acquisition of Shares Not Tendered

Purchaser intends (and the Pre-Acquisition Agreement obligates Purchaser to use reasonable best efforts) to acquire all Shares that are not tendered in the Offer through a compulsory acquisition or other type of second stage transaction (each, a "Second Stage Transaction") permitted by Canadian corporate law. The Pre-Acquisition Agreement provides that the consideration per Share in such Transaction may not be less than the consideration paid in the Offer, and Purchaser intends that the per Share consideration will be equal to the Offer Price.

The Company is obligated under the Pre-Acquisition Agreement to assist in a Second Stage Transaction, including by calling a shareholders' meeting and by distributing necessary informational materials in connection therewith. As described below, a Second Stage Transaction may take one of several forms.

Compulsory Acquisition. If, within 120 days after the date of the Offer, Purchaser acquires in the Offer at least 90% of the Shares, other than Shares held at the date of the Offer by or on behalf of the Purchaser or its affiliates or associates and such Shares have been taken up and paid for by the Purchaser, the Purchaser intends to acquire pursuant to the provisions of Section 206 of Canada Business Corporations Act (the "CBCA") the remaining Shares held by each Shareholder who did not accept the Offer, on the same terms as the Shares acquired under the Offer (a "compulsory acquisition").

To exercise such statutory right, Purchaser must give notice (the "Offeror's Notice") to each Shareholder who did not accept the Offer (and to each person who subsequently acquires any such Shares) (in each case a "Dissenting Offeree") and to the Director under the CBCA of such proposed acquisition on or before the earlier of 60 days from the Expiry Time and 180 days from the date of the Offer. Within 20 days of giving the Offeror's Notice, Purchaser must pay or transfer to the Company the consideration Purchaser would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust for the Dissenting Offerees. In accordance with Section 206 of the CBCA, within 20 days after receipt of the Offeror's Notice, each Dissenting Offeree must send the certificates representing the applicable securities held by such Dissenting Offeree to the Company, and may elect either to transfer such securities to Purchaser on the terms of the Offer or to demand payment of the fair value of such securities held by such holder by so notifying the Purchaser. If a Dissenting Offeree has elected to demand payment of the fair value of such securities, Purchaser may apply to a court having jurisdiction to hear an application to fix the fair value of such securities of that Dissenting Offeree. If Purchaser fails to apply to such court within 20 days after it made the payment or transferred the consideration to the Company referred to above, the Dissenting Offeree may then apply to the court within a further period of 20 days to have the court fix the fair value. If no such application is made by the Dissenting Offeree within such period, the Dissenting Offeree will be deemed to have elected to transfer such securities to Purchaser on the terms of the Offer. Any judicial determination of the fair value of the securities could be more or less than the amount paid pursuant to the Offer.

The foregoing is a summary only. Section 206 of the CBCA is complex and may require strict adherence to notice and timing provisions, failing which such rights may be lost or altered. Shareholders who wish to be better informed about these provisions should consult their legal advisors.

See Sections 6a and 6b for a discussion of the tax consequences to Shareholders in the event of a compulsory acquisition.

Other Second Stage Transactions. If the foregoing statutory right of compulsory acquisition is not available, then Purchaser intends to consider other means of acquiring, directly or indirectly, all of the Shares in accordance with applicable law, including a subsequent acquisition transaction (as described below). In order to effect a subsequent acquisition transaction, Purchaser may seek to cause a special meeting of the necessary classes of securities of the Company and/or the shareholders to be called to consider an amalgamation, share consolidation, statutory arrangement, capital reorganization or other transaction involving Purchaser and/or an affiliate of Purchaser and the Company and/or the shareholders for the purposes of the Company becoming, directly or indirectly, a wholly-owned subsidiary of Purchaser or effecting an amalgamation or merger of the Company's business and assets with or into Purchaser and/or an affiliate of Purchaser (each of the foregoing, a "subsequent acquisition transaction"). The Purchaser currently intends to propose a consolidation of the Shares pursuant to which shareholders who do not deposit their Shares under the Offer would have the number of Shares they hold changed into a number of Shares which is less than one, resulting in such shareholders receiving cash consideration equal to the purchase price which would have been paid for such Shares had they been tendered under the Offer. Depending upon the nature and terms of the subsequent acquisition transaction, the approval of at least 66 2/3% of the votes cast by holders of the outstanding Shares may be required at a meeting duly called and held for the purpose of approving the subsequent acquisition transaction.

The tax consequences to a shareholder of a subsequent acquisition transaction may differ from the tax consequences to such shareholder of accepting the Offer. See Section 6a and 6.

The methods of acquiring the remaining outstanding Shares described above, other than a compulsory acquisition, would be a "going private transaction" within the meaning of certain applicable Canadian securities legislation and the regulations to the Securities Act (Ontario) (the "Regulations"), Policy 9.1 promulgated under the Securities Act (Ontario) ("Policy 9.1") and Policy Q-27, promulgated under the Securities Act (Quebec) ("Policy Q-27") with respect to holders of a class of participating securities, if such method would result in the interest of a holder of Shares (the "affected securities') being terminated without the consent of the holder and without the substitution therefor of an interest of equivalent value in a participating security of the Company, a successor to the business of the Company or another issuer who controls the Company or, in the case of Policy 9.1 and Policy Q-27, an issuer who controls a successor to the business of the Company. In certain circumstances, the provisions of Policy 9.1 and Policy Q-27 may also deem certain types of subsequent acquisition transactions to be "related party transactions."

The Regulations, Policy 9.1 and Policy Q-27 provide that, unless exempted, a corporation proposing to carry out a going private transaction (or a related party transaction in the case of Policy 9.1 and Policy Q-27) is required to prepare a valuation of the affected securities (and any non-cash consideration being offered therefor) and to provide to the holders of the affected securities a summary of such valuation. In connection therewith, Purchaser intends to rely on any exemption then available or to seek waivers pursuant to Policy 9.1 and Policy Q-27 or any rule promulgated in substitution therefor from the Ontario Securities commission (the "OSC") and the Quebec Securities Commission ("QSC"), respectively, exempting Purchaser or the Company, as appropriate, from the requirement to prepare a valuation in connection with the subsequent acquisition. In connection with the aforementioned exemptions, Purchaser confirms that it has no knowledge, after reasonable inquiry, of non-financial factors or factors particular to Ravine or Teachers which were considered relevant by Ravine or Teachers in assessing the price offered by Purchaser for the Shares. Purchaser also certifies that it has no knowledge, after reasonable inquiry, of any prior event in the affairs of the Company which was undisclosed at the time of the discussions with Ravine and Teachers regarding the possible acquisition of the Company which

if disclosed could reasonably have been expected to affect the price offered by Purchaser for the Shares following the discussions with Ravine and Teachers and that no intervening event, other than the Offer, has occurred which could reasonably be expected to increase the value of the Shares.

Policy 9.1 and Policy Q-27 would also require that, in addition to any other required securityholder approval, in order to complete a going private transaction, the approval of a simple majority of the votes cast by "minority" holders of the affected securities be obtained, unless a formal valuation is required and the consideration is payable in cash and is less in amount than per security value or the simple average of the high and low ends of the range of per security values arrived at by the formal valuation, in which case a two-thirds majority of the "minority" vote is required. In relation to the Offer and any going private transaction, the "minority" holders will be, unless an exemption is available or discretionary relief is granted by the OSC and QSC, all holders of Shares other than the Offeror, its directors and senior officers, any associate or affiliate of the Offeror or its directors or senior officers in connection with the Offer or the subsequent going private transaction, and any person who is a "related party" of the Offeror as defined by Policy 9.1 and Policy Q-27. Subject to any exemption or waiver then available or obtained, as the case may be, Shares which are deposited under the Offer by Ravine and Teachers pursuant to the Lock-up Agreements will not be treated as "minority" shares. Policy 9.1 and Policy Q-27 also provide that the Offeror may treat Shares acquired pursuant to the Offer as "minority" shares and may vote them, or consider them voted, in favor of such going private transaction if a summary of a valuation was provided or no valuation was required in respect of the Offer and if the consideration per security in the going private transaction is at least equal in value to the consideration paid under the Offer and the intention to proceed with the transaction is disclosed in the Offer to Purchase. The Offeror intends that the consideration offered under any subsequent going private transaction proposed by it would be identical to the consideration offered under the Offer.

In the event a subsequent acquisition transaction were to be consummated, holders of Shares, under the CBCA, may have the right to dissent and demand payment of the fair value of such Shares. This right, if the statutory procedures are complied with, could lead to a judicial determination of the fair value required to be paid to such dissenting holders for their Shares. The fair value of Shares so determined could be more or less than the amount paid per Share pursuant to the subsequent acquisition transaction or the Offer. Any such judicial determination of the fair value of the Shares could be based upon considerations other than, or in addition to, the market price of the Shares.

If Purchaser decides not to effect a compulsory acquisition or propose a subsequent acquisition transaction involving the Company, or proposes a subsequent acquisition transaction but cannot promptly obtain any required approval, then Purchaser will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable law, purchasing additional Shares in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or taking no further action to acquire additional Shares. Any additional purchases of Shares could be at a price greater than, equal to or less than the price to be paid for Shares under the Offer and could be for cash or other consideration. Alternatively, the Purchaser may sell or otherwise dispose of any or all Shares acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Purchaser, which may vary from the terms and the price paid for Shares under the Offer.

In September, 1994 the Director appointed under the CBCA released a policy on "going private transactions" stating, among other things, that the Director is of the opinion that going private transactions are permitted under the CBCA provided that the transaction is not oppressive or unfairly prejudicial to or unfairly disregards the interests of a person whose interest in a participating security is being terminated without his or her consent In determining whether a going private transaction is fair, the policy states that compliance with the requirements set forth in Policy 9.1 or Policy Q-27 will usually be viewed by the Director as sufficient.

Certain judicial decisions may be considered relevant to any subsequent acquisition transaction which may be proposed or effected subsequent to the expiry of the Offer. Prior to the adoption of Policy 9.1 and Policy Q-27, Canadian courts, in a few instances, granted preliminary injunctions to prohibit transactions involving going private amalgamations. The current trend both in legislation and in the U.S. jurisprudence upon which the

previous Canadian decisions were based is toward permitting going private transactions to proceed subject to compliance with procedures designed to ensure substantive fairness to the minority shareholders. Holders should consult their legal advisors for a determination of their legal rights.

Rule 13e-3 under the Exchange Act is applicable to certain going private transactions and may under certain circumstances be applicable to the proposed acquisition of Shares not tendered in the Offer, whether acquired by statutory right of compulsory acquisition under the CBCA, amalgamation, share consolidation, statutory arrangement and/or other business combination. However, Rule 13e-3 would be inapplicable if (i) the Shares are deregistered under the Exchange Act prior to the subsequent acquisition transaction or (ii) the subsequent acquisition transaction is consummated within one year after the purchase of the Shares pursuant to the Offer and the amount paid per Share in the subsequent acquisition transaction is at least equal to the amount paid per Share in the Offer, provided disclosure of the possible subsequent acquisition transaction is made at the time of the Offer. If applicable, Rule 13e-3 requires, among other things, that certain financial information concerning the fairness of the proposed transaction and the consideration offered to minority shareholders in such transaction be filed with the SEC and disclosed to shareholders prior to the consummation of the transaction. The Purchaser does not believe that Rule 13e-3 will be applicable to any subsequent acquisition transaction contemplated herein.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction which may constitute a going private transaction or a related party transaction.

Plans for the Company

It is expected that, following the Second Stage Transaction, the Company will substantially retain its current operational structure, manufacturing and sales infrastructure, distribution and dealer networks and brands.

As contemplated by the Pre-Acquisition Agreement and as described in Section 8, the Note Issuer, a subsidiary of the Company, is making the Senior Note Offer.

14. Dividends and Distributions

Pursuant to the terms of the Pre-Acquisition Agreement, unless the Purchaser shall otherwise agree in writing, during the period from the date of the Pre-Acquisition Agreement until the Pre-Acquisition Agreement is terminated, the Company shall not directly or indirectly declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its share capital or enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing.

According to the Company 10-K, the Company has not paid a dividend on its ordinary shares since 1990. The Company currently intends to retain all earnings to support the development and growth of the Company. In addition, the Company's senior debt issue limits the ability to pay dividends and distributions on its ordinary shares.

15. Certain Legal Matters

Except as described in this Section 15, Purchaser is not aware of any license or regulatory permit that appears to be material to the business of the Company and its subsidiaries, taken as a whole, that might be adversely affected by Purchaser's acquisition of Shares as contemplated herein or of any approval or other action by any Governmental Authority that would be required for the acquisition or ownership of Shares by Purchaser as contemplated herein. Should any such approval or other action be required, Purchaser currently contemplates that such approval or other action will be sought, except as described below under "State Takeover Laws". While, except as otherwise expressly described in this Section 15, Purchaser does not presently intend to delay the acceptance for payment of or payment for Shares tendered pursuant to the Offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that failure to obtain any such approval or other action might

not result in consequences adverse to the Company's business or that certain parts of the Company's business might not have to be disposed of if such approvals were not obtained or such other actions were not taken in order to obtain any such approval or other action. If certain types of adverse action are taken with respect to the matters discussed below, Purchaser could decline to accept for payment or pay for any Shares tendered. See Section 5 for certain conditions to the Offer.

State Takeover Laws. A number of states have adopted "takeover' statutes that purport to apply to attempts to acquire corporations that are incorporated in such states, or whose business operations have substantial economic effects in such states, or which have substantial assets, security holders, employees, principal executive offices or places of business in such states.

In Edgar v. MITE Corporation, the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Act, which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in CTS Corp. v. Dynamics Corp. of America, the Supreme Court held that a state may, as a matter of corporate law and, in particular, those laws concerning corporate governance, constitutionally disqualify a potential acquirer from voting on the affairs of a target corporation without prior approval of the remaining stockholders, provided that such laws were applicable only under certain conditions, in particular, that the corporation has a substantial number of shareholders in the state and is incorporated there.

Based on information supplied by the Company, Parent and Purchaser do not believe that any state takeover statutes purport to apply to the Offer or a Second Stage Transaction. Neither Purchaser nor Parent has currently complied with any state takeover statute or regulation. Parent and Purchase reserve the right to challenge the applicability or validity of any state law purportedly applicable to the Offer or a Second Stage Transaction and nothing in this Offer to Purchase or any action taken in connection with the Offer or a Second Stage Transaction is intended as a waiver of such right. If it is asserted that any state takeover statute is applicable to the Offer or a Second Stage Transaction and if an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or a Second Stage Transaction. Parent and Purchaser might be required to file certain information with, or to receive approvals from, the relevant state authorities, and Purchaser might be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in consummating the Offer or a Second Stage Transaction. In such case, Purchaser may not be obliged to accept for payment or pay for any shares tendered pursuant to the Offer.

Antitrust. Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares under the Offer may be consummated following the expiration or earlier termination of a 15-calendar-day waiting period following the filing by Purchaser of a Notification and Report Form with respect to the Offer, unless Purchaser receives a request for additional information or documentary material from the Antitrust Division of the U.S. Department of Justice or the U.S. Federal Trade Commission (the "FTC"). Purchaser expects to make its filing with the Antitrust Division and the FTC on or about July 1, 1999. If, within the initial 15-day waiting period, either the Antitrust Division or the FTC requests additional information or documentary material from Purchaser, the waiting period will be extended and would expire at 11:59 P.M., New York City time, on the tenth calendar day after the date of substantial compliance by Purchaser with such request. Only one extension of the waiting period pursuant to a request for additional information is authorized by the HSR Act. Thereafter, such waiting period may be extended only by court order or with the consent of Purchaser. If the acquisition of Shares is delayed pursuant to a request by the FTC or the Antitrust Division for additional information or documentary material pursuant to the HSR Act, the Offer may, at the discretion of Purchaser, be extended and, in any event, the purchase of and any payment for Shares will be deferred until ten days following the date the request is complied with by Purchaser, unless the waiting period is terminated early by the FTC and the Antitrust Division. Unless the Offer is extended, any extension of the waiting period may not give rise to any additional withdrawal rights. See Section 4.

In practice, complying with a request for additional information or documentary material can take a significant amount of time. In addition, if the Antitrust Division or the FTC raises substantive issues in connection with a proposed transaction, the parties frequently engage in negotiations with the relevant governmental agency concerning possible means of addressing those issues and may agree to delay consummation of the transaction while such negotiations continue.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as Purchaser's proposed acquisition of the Company. At any time before or after Purchaser's purchase of Shares pursuant to the Offer, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or the consummation of the Second Stage Transaction or seeking the divestiture of Shares acquired by Purchaser or the divestiture of substantial assets of Purchaser or its subsidiaries, or of the Company or its subsidiaries. Private parties may also bring legal action under the antitrust laws under certain circumstances. There can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if such a challenge is made, of the result thereof. If any such action by the FTC, the Antitrust Division or any other person should be threatened or commenced, Purchaser may extend, terminate or amend the Offer. See Section 5 for certain conditions to the Offer. Purchaser believes that consummation of the Offer would not violate any antitrust laws; there can be no assurance, however, that a challenge to the Offer on antitrust grounds will not be made or, if a challenge is made, what the result will be.

Although the parties to the Pre-Acquisition Agreement are required to remove or satisfy, if reasonably practicable, any objections to the validity or legality of the Second Stage Transaction, Parent is not required by the Pre-Acquisition Agreement to take any action that in its reasonable judgment would reasonably be expected to impair the overall benefits to be realized by Parent from consummation of the Offer and the other transactions contemplated by the Pre-Acquisition Agreement.

Competition Act. The business combination provisions of the Competition Act (Canada) (the "Competition Act") permit the Director of Investigation and Research appointed under such Act (the "Director"), to apply to the Competition Tribunal (the "Tribunal") to seek relief in respect of a business combination transaction which prevents or lessens, or is likely to prevent or lessen, competition substantially. The relief that may be ordered by the Tribunal includes, in the case of a completed business transaction, ordering a dissolution of the business transaction or a disposition of assets or shares, and in the case of a proposed business transaction, prohibiting completion of the transaction.

The Competition Act also requires parties to certain proposed business combination transactions which exceed specified size thresholds to provide the Director with prior notice of and information relating to the transaction and the parties thereto, and to await the expiration of the prescribed waiting period, prior to completing the transaction. In lieu of, or in addition to, filing a prescribed notice and awaiting the expiration of the prescribed waiting period, a party to a proposed business combination transaction may apply to the Director for an advance ruling certificate which may be issued by the Director if he is satisfied he would not have sufficient grounds on which to apply to the Tribunal for an order under the business combination provisions in respect of the transaction. Purchaser will apply for an advance ruling certificate and will be filing a short form pre-merger notification with the Director.

Investment Canada Act. The Investment Canada Act is Canada's statute of general application governing the acquisition of control of Canadian businesses by non-Canadians. An investment governed by the Act is either notifiable or reviewable. A notifiable investment is simply one for which the acquiror must provide a two page notice to the Investment Review Decision of Industry Canada ("Investment Canada") at any time prior to the closing of the investment or within 30 days thereafter.

A reviewable investment is one for which the acquiror must submit an application for review with prescribed information to Investment Canada. With certain limited exceptions relating to the type of business carried on by the target company, an acquisition of a Canadian business by a non-Canadian that qualifies as a "WTO investor" for purposes of the Act is reviewable if the value of the assets acquired is equal to or greater than Cdn $184 million as set forth in the audited financial statements of the target company for its most recently completed fiscal period.

Before a reviewable investment may be completed, the Minister of the federal Cabinet responsible for Investment Canada must determine that the investment is likely to be of "net benefit to Canada".

The Minister has an initial 45-day period to make his determination from the date of receipt by the Investment Review Division of a completed application for review. The Minister may, at his discretion, extend this initial 45-day period for a further 30 days by giving notice to the prospective acquiror. Any further extensions require the consent of the acquiror. If at the end of the 75-day period the Minister is not satisfied that the investment is likely to be of net benefit to Canada, he must send a notice to that effect to the prospective acquiror, and the acquiror has 30 days to make representations and submit undertakings to the Minister in an attempt to change his decision.

A filing will be made on a confidential basis for an application for review under the Investment Canada Act, at or about the time of the mailing of the Offer.

Class Action. Two shareholders of the Company filed a class action complaint against the Company and its directors on June 25, 1999 in the Chancery Court for the State of Tennessee, Marshall County, Lewisburg, seeking, among other things, (i) a declaration that the Pre-Acquisition Agreement was entered into by the Company in breach of the directors' fiduciary duties and is therefore unenforceable, (ii) an injunction restraining the defendants from taking action in furtherance of the Offer and (iii) in the event that a business combination of the Company and Purchaser is consummated, compensatory damages. In addition, the plaintiffs filed an emergency motion for an order to temporarily restrain the defendants from taking any action in furtherance of the Offer.

Statutory Rights in Canada. Securities legislation in certain of the provinces and territories of Canada provides holders of Shares with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or a notice that is required to be delivered to the holders of Shares. However, such rights must be exercised within prescribed time limits. Holders of Shares should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

16. Certain Fees and Expenses

Purchaser has retained Salomon Smith Barney Inc. as U.S. Dealer Manager for this Offer. Salomon Smith Barney Inc. will also act as dealer manager for the Senior Note Offer. Salomon Smith Barney Inc. will receive customary compensation in connection with such activities, and will receive reimbursement for reasonable out-of-pocket expenses, as well as indemnification against certain liabilities in connection with the Offer, including liabilities under applicable securities laws.

Purchaser has also retained Citibank, N.A. as U.S. Depositary, Montreal Trust Company of Canada as Canadian Depositary, and Georgeson & Company as Information Agent. Each of the foregoing will receive customary compensation and reimbursement for reasonable out-of-pocket expenses, as well as indemnification against certain liabilities in connection with the Offer, including liabilities under applicable securities laws.

Except as set forth above, Purchaser will not pay any fees or commissions to any broker or dealer or other person for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will upon request be reimbursed by Purchaser for customary mailing and handling expenses incurred by them in forwarding the offering materials to their customers.

17. Miscellaneous

Purchaser is not aware of any jurisdiction where the making of the Offer is prohibited by any administrative or judicial or other governmental action. If Purchaser becomes aware of any valid prohibition, Purchaser will make a good faith effort to comply with any such prohibition. If, after such good faith effort, Purchaser cannot comply with any such prohibition, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in the relevant jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Purchaser and Parent have filed with the SEC a Tender Offer Statement on Schedule 14D-1 (including exhibits) pursuant to Rule 14d-3, under the Exchange Act, containing certain additional information with respect to the Offer and may file amendments thereto. The Company has filed with the SEC the Schedule 14D-9 (including exhibits) containing the Company's recommendation with respect to the Offer and other information required to be disseminated to stockholders of the Company pursuant to Rule 14d-9. Such Tender Offer Statement, Schedule 14D-9 and any amendments thereto, including exhibits, may be examined and copies may be obtained from the principal office of the SEC in the manner set forth in Sections 9 and 10 (except that they will not be available at the regional offices of the Commission).

No person has been authorized to give any information or make any representation on behalf of Purchaser or Parent not contained in this Offer to Purchase or in the Letter of Transmittal and, if given or made, such information or representations must not be relied upon as having been authorized.

Purchaser has no information which indicates any material change in the affairs of the Company since the date of the last published financial statements of the Company. Purchaser has no knowledge of any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of the holders of Shares to accept or reject the Offer.

Except as disclosed under the heading "Lock-up Agreements with Shareholders" in this Offer to Purchase, in Item 6(b) of the Schedule 14D-9 filed with the SEC today by the Company or under the caption "Acceptance of the Offer" in the Directors' Circular filed with the SEC today by the Company as an exhibit to the Schedule 14D-9, Purchaser has no knowledge of whether any holders of Shares have committed to accept this Offer to tender.

The contents of the Offer to Purchase and this Circular have been approved, and the sending thereof to the holders of the Shares has been authorized, by the board of directors of the Purchaser.

Consents of Counsel

To: The Directors of
Titan Acquisitions, Ltd.

We hereby consent to the reference to our opinion contained under "Certain Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer dated June 30, 1999 made by Titan Acquisitions, Ltd. to the holders of Shares of the Company.

(Signed) Stikeman, Elliott

Montreal, Quebec
June 30, 1999

Consents of Counsel

To: The Directors of
Titan Acquisitions, Ltd.

We hereby consent to the inclusion of Section 6a, "Certain Federal Income Tax Consequences," which was prepared by us, in the Circular accompanying the Offer dated June 30, 1999 to purchase for cash all outstanding ordinary shares of International Comfort Products Corporation made by Titan Acquisitions, Ltd. to the holders of ordinary shares of International Comfort Products Corporation.

(Signed) Cleary, Gottlieb, Steen & Hamilton

New York, New York
June 30, 1999

APPROVAL AND CERTIFICATE

DATED: June 30, 1999

The contents of the Offer to Purchase and the Circular have been approved, and the sending, communication or delivery thereof to the shareholders of International Comfort Products Corporation has been authorized by the board of directors of the Offeror. The foregoing contains no untrue statement of a material fact and does not omit to state a fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the securities which are the subject of the Offer.

Ari Bousbib, President

As the sole member of the Board of Directors of
Titan Acquisitions, Ltd.

Ari Bousbib, Director

DIRECTORS AND EXECUTIVE OFFICERS OF PARENT AND PURCHASER

Parent. Set forth below are the name, business address and present principal occupation or employment, and material occupations, positions, offices or employment for the past five years of each director and executive officer of Parent. The business address of each such person is One Financial Plaza, Hartford, CT 06101. Unless otherwise indicated, each such person is a citizen of the United States and has held his or her present position as set forth below for the past five years. Directors of Parent are indicated by an asterisk. Effective as of close of business on June 30, 1999, Eugene Buckley is expected to retire from his position as Chairman and Chief Executive Officer of Sikorsky Aircraft Corp. and Dean C. Borgman will become President and Chief Executive Officer of Sikorsky Aircraft Corp.

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Dean C. Borgman.....	58	Expected to become President and Chief Executive Officer of Sikorsky Aircraft Corp. effective as of the close of business on June 30, 1999; previously Senior Vice President of The Boeing Company (helicopter unit); former President of McDonnell Douglas' helicopter business
Ari Bousbib..... Citizenship: French/Portuguese	38	Vice President of Strategic Planning of Parent since 1997; previously Managing Director, the Strategic Partners Group; Partner, Booz, Allen & Hamilton
Eugene Buckley**.....	68	Expected to resign as Chairman and Chief Executive Officer, Sikorsky Aircraft effective as of the close of business on June 30, 1999; previously President, Sikorsky Aircraft Corporation; President and Chief Executive Officer, Sikorsky Aircraft Division
William L. Bucknall, Jr.....	56	Senior Vice President, Human Resources & Organization, of Parent since 1992.
John F. Cassidy, Jr.....	55	Senior Vice President--Science and Technology, of Parent since 1998; previously Vice President, United Technologies Research Center
Antonia Handler Chayes*.....	69	Director since 1981; Senior Advisor and Board Member of Conflict Management Group (CMG); Senior Consultant to JAMS/ENDISPUTE; Adjunct Lecturer at the Kennedy School of Government and Co-Director of the Project on International Compliance and Dispute Settlement at the Program on Negotiation at Harvard Law School; member of the American Law Institute and the Council on Foreign Relations
Louise Chenevert.....	41	President of Pratt & Whitney since 1999; Executive Vice President of Pratt & Whitney for operations, worldwide purchasing, and aftermarket business from June 1998-1999; Executive Vice President for operations of Pratt & Whitney from January 1997-1998; joined Pratt & Whitney Canada in 1993
Kevin Conway.....	50	Vice President, Taxes, of Parent since 1995; previously Director of Taxes, United Technologies Corporation

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
George David*.....	57	Director of Parent since 1992; Chairman of Parent since 1997; Chief Executive Officer of Parent since 1994; President of Parent from 1992 to 1999; member of The Business Roundtable; Chairman or President of the Boards of the Graduate School of Business Administration at the University of Virginia, the National Minority Supplier Development Council and the U.S.-ASEAN Business Council
David J. Fitzpatrick.....	45	Senior Vice President and Chief Financial Officer of Parent since 1998; previously Vice President and Controller, Eastman Kodak Co.; Finance Director--Cadillac Luxury Car Division, Chief Accounting Officer, General Motors Corp.
Jean-Pierre Garnier, Ph.D.*..	51	Director of Parent since 1997; Chief Operating Officer and Executive Member of the Board of Directors of SmithKline Beecham plc, Philadelphia, PA (pharmaceuticals) since 1995; Chairman, SmithKline Beecham plc, Pharmaceuticals from 1994-1995; Director of the Eisenhower Exchange Fellowship
Pehr G. Gyllenhammar*..... Citizenship: Swedish	64	Director of Parent since 1981; Chairman, CGU plc (insurance); Senior Advisor, Lazard Freres & Co., LLC (investment banking); previously Executive Chairman, AB Volvo, Gotegorg, Sweden; also Chairman of Actinova Limited; member of the Supervisory Board of Lagardere SCA; Trustee of the Reuters Founders Share Co. Limited; Chairman of the Board of Cofinec N.V. and Chairman of Swedish Ships' Mortgage Bank
Jay L. Haberland.....	48	Vice President-Controller of Parent since 1996; previously Acting Chief Financial Officer, Director of Internal Auditing, of Parent; Vice President, Finance, Commercial & Industrial Group, The Black & Decker Corporation
Ruth R. Harkin.....	54	Senior Vice President, International Affairs and Government Relations, of Parent since 1997; previously President and Chief Executive Officer, Overseas Private Investment Corporation
Robert H. Jenkins.....	56	Chairman, Hamilton Sunstrand Corporation since June 10, 1999; Chairman of the Board, President and Chief Executive Officer of Sundstrand Corporation from 1997-99; Director of Sunstrand Corporation since 1995; Executive Vice President of Illinois Tool Works Inc., Glenview, IL (construction products, engineered polymers, automotive and specialty components, packaging products/systems and finishing systems) from 1990-1995; currently Director of AK Steel Holding Corporation, Middletown OH (steel manufacture); Solution, Inc., St. Louis, MO (chemical company); Cordant Technologies, Inc., Salt Lake City, UT (aerospace and industry).
Karl J. Krapek*.....	50	Director of Parent since 1997; President and Chief Operating Officer of Parent since 1999. Previously Executive Vice President of Parent; President, Pratt & Whitney; Chairman of the Board of Directors of the Connecticut Capitol Region Growth Council; Chairman of the MetroHartford Millennium Management Group; Vice Chairman of the Board of Trustees of the Connecticut State University System member of the Director's Advisory

Board of the Yale Cancer Center; Director of Saint Francis Care, Inc. and will serve as 1999 General Campaign Chairman for the United Way and Combined Health Appeal Community Campaign in Hartford area

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Charles R. Lee*.....	59	Director of Parent since 1994; Chairman and Chief Executive Officer of GTE Corporation, Irving, TX (telecommunications); Director of The Procter & Gamble Company; Director of the USX Corporation; member of The Business Roundtable and The Business Council; Trustee of the Board of Trustees of Cornell University; Director of the New American Schools Development Corporation; member of The Conference Board; Harvard Business School's Board of Directors of the Associates; Director of the Stamford Hospital Foundation
John R. Lord.....	55	President, Carrier Corporation since 1995; previously President, Carrier NAO
Richard D. McCormick*..	58	Director of Parent since February, 1999; Chairman, U S WEST, Inc., Denver, CO (telecommunications). Previously Chairman, President and Chief Executive Officer of former parent company, also known as U S WEST, Inc.; also Director of United Airlines; Wells Fargo and Company; Concept Five Technologies; Chairman of the United States Council for International Business; Vice President of the International Chamber of Commerce; Chairman of Creighton University; member of the Business Council; Trustee of the Denver Art Museum; Board Member of the American Indian College Fund
Ronald F. McKenna.....		Executive Vice President and Chief Operating Officer of Hamilton Sundstrand, Aerospace, since May 6, 1996; Vice President of Business Development, Sunstrand Aerospace from January, 1995-May, 1996; Vice President and General Manager of Sunstrand Aerospace Electric Power from December, 1989-January, 1995
Angelo J. Messina.....	46	Vice President, Financial Planning and Analysis, of Parent since 1998; previously Director, Financial Planning and Analysis, of Parent; Vice President, Strategic Planning, Pratt & Whitney; Director, Investor Relations, of Parent
Stephen F. Page.....	59	Executive Vice President and President and Chief Executive Officer, Otis Elevator since 1997; previously Executive Vice President and Chief Financial Officer of Parent
William J. Perry*.....	71	Director of Parent since 1997; Michael and Barbara Berberian Professor at Stanford University, with a joint appointment in the Department of Engineering-Economic Systems & Operations Research and the Institute for International Studies; Fellow at the Hoover Institute; co-director of the Stanford-Harvard Preventive Defense Project; previously Secretary of Defense for the United States; also Chairman of Global Technology Partners; Director of Hambrecht & Quist, LLC; The Boeing Company; and Cylink Corporation
Frank P. Popoff*.....	63	Director of Parent since 1996; Chairman, The Dow Chemical Company, Midland, MI; Director of American Express Company; U S West, Inc.; Chemical Financial Corporation; and Michigan Molecular Institute; member of the Business Council for Sustainable Development; The Business Council; the Council for Competitiveness; the American Chemical Society; and director emeritus of the Indiana University Foundation

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Gilles A.H. Renaud.....	53	Vice President-Treasurer of Parent since 1996; previously Vice President and Chief Financial Officer, Carrier Corporation
William H. Trachsel.....	56	Senior Vice President, General Counsel and Secretary of Parent since 1998; previously Vice President, Secretary and Deputy General Counsel of Parent
Andre Villeneuve*.....	54	Director of Parent since 1997; Executive Director of Reuters Holdings PLC, London, England; member of Reuters' board; Chairman of Instinet Corp., Reuters' electronic brokerage subsidiary; Director of CGU plc
Harold Wagner*.....	63	Director of Parent since 1994; Chairman and Chief Executive Officer, Air Products and Chemicals, Inc., Allentown, PA; previously Chairman, President and Chief Executive Officer, Air Products and Chemicals, Inc.; also Director of CIGNA Corporation; Daido-Hoxan; Member of The Business Council; the Policy Committee of The Business Roundtable; Member of the Pennsylvania Business Roundtable; has served on the Board of Trustees of Lehigh University

Purchaser. Set forth below are the name, business address and present principal occupation or employment, and material occupations, positions, offices or employment for the past five years of the director and executive officer of Purchaser. Except as otherwise noted, the business address of such person is One Financial Plaza, Hartford, CT 06101. Unless otherwise indicated, such person is a citizen of the United States.

Name, Citizenship and Current Business Address	Age	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Ari Bousbib..... Citizenship: French/Portuguese	38	Director of Purchaser since June 1999; President of Purchaser since June 1999; Vice President, Strategic Planning of Parent since 1997; previously Managing Director, the Strategic Partners Group; Partner, Booz, Allen & Hamilton

The Depositary in the United States is:

Citibank, N.A.

By Courier:

915 Broadway, 5th Floor
New York, NY 10010

By Mail:

Citibank, N.A.
P.O. Box 685
Old Chelsea Station
New York, NY 10113

By Hand:
Citibank, N.A.
Corporate Trust Window
111 Wall Street, 5th Floor
New York, NY 10043

Facsimile for Eligible Institutions:
(212) 505-2248

To Confirm By Telephone:
(800) 270-0808

The Depositary in Canada is:

Montreal Trust Company of Canada
Reorganization Department
151 Front Street West--8th Floor
Toronto, Ontario M5J2N1

Tel: (416) 981-9633
Toll free: (800) 663-9097
Fax: (416) 981-9600

The Information Agent is:

Georgeson & Company Inc.

United States:
Wall Street Plaza
New York, New York 10005
Toll free: (800) 223-2064
Banks & Brokers Call Collect:
(212) 440-9800

Canada:
Commerce Court West, Suite 1925
Toronto, Ontario M5L 1B9, Canada
Toll free: (800) 890-1037

The Dealer Manager in the United States is:

Salomon Smith Barney Inc.
7 World Trade Center
31st Floor
New York, New York 10048
Toll free: (800) 221-1629

Exhibit (a)(2)

LETTER OF TRANSMITTAL

To Tender Ordinary Shares

of

INTERNATIONAL COMFORT PRODUCTS CORPORATION

Pursuant to the Offer

dated June 30, 1999

by

TITAN ACQUISITIONS, LTD.

A Wholly Owned Subsidiary

of

UNITED TECHNOLOGIES CORPORATION

THE OFFER WILL EXPIRE AT 12:00 MIDNIGHT, TORONTO TIME, ON WEDNESDAY, JULY 28, 1999,
UNLESS THE OFFER IS EXTENDED OR WITHDRAWN.

The U.S. Depositary for the Offer is Citibank, N.A.

The Canadian Depositary for the Offer is
Montreal Trust Company of Canada

The Information Agent for the Offer is Georgeson & Company, Inc.

DELIVERY OF DOCUMENTS TO THE DEPOSITARY TRUST COMPANY OR THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED DOES NOT CONSTITUTE DELIVERY TO THE U.S. OR CANADIAN DEPOSITARY.

Provide the following details with respect to the Shares deposited:

DESCRIPTION OF SHARES DEPOSITED

Name and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s))	Share Certificate(s) and Share(s) Deposited (Attach additional signed list, if necessary)		
	Share Certificate Number(s)*	Total Number of Shares Represented by Certificate(s)	Number of Shares Deposited**
	Total Shares		

* Need not be completed by Book-Entry Shareholders.

** Unless otherwise indicated it will be assumed that all Shares evidenced by certificates delivered to the U.S. or Canadian Depositary are being deposited. See Instruction 2.

This Letter of Transmittal, the certificates for ordinary shares (the "Shares") of International Comfort Products Corporation (the "Corporation") covered hereby (or a Book-Entry Confirmation with respect thereto) and all other required documents with respect to Shares deposited by a Shareholder must be delivered or sent to and received by the U.S. or Canadian Depositary (unless an Agent's Message (as defined in the Offer) is utilized), at one of the appropriate addresses set forth below. The Offer to Purchase and Circular (the "Offer") by Titan Acquisitions, Ltd. dated June 30, 1999 to purchase all of the outstanding Shares will be open for acceptance until 12:00 midnight (Toronto time) on July 28, 1999, unless the Offer is extended or withdrawn. The terms and conditions of the Offer are incorporated by reference in this Letter of Transmittal. Capital terms used, but not defined, in this Letter of Transmittal which are defined in the Offer have the respective meanings set out in the Offer.

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH BELOW WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be completed by Shareholders, either if certificates for Shares are to be forwarded herewith or, unless an Agent's Message is utilized, if delivery of Shares is to be made by book-entry transfer to the U.S. Depositary's account at the Depository Trust Company or The Canadian Depositary's account at The Canadian Depository for Securities Limited, pursuant to the procedures set forth in Section 3 of the Offer. Shareholders who deliver Shares by book-entry transfer are referred to herein as "Book-Entry Shareholders" and other Shareholders are referred to herein as "Certificate Shareholders." Shareholders whose certificates for such Shares are not immediately available or who cannot deliver their certificates and all other documents required hereby to the U.S. or Canadian Depositary at or prior to the Expiry Time (as defined in the Offer), or who cannot complete the procedure for book-entry transfer on a timely basis, may deposit their Shares pursuant to the procedures for guaranteed delivery set forth in Section 3 of the Offer. See Instruction 2.

U.S. RESIDENTS/CITIZENS ARE REQUIRED TO PROVIDE THEIR TAXPAYER IDENTIFICATION NUMBER OR COMPLETE THE "CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER" BOX BELOW. SEE INSTRUCTION 8.

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

TO: TITAN ACQUISITIONS, LTD.

AND TO: CITIBANK, N.A., AS U.S. DEPOSITARY, OR MONTREAL TRUST COMPANY OF CANADA, AS CANADIAN DEPOSITARY

The undersigned hereby irrevocably deposits with Titan Acquisitions, Ltd., a corporation organized under the laws of the Province of New Brunswick (the "Offeror"), the above-described ordinary shares (the "Shares"), of International Comfort Products Corporation, a corporation continued under the federal laws of Canada (the "Corporation"), pursuant to the Offeror's offer to purchase all outstanding Shares at a price of US$11.75 per Share, upon the terms and subject to the conditions set forth in the Offer to Purchase and Circular dated June 30, 1999, receipt of which is hereby acknowledged, and in this Letter of Transmittal (the Offer to Purchase and Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery together constituting the "Offer"). The undersigned, subject only to the provisions of the Offer regarding withdrawal, irrevocably accepts the Offer, for and in respect of the above-described Shares.

Subject to, and effective upon, acceptance for payment of and payment for the Shares deposited herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Offeror all right, title and interest in and to all of the Shares that are being deposited hereby free and clear of all liens, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including without limitation the right to any and all dividends.

The undersigned hereby irrevocably appoints the President of the Offeror, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney and attorney-in-fact and proxy of the undersigned with respect to such Shares and with respect to any and all securities, rights, warrants or other interests issued, transferred or distributed on or in respect of such Shares on or after the date of the Offer (collectively, "Other Securities"), effective from and after the date that Offeror takes up and pays for such Shares (the "Effective Date"), with full power of substitution, in the name of and on behalf of the undersigned (such power of attorney being deemed to be an irrevocable power coupled with an interest), to: (a) register or record, transfer and enter the transfer of such Shares and any Other Securities on the appropriate register of holders of such Shares and Other Securities and on the account books maintained by the Corporation, The Depository Trust Company ("DTC") and/or The Canadian Depository for Securities Limited ("CDS"); (b) except as may otherwise be agreed, to exercise any and all of the rights of such Shares and Other Securities including, without limitation, the right to vote, execute and deliver any and all instruments of proxy, authorizations or consents in respect of any or all of such Shares and any or all Other Securities, revoke any such instrument, authorization or consent given prior to, on or after the Expiry Time, designate in any such instruments of proxy any person or persons as the proxy or the proxy nominee or nominees of the undersigned in respect of such Shares and Other Securities for all purposes including, without limiting the generality of the foregoing, in connection with any meeting (whether annual, special or otherwise) of holders of securities of the Corporation (or any adjournment thereof), and execute, endorse and negotiate, for and in the name of and on behalf of the undersigned, any and all checks or other instruments respecting any distribution payable to or to the order of the undersigned; and (c) exercise any and all rights of the undersigned in respect of such Shares or Other Securities. The undersigned hereby agrees, effective from the Effective Date, not to vote any of such Shares or Other Securities at any meeting (whether annual, special or otherwise) of holders of Shares or Other Securities and not to exercise any or all of the other rights or privileges attached to any or all instruments of proxy, authorizations or consents in respect of any or all of such Shares or Other Securities, and to designate in any such instruments of proxy the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the undersigned in respect of such Shares or Other Securities.

Upon such appointment, all prior proxies given by the undersigned with respect to such Shares or Other Securities shall be revoked and no subsequent proxies may be given by the undersigned with respect thereto.

The undersigned hereby represents and warrants that (i) the undersigned has full power and authority to deposit, sell, assign and transfer the Shares (and any Other Securities) deposited hereby and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Shares or Other Securities to any other person; (ii) the undersigned owns the Shares (and any Other Securities) which are being deposited, within the meaning of applicable securities laws; (iii) the deposit of the Shares (and any Other Securities) complies with applicable securities laws; and (iv) when the Shares (and any Other Securities) are taken up and paid for by the Offeror, the Offeror will acquire good title thereto, free and clear of all liens, restrictions, charges, encumbrances, claims and equities whatsoever. The undersigned covenants to execute and deliver, upon request, any additional documents necessary or desirable to complete the sale, assignment and transfer of the Shares and Other Securities deposited hereby.

The undersigned acknowledges that all authority herein conferred or agreed to be conferred shall survive the death, incapacity, bankruptcy or insolvency of the undersigned, and any and all obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Except as stated in the Offer, deposits of Shares made pursuant to the Offer are irrevocable.

The undersigned understands that (i) all questions as to the validity, form, eligibility (including timely receipt) and acceptance of any Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion, and that such determination shall be final and binding; (ii) the Offeror reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which, in the opinion of its counsel, may be unlawful to accept under the laws of any jurisdiction; (iii) the Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Shares; (iv) there shall be no duty or obligation on the Offeror, United Technologies Corporation, a Delaware corporation of which the Offeror is a wholly owned subsidiary, the Dealer Manager, the U.S. or Canadian Depositary, the Information Agent or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any notice; and (v) the Offeror's interpretation of the terms and conditions of the Offer (including, without limitation, the Offer to Purchase and Circular, this Letter of Transmittal and the Notice of Guaranteed Delivery) shall be final and binding.

The undersigned understands that deposits of Shares pursuant to any of the procedures described in Section 3 of the Offer to Purchase and Circular and in the instructions hereto will constitute a binding agreement between the undersigned and the Offeror upon the terms and subject to the conditions set forth in the Offer, including the undersigned's representations and warranties set forth above.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price and/or issue or return any certificate(s) representing Shares not deposited or not accepted for payment in the name(s) of the undersigned. Similarly, unless otherwise indicated herein under "Special Delivery Instructions," please mail the check for the purchase price and/or send any certificate(s) for Shares not deposited or not accepted for payment (and accompanying documents, as appropriate) to the undersigned at the address appearing under "Sign Here." In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the purchase price and/or return any certificate(s) for Shares not deposited or accepted for payment in the name of, and send or hold such check and/or such certificates to or for the person or persons so indicated. Shareholders depositing Shares by book-entry transfer may request that any Shares not accepted for payment be returned to them by crediting such account maintained at DTC or CDS as such shareholders may designate by making an appropriate entry under "Special Delivery Instructions." The undersigned recognizes that the Offeror has no obligation, pursuant to the Special Payment Instructions, to transfer any Shares from the name(s) of the registered holder(s) thereof if the Offeror does not accept for payment any of the Shares so deposited.

By reason of the use of the undersigned of an English language form of Letter of Transmittal, the undersigned and each of you shall be deemed to have required that any contract evidenced by the Offer as accepted through this Letter of Transmittal, as well as all documents related thereto, be drafted exclusively in the English language. En raison de l'usage d'une lettre d'envoi en langue anglaise par le soussigne, le soussigne et les destinataires sont presume avoir requis que tout contrat atteste par l'offre et son acceptation par cette lettre d'envoi, de meme que tous les documents qui s'y rapportent,

soient rediges exclusivement en langue anglaise.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 5 and 6)

To be completed ONLY if certificates for Shares not deposited or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be issued in the name of someone other than the undersigned.

Issue: [_] Check [_] Certificates to:

Name: _____
(Please Print)

Address: _____

_____

_____
(Include Postal (Zip) Code)

_____
(Tax Id., Social Insurance or Social Security No.)

SPECIAL DELIVERY INSTRUCTIONS
(See Instruction 1, 5 and 6)

To be completed ONLY if certificate(s) for Shares not deposited or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that appearing under "Sign Here" or are to be held by the U.S. or Canadian Depositary for pick-up by the undersigned in writing or if the Shares delivered by book-entry transfer that are not purchased are to be returned by credit to an account maintained at DTC or CDS other than that designated above.

Mail: [_] Check [_] Certificates to:

Name: _____
(Please Print)

Address: _____

_____

_____
(Include Postal (Zip) Code)

_____
(Tax Id., Social Insurance or Social Security No.)

Hold: [_] Check
[_] Certificates for pick-up at the Depositary against counter receipt.

_____
(Specify office)

Credit Shares deposited by book-entry transfer that are not accepted for payments to:

_____
(DTC/CDS Account Number (circle one))

[_] CHECK HERE IF DEPOSITED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Owner(s): _____

Date of Execution of Notice of Guaranteed Delivery: _____

Name of Institution that Guaranteed Delivery: _____

If delivered by Book-Entry Transfer, complete the following:

The Depository Trust Company/The Canadian Depository for Securities Limited
(circle one)

Account Number _____ Transaction Code Number _____

[_]CHECK HERE IF YOU ARE SUBMITTING THIS LETTER TO THE CANADIAN DEPOSITARY AND WISH TO RECEIVE PAYMENT IN CANADIAN DOLLARS. OTHERWISE, PAYMENT WILL BE MADE IN UNITED STATES DOLLARS (ALL LETTERS SUBMITTED TO THE U.S. DEPOSITARY WILL RESULT IN PAYMENT IN U.S. DOLLARS ONLY.)

SIGN HERE

_____

_____

(Signature(s) of Holder(s))
(See Instructions 1 and 5)

Dated: _____ , 1999

Name(s)_____

_____

(Please Print or Type)

Authorized representative (if applicable) _____

Address_____

_____

(Include Postal (Zip) Code)

Area Code and Telephone Number _____

Tax Identification, Social Insurance
or Social Security Number _____

Guarantee of Signature(s), if required by Instruction 1
(See Instruction 1 and 5)
This area to be used for Guarantor's stamp.

Area Code and Telephone Number _____

Dated: _____ , 1999

[_]CHECK HERE IF DEPOSITED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE DEPOSITORY TRUST COMPANY OR CDS AND COMPLETE THE FOLLOWING:

Name of Depositing Institution _____

The Depository Trust Company/The Canadian Depository for Securities Limited (circle one)

Account Number _____ Transaction Code Number _____

SUBSTITUTE FORM W-9
To be completed by United States Holders only
(see Instruction 8)

PAYER'S NAME:

	Part 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	Social Security Number or Employer Identification Number
SUBSTITUTE FORM W-9		
Department of the Treasury Internal Revenue Service	Part 2. Certification--Under penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer identification Number (or I am waiting for a number to be issued to me) and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.	
Payer's Request for Taxpayer Identification Number ("TIN")	Certification Instruments--You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of under-reporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out such Item (2).	Sign Here
	SIGNATURE _____ DATE _____	
	Part 3. Awaiting TIN [_]	

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 31% of all reportable payments made to me will be withheld, but that such amounts will be refunded to me if I then provide a Taxpayer Identification Number within sixty (60) days.

_____ _____, 1999
Signature Date

INSTRUCTIONS

Forming Part Of The Terms And Conditions Of The Offer

1. Guarantee of Signatures. No signature guarantee is required on this Letter of Transmittal (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in DTC or CDS whose name appears on a security position listing as the owner of Share(s) deposited herewith), unless such holder(s) has/have completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" above, or (b) if such Share(s) are deposited for the account of a firm which is an Eligible Institution. Where a share certificate is in the name of person other than the signatory of the Letter of Transmittal, the existing certificate must be endorsed exactly as registered by the registered Shareholder and the endorsement guaranteed by an Eligible Institution.

2. Requirements of Deposit. This Letter of Transmittal is to be completed by Shareholders either if certificates for Shares are to be forwarded herewith or, unless an Agent's Message is utilized, if delivery of Shares is to be made pursuant to the procedures for delivery by book-entry transfer set forth in Section 3 of the Offer to Purchase and Circular. Certificates for all physically delivered Shares, or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer into the Depositary's account at DTC or CDS of such Shares delivered by book-entry transfer, as well as this Letter of Transmittal (or a facsimile hereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message in the case of a book-entry delivery, and any other documents required by this Letter of Transmittal must be received by the U.S. or Canadian Depositary at its address set forth herein at or prior to the Expiry Time (as defined in the Offer to Purchase and Circular). Shareholders whose certificates are not immediately available or who cannot deliver their certificates and all other required documents to the U.S. or Canadian Depositary at or prior to the Expiry Time or who cannot complete the procedure for delivery by book-entry transfer for registered Shares on a timely basis may deposit their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase and Circular. Pursuant to such procedure: (i) such deposit must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, in the form provided by the Offeror, or a manually signed facsimile thereof, must be received by the U.S. or Canadian Depositary at its principal office as set forth on the Notice of Guaranteed Delivery, at or prior to the Expiry Time; and (iii) the certificate(s) for all deposited Shares (or a Book-Entry Confirmation with respect to such Shares), in proper form for transfer, in each case together with the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry delivery, an Agent's Message) and all other documents required by this Letter of Transmittal, must be received by the U.S. or Canadian Depositary at its principal office in as set forth on the Notice of Guaranteed Delivery, at or before 4:30 p.m. (Toronto time) on the third trading day on The Toronto Stock Exchange after the Expiry Time, all as provided in Section 3 of the Offer to Purchase and Circular. If certificates are forwarded separately to the U.S. or Canadian Depositary, a properly completed and duly executed Letter of Transmittal must accompany each such delivery.

THE METHOD OF DELIVERY OF CERTIFICATES REPRESENTING SHARES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC OR CDS, IS AT THE OPTION AND RISK OF THE DEPOSITING SHAREHOLDER. THE OFFEROR RECOMMENDS THAT SUCH DOCUMENTS BE DELIVERED BY HAND TO THE U.S. OR CANADIAN DEPOSITARY AND A RECEIPT OBTAINED, OR IF MAILED, THAT REGISTERED MAIL, WITH RETURN RECEIPT REQUESTED, BE USED AND THAT PROPER INSURANCE BE OBTAINED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY. SHAREHOLDERS WHOSE SHARES ARE REGISTERED IN THE NAME OF A NOMINEE SHOULD CONTACT THEIR BROKER, INVESTMENT DEALER, BANK, TRUST COMPANY OR OTHER NOMINEE FOR ASSISTANCE IN DEPOSITING THOSE SHARES.

No alternative, conditional or contingent deposits will be accepted and no fractional Shares will be purchased. All depositing Shareholders, by execution of this Letter of Transmittal (or a facsimile thereof), waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares and any other required information should be listed on a separate signed schedule attached hereto.

4. Partial Deposits. (Applicable to Certificate Shareholders Only) If fewer than all the Shares evidenced by any certificate submitted are to be deposited, fill in the number of Shares that are to be deposited in the box entitled "Number of Shares Deposited." In such case, new certificate(s) for the remainder of the Shares that were evidenced by old certificate(s) will be issued and sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the expiration or termination of the Offer. All Shares evidenced by certificates delivered to the U.S. or Canadian Depositary will be deemed to have been deposited unless otherwise indicated.

5. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares deposited hereby, the signature(s) must correspond with the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares deposited hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the deposited Shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any certificates or stock powers are signed by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or any other person acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to the Offeror of their authority to so act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares evidenced by certificates listed and transmitted herewith, no endorsements of certificates or separate stock powers are required.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares evidenced by certificates listed and submitted hereby, the certificates must be endorsed or accompanied by appropriate share transfer or stock powers, in either case signed exactly as the name or names of the registered holder or holders appear on the certificates. Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

6. Special Payment and Delivery Instructions. If a check is to be issued in the name of and/or certificates for Shares not deposited or not accepted for payments are to be issued or returned to a person other than the signer of this Letter of Transmittal or if a check and/or such certificates for Shares not deposited or not accepted for payment are to be sent to a person other than the signer of this Letter of Transmittal or to the signer of this Letter of Transmittal at an address other than that appearing under "Sign Here" above, or if a check and/or certificates for Shares not deposited or not accepted for payment are to be held by the Depositary for pick-up by the undersigned or any person designated by the undersigned in writing, the appropriate boxes on this Letter of Transmittal must be completed. Shareholders delivering Shares by book-entry transfer may request that Shares not accepted for payment be credited to such account maintained at DTC or CDS as such Shareholder may designate under "Special Delivery Instructions." If no such instructions are given, such Shares not accepted for payment will be returned by crediting the account at DTC or CDS designated above.

7. Waiver of Conditions. The conditions to the Offer may be waived by the Offeror in whole or in part at any time from time to time in its sole discretion.

8. 31% Backup Withholding; Substitute Form W-9. Under U.S. Federal income tax law, a U.S. Holder (as defined in the Offer) whose deposited Shares are accepted for payment generally is required to provide the U.S. or Canadian Depositary with such Shareholder's correct taxpayer identification number ("TIN") on Substitute Form W-9 above. Failure of a Shareholder or other payee to provide a properly completed and correct Form W-9 to the U.S. or Canadian Depositary, if such form is required by law, may subject such Shareholder or other payee to penalties imposed by the U.S. Internal Revenue Service. In addition, payments that are made to such Shareholder or other payee with respect to Shares purchased pursuant to the Offer may be subject to 31% backup withholding.

Certain Shareholders (including, among others, all corporations and certain

non-U.S. individuals) are not subject to these backup withholding and reporting requirements. A non-U.S. Holder may be required to submit a Form W-8, signed

under penalties of perjury, attesting to such Shareholder's non-U.S. status. A Form W-8 can be obtained from the U.S. or Canadian Depositary.

If backup withholding applies, the U.S. or Canadian Depositary is required to withhold 31% of any such payments made to the Shareholder or other payee. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

The box in Part 3 of the Substitute Form W-9 may be checked if the depositing U.S. Holder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is checked, the U.S. Holder or other payee must also complete the Certificate of Awaiting Taxpayer Identification Number above in order to avoid backup withholding. Notwithstanding that the box in Part 3 is checked and the Certificate of Awaiting Taxpayer Identification Number is completed, the U.S. or Canadian Depositary will withhold 31% of all payments made prior to the time a properly certified TIN is provided to the U.S. or Canadian Depositary.

The U.S. Holder is required to give the U.S. the TIN (e.g. social security number or employer identification number) of the record owner of the Shares or of the last transferee appearing on the transfers attached to, or endorsed on, the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

9. Requests for Assistance or Additional Copies. Questions and requests for assistance may be directed to the U.S. or Canadian Depositary, the Information Agent, or (in the case of questions and requests from U.S. investors only) the U.S. Dealer Manager at their respective addresses and telephone numbers set forth below. Additional copies of the Offer to Purchase and Circular, this Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent or (for U.S. investors only) the U.S. Dealer Manager.

10. Lost, Destroyed or Stolen Certificates. If any certificate representing Shares has been lost, destroyed or stolen, this Letter of Transmittal should be completed as fully as possible and forwarded to the Depositary together with a letter stating the loss. The Shareholder will then be instructed as to the steps that must be taken in order to replace the certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

11. Other Jurisdictions. The Offer is not being made to, nor will deposits of Shares be accepted from or on behalf of Shareholders in, any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdictions. The Offeror may, in its sole discretion, take such action as it may deem necessary to make the Offer in any jurisdiction and extend the Offer to holders of Shares in such jurisdictions.

12. Governing Law. With respect to tenders of Shares from Canada, the Offer and any agreement resulting from the acceptance of the Offer will be construed in accordance with and governed by the laws of the Province of Ontario and the laws of Canada applicable therein and the holder of Shares covered by this Letter of Transmittal hereby unconditionally and irrevocably attorns to the jurisdiction of the courts of the Province of Ontario and the courts of appeal therefrom. With respect to tenders of Shares from any other jurisdiction, the Offer and any agreement resulting from the acceptance of the Offer will be construed in accordance with and governed by the laws of the State of New York and the holder of Shares covered by this Letter of Transmittal hereby unconditionally and irrevocably submits to the jurisidiction of the courts of the State of New York.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A FACSIMILE HEREOF (OR AN AGENT'S MESSAGE IN THE CASE OF A BOOK-ENTRY DELIVERY), TOGETHER WITH CERTIFICATES (OR CONFIRMATION OF BOOK-ENTRY TRANSFER) AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE U.S. OR CANADIAN DEPOSITARY OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE U.S. OR CANADIAN DEPOSITARY AT ITS OFFICE AT OR PRIOR TO THE EXPIRY TIME (AS DEFINED IN THE OFFER TO PURCHASE AND CIRCULAR).

The Depositary in the United States is:

Citibank, N.A.
By Courier:
Citibank, N.A.
915 Broadway, 5th Floor
New York, NY 10010

By Mail:
Citibank, N.A.
P.O. Box 685
Old Chelsea Station
New York, NY 10113

By Hand:
Citibank, N.A.
Corporate Trust Window
111 Wall Street, 5th Floor
New York, NY 10043

Facsimile For Eligible Institutions: (212) 505-2248
To Confirm By Telephone: (800) 270-0808

The Depositary in Canada is:

Montreal Trust Company of Canada
Reorganization Department
151 Front Street West
8th Floor
Toronto, Ontario
M5J 2N1
Tel: (416) 981-9633
Call Toll Free: (800) 663-9097
Fax: (416) 981-9600

The Information Agent is:

Georgeson & Company Inc.

United States:	Canada:
Wall Street Plaza New York, New York 10005 Banks & Brokers Call Collect: (212) 440-9800 All others call Toll Free: (800) 223-2064	Commerce Court West, Suite 1925 Toronto, Ontario M5L 1B9, Canada Call Toll-Free: (800) 890-1037

The Dealer Manager in the United States is:

Salomon Smith Barney
7 World Trade Center
31st Floor
New York, New York 10048
Call Toll Free: (800) 221-1629

Any questions and requests for assistance or additional copies of the Offer and Circular and the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed by Shareholders to the Information Agent or the Dealer Manager (in the case of questions and requests from U.S. investors only) at their respective telephone numbers and addresses listed above. You may also contact your broker, dealer, bank or trust company or other nominee for assistance.

Exhibit (a)(3)

NOTICE OF GUARANTEED DELIVERY

to

Deposit Ordinary Shares

of

INTERNATIONAL COMFORT PRODUCTS CORPORATION

As set forth in Section 3 of the Offer to Purchase and Circular (the "Offer to Purchase and Circular" and, together with the related Letter of Transmittal and any amendments or supplements thereto, the "Offer") by Titan Acquisitions, Ltd., dated June 30, 1999 to purchase all of the outstanding Shares (as defined below), this form must be used to accept the Offer if certificates representing Shares are not immediately available or the certificates representing Shares and all other required documents cannot be delivered to the U.S. or Canadian Depositary at or prior to the Expiry Time (as defined in the Offer to Purchase and Circular) or if the procedures for delivery by book-entry transfer of Shares cannot be complied with on a timely basis. Such form may be delivered by hand or transmitted by facsimile to the U.S. or Canadian Depositary at the address below.

The terms and conditions of the Offer are incorporated by reference in this Notice of Guaranteed Delivery. Capitalized terms used, but not defined, in this Notice of Guaranteed Delivery which are defined in the Offer have the respective meanings set out in the Offer.

To The U.S. Depositary	To The Canadian Depositary
Citibank, N.A.	Montreal Trust Company of Canada
By Courier: Citibank, N.A. 915 Broadway, 5th Floor New York, NY 10010	Reorganization Department 151 Front Street West 8th Floor Toronto, Ontario M5J 2N1 Tel.: (416) 981-9633 Toll Free: (800) 663-9097 Fax: (416) 981-9600
By Mail: Citibank, N.A. P.O. Box 685 Old Chelsea Station New York, NY 10113	
By Hand: Citibank, N.A. Corporate Trust Window 111 Wall Street, 5th Floor New York, NY 10043	

Facsimile for Eligible Institutions:
(212) 505-2248
To Confirm by Telephone: (800) 270-0808

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box in the Letter of Transmittal.

TO: TITAN ACQUISITIONS, LTD.
AND TO:
CITIBANK, N.A., AS U.S. DEPOSITARY OR
MONTREAL TRUST COMPANY OF CANADA, AS CANADIAN DEPOSITARY

The undersigned hereby deposits to Titan Acquisitions, Ltd. upon the terms and subject to the conditions set forth in the Offer, receipt of which is hereby acknowledged, the number of ordinary shares (the "Shares"), of International Comfort Products Corporation, a corporation continued under the federal laws of Canada, pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase and Circular.

Certificate Nos. (if available)

Number of Shares Tendered

Name(s) of Record Holder(s)
(Please Type or Print)

Address(es):

Postal/Zip Code

Tel. No.: ( ) _____
(Area Code)

Signature(s)

Date

Check box if Shares will be delivered by book-entry transfer: [_]

Name of Tendering Institution

Account No.

GUARANTEE

(Not to be used for signature guarantees)

The undersigned, (i) in the case of Letters of Transmittal being submitted to the Canadian Depositary: a Schedule A Canadian chartered bank, a major Canadian trust company, or a member in good standing of the Securities Transfer Agents Medallion Program in Canada or (ii) in the case of Letters of Transmittal being submitted to the U.S. Depositary: a member in good standing of the Securities Transfer Agents Medallion Program in the United States or any other bank, broker, dealer, credit union, savings association or other entity that is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, guarantees to deliver to the U.S. or Canadian Depositary either the certificates evidencing all deposited Shares, in proper form for transfer, or to deliver Shares pursuant to the procedures for book-entry transfer in the U.S. Depositary's account at The Depository Trust Company or the Canadian Depositary's account with The Canadian Depository for Securities Limited, together with the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase and Circular), and any other required documents, to the principal office of the U.S. or Canadian Depositary as set forth in the Letter of Transmittal, at or before 4:30 p.m. (Toronto time) on the third trading day on The Toronto Stock Exchange after the Expiry Time.

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Name of Firm	Authorized Signature
---	Title: _____
Address	
	Name: _____
---	(Please Type or Print)
Postal/Zip Code	
	Dated: _____ , 1999

Telephone No. (including Area Code)	

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE. SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL

Exhibit (a)(4)

Offer to Purchase for Cash

all of the outstanding Ordinary Shares of

INTERNATIONAL COMFORT PRODUCTS CORPORATION
at
U.S.$11.75 Per Share by
TITAN ACQUISITIONS, LTD.
A Wholly Owned Subsidiary
of
UNITED TECHNOLOGIES CORPORATION

THE OFFER WILL EXPIRE AT 12:00 MIDNIGHT TORONTO TIME, ON WEDNESDAY,JULY 28, 1999, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN.

June 30, 1999

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees in the United States:

We have been appointed by Titan Acquisitions, Ltd, a corporation organized under the laws of the Province of New Brunswick (the "Offeror") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("UTC"), to act as Dealer Manager in the United States, in connection with the Offeror's offer to purchase for cash all of the issued and outstanding ordinary shares (the "Shares"), including Shares underlying currently outstanding options to purchase Shares and Shares which may become outstanding on the exercise of currently outstanding warrants or rights to purchase Shares, of International Comfort Products Corporation, a corporation continued under the federal laws of Canada (the "Corporation") at a price of U.S.$11.75 in cash for each Share upon the terms and conditions set forth in the Offer to Purchase and Circular dated June 30, 1999 and the related Letter of Transmittal and Notice of Guaranteed Delivery (which collectively constitute the "Offer"), copies of which are enclosed herewith. Citibank, N.A. will act as the depositary in the United States (the "U.S. Depositary"), Montreal Trust Company of Canada, as the depositary in Canada (the "Canadian Depositary") and Georgeson & Company, Inc. as the information agent (the "Information Agent") in connection with the Offer. Each of the U.S. Depositary and the Canadian Depositary may be referred to herein as a "Depositary." Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares in your name or in the name of your nominee.

Enclosed herewith for your information and forwarding to your clients are copies of the following documents:

1. The Offer dated June 30, 1999, and the accompanying Offer to Purchase and Circular.

2. The Letter of Transmittal to deposit Shares for your use and for the information of your clients. Facsimile copies of the Letter of Transmittal may be used to deposit Shares.

3. A letter to stockholders of the Corporation from W. Michael Clevy, President and Chief Executive Officer of the Corporation, together with a Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Corporation and mailed to shareholders of the Corporation.

4. The Notice of Guaranteed Delivery for Shares to be used to accept the Offer if none of the three procedures for tendering Shares set forth in the Offer can be completed on a timely basis.

5. A printed form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.

6. Guidelines of the U.S. Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE.

THE OFFER WILL BE OPEN FOR ACCEPTANCE UNTIL 12:00 MIDNIGHT (TORONTO TIME) ON JULY 28, 1999, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN.

Please note the following:

1. The Offer price is U.S.$11.75 in cash for each Share upon the terms and subject to the conditions set forth in the Offer.

2. The Offer is subject to certain conditions, including that there are validly deposited under the Offer and not withdrawn as at the Expiry Time (as defined in the Offer), together with any Shares held by or on behalf of UTC or any of its subsidiaries, not less than 71% of the Shares outstanding (calculated on a fully diluted basis) as at the Expiry Time. See Section 5 of the Offer to Purchase and Circular.

3. The Offer is being made for all of the issued and outstanding Shares.

4. Depositing Shareholders will not be obligated to pay brokerage fees or commissions if they accept the Offer by depositing their Shares directly with a Depositary. Transfer taxes, if any, on the purchase of Shares will be paid by the Offeror. However, U.S. federal income tax backup withholding at a rate of 31% may be required, unless an exemption is available or unless the required tax identification information is provided. Canadian Shareholders who deposit their Shares are not generally subject to such federal income tax backup withholding, though such withholding may be assessed under certain circumstances. See Instruction 8 of the Letter of Transmittal.

5. The Offer is open for acceptance until 12:00 midnight (Toronto time) on July 28, 1999, unless the Offer is extended or withdrawn.

6. The board of directors of the Corporation has, by unanimous vote of all directors present, recommended that the shareholders of the Corporation accept the Offer.

7. In all cases, payment for the Shares deposited and taken up by the Offeror will be made only after timely receipt by a Depositary of (i) the certificates representing the Shares (or, in the case of a Depositary, a book-entry confirmation of the transfer of such Shares into a Depositary's account at The Depository Trust Company or CDS), (ii) a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, in respect of such Shares with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal (or, in the case of a Depositary, an Agent's Message (as defined in the Offer to Purchase and Circular) in connection with a book-entry transfer) and (iii) any other required documents.

8. Shares accepted for purchase will be paid for in U.S. dollars, unless a Shareholder tenders shares to the Canadian Depositary and elects to receive Canadian dollars by checking the appropriate box in the Letter of Transmittal deposited with the Shares. The amount payable in Canadian dollars will be determined on the basis of the rate of exchange available to the Offeror on the business day immediately preceding the day upon which payment is made (net of any applicable commissions or exchange charges).

A Shareholder wishing to accept the Offer must deposit the certificate representing the Shares, together with a properly completed Letter of Transmittal or a manually signed facsimile thereof, at any one of the offices of a Depositary specified in the Letter of Transmittal at or prior to the Expiry Time. See the Instructions contained in the Letter of Transmittal.

If a Shareholder wishes to deposit Shares pursuant to the Offer and the certificates representing the Shares are not immediately available, or such person cannot deliver the certificates to a Depositary at or prior to the Expiry Time, such securities may nevertheless be deposited in compliance with the procedures for guaranteed delivery. A Shareholder may also accept the Offer by following the procedures for a book-entry transfer. See Section 3 of the Offer to Purchase and Circular, "Procedure for Tendering Shares."

Neither UTC nor the Offeror will pay any fees or commissions to any broker, dealer or other person for soliciting deposits of Shares pursuant to the Offer (other than the Dealer Managers, the Depositaries and the Information Agent as described in the Offer). The Offeror will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. The Offeror will pay or cause to be paid any transfer taxes payable on the transfer of Shares to it, except as otherwise provided in Instruction 8 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to the Information Agent, Wall Street Plaza, New York, New York 10005, telephone number (212) 440-9800 (call collect), or in the case of inquiries from U.S. brokers, dealers, commercial banks, trust companies and other nominees only, the Dealer Manager, Salomon Smith Barney, telephone number (800) 221-1629.

Requests for copies of the enclosed materials may also be directed to the Information Agent or, in the case of Canadian investors only, the Canadian Dealer Manager or, in the case of U.S. investors only, the U.S. Dealer Manager at the above addresses and telephone numbers.

Very truly yours,

Salomon Smith Barney Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF THE OFFEROR, UTC, THE CORPORATION, THE DEALER MANAGER, THE U.S. OR CANADIAN DEPOSITARY, THE INFORMATION AGENT OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

Exhibit (a)(5)

Offer to Purchase for Cash

all of the outstanding Ordinary Shares of
INTERNATIONAL COMFORT PRODUCTS CORPORATION

at
U.S.$11.75 Per Share by
TITAN ACQUISITIONS, LTD.

A Wholly Owned Subsidiary

of
United Technologies Corporation

THE OFFER WILL EXPIRE AT 12:00 MIDNIGHT TORONTO TIME,
ON WEDNESDAY, JULY 28, 1999, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN.

To Our Clients:

Enclosed for your consideration are the Offer to Purchase and Circular dated June 30, 1999 and the related Letter of Transmittal and Notice of Guaranteed Delivery (which collectively constitute the "Offer"), in connection with the offer by Titan Acquisitions, Ltd., a corporation organized under the laws of the Province of New Brunswick (the "Offeror") and a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("UTC"), to purchase all of the issued and outstanding ordinary shares (the "Shares") of International Comfort Products Corporation, a corporation continued under the federal laws of Canada (the "Corporation"), at a price of U.S.$11.75 in cash for each Share upon the terms and subject to the conditions set forth in the Offer. If a shareholder wishes to deposit Shares pursuant to the Offer and (i) the certificates representing such Shares are not immediately available or (ii) the shareholder is not able to deliver the certificates and all other required documents to a Depositary at or prior to the Expiry Time (as defined in the Offer to Purchase and Circular) or (iii) the shareholder cannot comply with the procedures for book-entry on a timely basis, such Shares may nevertheless be deposited pursuant to the procedures for guaranteed delivery set forth in Section 3 of the Offer to Purchase and Circular. Citibank, N.A. will act as the depositary in the United States (the "U.S. Depositary"), Montreal Trust Company of Canada, as the depositary in Canada (the "Canadian Depositary") and Georgeson & Company, Inc. as the information agent (the "Information Agent") in connection with the Offer. Each of the U.S. Depositary and the Canadian Depositary may be referred to herein as a "Depositary."

We are (or our nominee is) the holder of record of Shares held by us for your account. A deposit of such Shares can be made only by us as the holder of record and pursuant to your instructions. The Letter of Transmittal is furnished to you for your information only and cannot be used by you to deposit Shares held by us for your account.

Accordingly, we request instructions as to whether you wish to have us deposit on your behalf any or all Shares held by us for your account pursuant to the terms and conditions set forth in the Offer.

Please note the following:

1. The offer price is U.S.$11.75 in cash for each Share upon the terms and subject to the conditions set forth in the Offer.

2. The Offer is subject to certain conditions, including that there are validly deposited under the Offer and not withdrawn as at the Expiry Time (as described below), together with any Shares held by or on behalf of UTC or any of its subsidiaries, a number of Shares which represents not less than 71% of the

Shares outstanding (calculated on a fully diluted basis) as at the Expiry Time. See Section 5 of the Offer to Purchase and Circular.

3. The Offer is being made for all of the issued and outstanding Shares.

4. Tendering shareholders will not be obligated to pay brokerage fees or commissions if they accept the Offer by depositing their Shares directly with a Depositary. Transfer taxes, if any, on the purchase of Shares will be paid by the Offeror. However, U.S. federal income tax backup withholding at a rate of 31% may be required, unless an exemption is available or unless the required tax identification information is provided. Canadian Shareholders who deposit their Shares are not generally subject to such federal income backup withholding, though such withholding may be assessed under certain circumstances. See Instruction 8 of the Letter of Transmittal.

5. The Offer is open for acceptance until 12:00 Midnight (Toronto time) on July 28, 1999, unless the Offer is extended or withdrawn.

6. The board of directors of the Corporation has, by the unanimous vote of all directors present, recommended that the shareholders of the Corporation accept the Offer.

7. In all cases, payment for the Shares deposited and taken up by the Offeror will be made only after timely receipt by a Depositary of (i) the certificates representing the Shares or a book-entry confirmation of the transfer of such Shares into the Depositary's account at The Depository Trust Company or the Canadian Depositary for Securities, (ii) a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, in respect of such Shares with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal or an Agent's Message (as defined in the Offer to Purchase and Circular) in connection with a book-entry transfer and (iii) any other required documents.

8. Shares accepted for purchase will be paid for in United States dollars, unless you instruct us, on your behalf, to receive payment in Canadian dollars by checking the appropriate box in the Letter of Transmittal deposited with the Shares and forwarding to the Canadian Depositary the certificates (or book-entry confirmation), the duly executed Letter of Transmittal and any other required documents, all as described in the preceding paragraph. The amount payable in Canadian dollars will be determined on the basis of the market rate of exchange obtained by the Offeror (net of any applicable commissions or exchange charges) on the business day immediately preceding the day of the delivery of such payment by the Canadian Depositary.

If you wish to have us tender any or all of the Shares held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form set forth herein. If you authorize the tender of your Shares, all such shares will be deposited unless otherwise specified below. An envelope to return your instructions to us is enclosed. Your instructions should be forwarded to us in ample time to permit us to submit a deposit on your behalf prior to the Expiry Time.

Note for U.S. Shareholders: The Offeror is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If the Offeror becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, the Offeror will make a good faith effort to comply with such state statute or seek to have such statute declared inapplicable to the Offer. If, after such good faith effort, the Offeror cannot comply with such state statute, the Offer will not be made to (nor will deposits be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Offeror by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Instructions with respect to the

Offer to Purchase for Cash

All of the Outstanding Ordinary Shares

of International Comfort Products Corporation

The undersigned acknowledge(s) receipt of your letter, the enclosed Offer to Purchase and Circular dated June 30, 1999 and the related Letter of Transmittal and Notice of Guaranteed Delivery (which collectively constitute the "Offer"), in connection with the offer by Titan Acquisitions Ltd., a corporation organized under the laws of the Province of New Brunswick (the "Offeror"), a wholly owned subsidiary of United Technologies Corporation, a Delaware corporation ("UTC"), to purchase all issued and outstanding ordinary shares (the "Shares") of International Comfort Products Corporation, a corporation continued under the federal laws of Canada (the "Corporation"), at the price of U.S.$11.75 in cash for each Share upon the terms and subject to the conditions set forth in the Offer.

This will instruct you to transfer to the Offeror the number of Shares indicated below (or if no number is indicated below, all Shares) which are held by you for the account of the undersigned, upon terms and subject to the conditions set forth in the Offer.

[_] Check here if you wish to receive a payment in Canadian dollars. Otherwise, payment will be made in United States dollars.

Number of Shares to be Tendered*: _____

Date: _____

SIGN HERE

Signature(s): _____

(Print Name(s)): _____

Print Address(es): _____

(Area Code and Telephone Number(s)): _____

(Taxpayer Identification or Social Security Number(s) (U.S. Shareholders only)):

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* Unless otherwise indicated, it will be assumed that all of your Shares held by us for your account are to be tendered.

Exhibit (a)(6)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares.The Offer is made solely by the Offer to Purchase,dated June 30, 1999,and the related Letter of Transmittal and Notice of Guaranteed Delivery, and is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction where the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities,blue sky or other laws require the Offer to be made by a licensed broker or dealer,the Offer shall be deemed to be made on behalf of the Purchaser by Salomon Smith Barney Inc.or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash
All Outstanding Ordinary Shares

of

International Comfort Products
Corporation

at

US$11.75 Per Share

by

Titan Acquisitions,Ltd.
A Wholly Owned Subsidiary of

United Technologies Corporation

Titan Acquisitions,Ltd.("Purchaser"),a corporation organized under the laws of the Province of New Brunswick,and a wholly owned subsidiary of United Technologies Corporation,a Delaware corporation ("Parent"),offers to purchase all of the outstanding ordinary shares (the "Shares") of International Comfort Products Corporation,a corporation continued under the federal laws of Canada (the "Company"),at a cash purchase price of US$11.75 per Share (the "Offer Price"),upon the terms and subject to the conditions set forth in the Offer to Purchase (collectively,the "Offer to Purchase"),dated June 30,1999,and in the related Letter of Transmittal and Notice of Guaranteed Delivery (which,together with the Offer to Purchase and the supplements or amendments thereto, collectively constitute the "Offer").

- ---

THE OFFER WILL EXPIRE AT 12:00 MIDNIGHT,TORONTO TIME,ON WEDNESDAY,JULY 28,1999,UNLESS EXTENDED OR WITHDRAWN.

- ---

The Offer is conditioned upon,among other things,at the Expiry Time (as defined below) of there being tendered and not withdrawn that number of Shares that,together with the Shares held by or on behalf of Parent,represents at least 71% of the outstanding Shares on a fully diluted basis (the "Minimum Condition").The Offer is also subject to certain other conditions described in the Offer to Purchase.

The Offer is being made pursuant to a Pre-Acquisition Agreement,dated June 23,1999 (the "Pre-Acquisition Agreement"), among Purchaser,Parent and the Company.Purchaser intends to acquire all Shares remaining untendered after the Offer at the same price per Share through a compulsory acquisition or other type of second stage transaction.

The Board of Directors of the Company,by the unanimous vote of all Directors present,has determined that the Offer is fair to,and in the best interests of,the Company's stockholders,has approved the Pre-Acquisition Agreement and the transactions contemplated thereby and recommends that the Company's stockholders tender all their Shares in the Offer.

Concurrently with the execution of the Pre-Acquisition Agreement,Purchaser entered into lock-up agreements with Ravine Partners,Ltd.and Ontario Teachers' Pension Plan Board ("Teachers") owning approximately 18.4% and 18.5% of the outstanding shares (on a fully-diluted basis),respectively,pursuant to which such holders have agreed to tender their Shares.

In all cases,payment for Shares purchased pursuant to the Offer will be made only after timely receipt by the Canadian or U.S. Depositary,as applicable (the "Depositary"),of (i) certificates evidencing such Shares (or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to such

Shares),(ii) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed with all required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) and (iii) all other documents required by the Letter of Transmittal.For purposes of the Offer,Purchaser will be deemed to have accepted for payment,and thereby purchased,Shares validly tendered and not withdrawn as,if and when Purchaser gives oral and written notice to the Depositary of Purchaser's acceptance of such Shares for payment.In all cases,payment for Shares purchased pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary,which will act as agent for the tendering stockholders for the purpose of receiving payment from Purchaser and transmitting the payment to tendering stockholders whose Shares have theretofore been accepted for payment.Under no circumstances will interest on the Offer Price be paid by Purchaser,regardless of any delay in making such payment.

All payments will be made in U.S.dollars,unless the holder tenders Shares to the Canadian Depositary and elects to receive payment in Canadian dollars by checking the appropriate box in the Letter of Transmittal,with the amount determined based on the rate of exchange determined as set forth in the Offer to Purchase.

The term "Expiry Time"means 12:00 Midnight,Toronto time,on Wednesday,July 28,1999,unless and until Purchaser shall have extended the period of time during which the Offer is open,in which event the term "Expiry Time"shall mean the latest time and date at which the Offer,as so extended by Purchaser,shall expire.Subject to the limitations set forth in the Pre-Acquisition Agreement, Purchaser reserves the right (but will not be obligated),at any time or from time to time,in its sole discretion,to extend the period of time during which the Offer is open by giving oral or written notice of such extension to the Depositary and by making a public announcement of such extension.There can be no assurance that Purchaser will exercise its right to extend the Offer.Any such extension will be followed by a public announcement thereof no later than 9:00 A.M.,New York City time,on the next business day after the previously scheduled Expiry Time.If Purchaser extends the Offer,then,without prejudice to the rights of Purchaser,tendered Shares may be retained by the Depositary on behalf of Purchaser and may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights,as set forth below.

Except as otherwise provided below,tenders of Shares made pursuant to the Offer are irrevocable.Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiry Time and,unless theretofore accepted for payment by Purchaser pursuant to the Offer may also be withdrawn at any time after August 14,1999.For a withdrawal to be effective,a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at its address set forth on the back cover of the Offer to Purchase.Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn,the number of shares to be withdrawn and the name of the registered holder,if different from the name of the person who tendered such Shares.If certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary,then prior to the physical release of such certificates,the tendering stockholder must also submit the serial numbers shown on such certificates, and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in the Offer to Purchase), except in the case of Shares tendered for the account of an Eligible Institution.If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in the Offer to Purchase,any notice of withdrawal with respect to such Shares must specify the name and number of the account at the applicable Book-Entry Transfer Facility (as defined in the Offer to Purchase) to be credited with the withdrawn Shares.Any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer, but may be retendered at any subsequent time prior to the Expiry Time by following any of the procedures as described in the Offer to Purchase.All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by Purchaser,in its sole discretion,whose determination shall be final and binding on all parties.

The Offer to Purchase and the related Letter of Transmittal and other relevant materials will be mailed to record holders of Shares and furnished to brokers,dealers,banks,trust companies and similar persons whose names,or the names of whose nominees,appear on the stockholders lists or,if applicable,who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) under the Securities Exchange Act of 1934,as amended,is contained in the Offer to Purchase and is incorporated herein by reference. The Offer to Purchase and Letter of Transmittal contain important information which should be read before any decision is made with respect to the Offer.

No fees or commissions will be payable to brokers,dealers or other persons other than the Information Agent,the Depositaries and the Dealer Manager in

connection with soliciting tenders of Shares pursuant to the Offer.Requests for copies of the Offer to Purchase,the Letter of Transmittal and all other tender offer materials may be directed to the Information Agent or (in the United States) the Dealer Manager as set forth below,and copies will be furnished promptly at Purchaser's expense.

The Information Agent for the Offer is:

United States:	Canada:
Wall Street Plaza	Commerce Court West,Suite 1925
New York,New York 10005	Toronto,Ontario M5L 1B9,CANADA
Banks and Brokers call collect:(212) 440-9800	Call toll-free:(800) 890-1037
All others call toll-free (800) 223-2064	

The Dealer Manager for the Offer in the United States is:

Salomon Smith Barney
7 World Trade Center
31(st) Floor
New York,New York 10048
Call toll-free:(800) 221-1629

June 30,1999

EXHIBIT (a)(7)

UNITED TECHNOLOGIES CORPORATION

Contact: Matt Chadderdon
Carrier Corp.
315-432-6625

Carrier Corp. to Purchase International Comfort Products Corp.

FARMINGTON, CT, June 24, 1999 -- Carrier Corp., a wholly owned subsidiary of United Technologies Corp. (UTC) (NYSE:UTX), today announced the signing of an agreement to purchase International Comfort Products Corp. (ICP) (AMEX:ICP) headquartered in Nashville, TN for $11.75 per share in cash.

ICP manufactures and markets central air conditioning and heat pump systems, gas and oil furnaces, air handlers and component parts and accessories. ICP's products are marketed under the Heil, Tempstar, Arcoaire, Comfortmaker, Airquest, Keeprite, Lincoln, Dettson, and Clare brandnames. Its worldwide sales for 1998 were $733.5 million.

Carrier, with 1998 worldwide sales of $6.9 billion, manufactures and markets heating, ventilating, air conditioning and refrigeration systems and equipment. UTC will commence a tender offer for all of the outstanding shares of common stock of ICP no later than June 30, 1999. UTC will pay a purchase price of approximately $490 million in cash for all of the outstanding shares of ICP and will assume approximately $230 million in debt.

The transaction is subject to regulatory approvals and the valid tender of at least 71 percent of ICP shares, as well as other customary conditions. The directors of ICP are unanimously recommending that all ICP shareholders accept UTC's offer.

ICP's largest shareholders, Ravine Partners, an affiliate of SnyderCapital Corp., and the Ontario Teachers' Pension Plan Board, together holding approximately 40 percent of ICP's shares, have agreed to tender their shares and support the transaction.

"The proposed acquisition by UTC represents excellent value for our stockholders, and outstanding opportunities for our distributors, dealers, and employees," said Richard W. Snyder, chairman of ICP Corporation.

"This transaction will enhance our ability to continue to serve our customers with the full backing of the resources of United Technologiess Corp.," stated W. Michael Clevy, president of ICP Corporation.

ICP will retain its current operational structure, sales infrastructure, distribution and dealer networks, and brands.

The companies intend to generate significant cost savings by accelerating implementation of advanced manufacturing practices and product delivery systems as well as achieving greater efficiencies in all areas of operations, including purchasing synergies and technology integration. Carrier expects the annual pretax integration benefits to exceed $50 million within three years.

"The acquisition of ICP is an exciting opportunity for Carrier Corp. to offer

complementary products and brands, to access new market channels, and to serve a new customer base. Integrating administrative, manufacturing, and engineering operations will enable both companies to become more efficient and effective in serving customers," said John R. Lord, president of Carrier Corp.

Carrier Corp. is a subsidiary of United Technologies Corp. a provider of a broad range of high technology products and support services to the aerospace and building systems industries.

EXHIBIT (c)(1)

PRE-ACQUISITION AGREEMENT

BETWEEN

UNITED TECHNOLOGIES CORPORATION

AND

TITAN ACQUISITIONS, LTD.

AND

INTERNATIONAL COMFORT PRODUCTS CORPORATION

DATED June 23, 1999

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

PRE-ACQUISITION AGREEMENT

THIS AGREEMENT made the 23rd day of June, 1999,

BETWEEN:

UNITED TECHNOLOGIES CORPORATION, a corporation duly incorporated under and governed by the laws of the State of Delaware and having its principal office in the City of Hartford, in the State of Connecticut (hereafter referred to as "UTC"),

- and -

TITAN ACQUISITIONS, LTD., a corporation duly incorporated under and governed by the laws of the Province of New Brunswick and having its registered office in the City of St. John, in the Province of New Brunswick (hereafter referred to as "UTCSub"),

- and -

INTERNATIONAL COMFORT PRODUCTS CORPORATION, a corporation duly continued under and governed by the federal laws of Canada and having its registered office in the City of Toronto, in the Province of Ontario (hereafter referred to as "ICP"),

WHEREAS the Board of Directors of each of UTC and ICP has determined that it is in the best interests of their respective corporations and shareholders that UTC and ICP combine their business interests with the result that there shall be one economic enterprise and that such combination be effected through an offer by UTCSub, a wholly-owned subsidiary of UTC, to purchase all of the outstanding ordinary shares of ICP;

AND WHEREAS the Board of Directors of ICP has unanimously determined to recommend acceptance of the UTCSub offer to the shareholders of ICP;

AND WHEREAS the Board of Directors of ICP has unanimously determined that it would be in the best interests of ICP and its shareholders to enter into this Agreement;

AND WHEREAS UTC, through UTCSub, is willing to make an offer subject to the terms and conditions of this Agreement.

NOW THEREFORE IN CONSIDERATION OF the mutual covenants hereinafter contained and other good and valuable consideration (the receipt and adequacy whereof is hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

"Agreement", "this Agreement", "herein", "hereto" and "hereof' and similar expressions refer to this Agreement, as the same may be amended or supplemented from time to time;

"Business Day" means any day excepting a Saturday, Sunday or any other day on which banking institutions in New York City (in the State of New York) or Toronto (in the Province of Ontario) are authorized or required by any applicable law to close;

"Canada BCA" means the Canada Business Corporations Act as the same has been and may hereafter from time to time be amended;

"Competition Act" means the Competition Act (Canada), as the same has been and may hereafter from time to time be amended;

"Confidentiality Agreement" has the meaning set forth in Section 2.2(a);

"diluted basis" means, with respect to the number of outstanding ICP Shares at any time, such number of outstanding ICP Shares calculated on the basis that all outstanding options and other rights to purchase ICP Shares are exercised;

"Disclosure Schedule" means a letter from ICP to UTC dated the date hereof containing disclosures made by ICP pursuant to this Agreement;

"Effective Time" means the time that UTCSub shall have acquired ownership of and paid for ICP Shares pursuant to the terms of the Offer;

"Exchange Act" means the United States Securities Exchange Act of 1934, as the same has been and may hereafter from time to time be amended;

"Expiry Time" means the Initial Expiry Time unless the Offer has been extended, in which case it means the expiry time of the Offer as extended from time to time;

"Governmental Authority" means any government, parliament, legislature, regulatory authority, governmental department, agency, commission, board, tribunal, crown corporation, court or other law, rule or regulation-making entity having jurisdiction or exercising executive, legislative, judicial, regulatory or administrative powers on behalf of any federation of nations, nation, or any province, territory, state or other subdivision thereof or any municipality, district or other subdivision thereof;

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination, award, directive, or citation entered by or with any Governmental Authority and having force of law;

"HSR Act" means the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as the same has been amended and may hereafter from time to time be amended;

"ICP Governing Documents" means the Certificate and Articles of Continuance and By-laws of ICP;

"ICP Options" means the outstanding options to acquire ICP Shares under the Stock Option Plans;

"ICP Shares" means ordinary shares in the share capital of ICP;

"in writing" means information delivered in a written form, whether by mail, telecopy or other transmitted means, and includes documents, files, records, books and other materials made available, delivered or produced to UTC by or on behalf of ICP in the course of UTC conducting its due diligence review in respect of ICP and its subsidiaries between the date of the Confidentiality Agreement and the date of this Agreement;

"Information Circular" has the meaning set forth in Section 4.2;

"Initial Expiry Time" means 11:59 p.m. (Toronto time) on the day which is the twentieth (20th) Business Day from and including the day that the Offer Documents are filed with the appropriate Securities Authorities and mailed to shareholders of ICP;

"Investment Canada Act" means the Investment Canada Act, as the same has been amended and may hereafter from time to time be amended;

"Lockup Agreements" mean the letter agreements dated the date hereof between UTCSub and each of Ravine Partners, Ltd. and Ontario Teachers' Pension Plan Board;

"Material Adverse Effect" means any effect on the business, operations, results of operations or financial condition of ICP or any of its subsidiaries that, individually or in the aggregate, is materially adverse to the business of ICP and its subsidiaries considered as a whole, other than any such effect (i) which arises out of a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in the Disclosure Schedule, (ii) resulting from conditions affecting the residential and light commercial air conditioning and heating product industries in Canada and the United States, (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere or (iv) resulting solely from the public announcement of the transactions contemplated by this Agreement;

"Offer" has the meaning set forth in Section 2.1 (a);

"Offer Conditions" mean the following conditions to the Offer:

(a) at the Expiry Time, the number of ICP Shares that shall have been validly deposited under the Offer (and not properly withdrawn), together with any ICP Shares held by or on behalf of UTC, or any of its subsidiaries, shall constitute at least 71.0% of the outstanding ICP Shares (calculated on a diluted basis);

(b) all material requisite governmental and regulatory approvals and consents (including, without limitation, those of any stock exchanges or Securities Authorities) required in UTC's reasonable judgment to make lawful the purchase by, or the sale to, UTCSub of the ICP Shares (whether under the Offer, a compulsory acquisition or Second Stage Transaction) shall have been obtained and all applicable statutory or regulatory waiting periods during the pendency of which the purchase by, or the sale to, UTCSub of the ICP Shares would be illegal shall have expired or been terminated without the imposition of any conditions that, individually or in the aggregate, have or are reasonably likely to have the consequences referred to in clauses (i) through (iii) of paragraph (c) below; without limiting the foregoing: (i) the applicable waiting periods under the HSR Act and the Competition Act with respect to the Offer shall have expired or been terminated; (ii) the Offer shall have been approved or deemed to be approved or exempted pursuant to the Investment Canada Act; and (iii) all other consents and approvals without which in UTC's reasonable judgment the purchase by, or the sale to, UTCSub of the ICP Shares (whether under the Offer, a compulsory acquisition or Second Stage Transaction) would be illegal have been obtained;

(c) no statute, rule, regulation, executive or other order shall have been enacted, issued, promulgated or enforced by any Governmental Authority and no preliminary or permanent injunction, temporary restraining order or other legal restraint or prohibition shall have been threatened or issued by (and no action, proceeding or counterclaim shall be pending or threatened by or before) a court or other Governmental Authority (i) preventing or rendering, or seeking to prevent or render, illegal the making of the Offer, the acceptance for payment of, the payment for, or ownership, directly or indirectly, of some or all of the ICP Shares by UTCSub or the completion of a compulsory acquisition or Second Stage Transaction, (ii) imposing or confirming, or seeking to impose or confirm, limitations on the ability of UTC or UTCSub, directly or indirectly, effectively to acquire or hold or to exercise full rights of ownership of the ICP Shares or otherwise control ICP, in a manner that, in the reasonable judgment of UTC, would reasonably be expected, in the aggregate, to materially impair the overall benefits to be realized by UTC from consummation of the Offer and the other transactions contemplated by this Agreement, or (iii) requiring, or seeking to require, divestiture by UTCSub, directly or indirectly, of any ICP Shares or requiring UTCSub, UTC, ICP or any of their respective subsidiaries or affiliates to dispose of or hold separate all or any portion of their respective businesses, assets or properties or imposing any limitations on the ability of any of such entities to conduct their respective businesses or own such assets, properties or the ICP Shares or on the ability of UTC or UTCSub to conduct the business of ICP and its subsidiaries and own the assets and properties of ICP and its subsidiaries, in each case under this clause (iii) in a manner that, in the reasonable judgment of

UTC, would reasonably be expected, in the aggregate, to materially impair the overall benefits to be realized by UTC from consummation of the Offer and the other transactions contemplated by this Agreement;

(d) (i) ICP shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement, and (ii) each of the representations and warranties of ICP contained in this Agreement that is qualified as to materiality shall be so true and correct and any such representation or warranty that is not so qualified shall be so true and correct, in all material respects, as of the date of this Agreement and as of the Expiry Time as if made on and as of the Expiry Time (except to the extent such representations and warranties speak as of a specific date, which shall be so true and correct as of such date); provided that in either case ICP has been given notice of and ten (10) Business Days to cure any such misrepresentation, breach or non-performance or such misrepresentation, breach or non-performance by its timing or nature cannot be cured before such tenth Business Day;

(e) at any time after date of this Agreement, there shall not have occurred any event, occurrence, development or state of circumstances that has had a Material Adverse Effect;

(f) there shall not have occurred, developed or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law, regulation, action, governmental regulation, inquiry or other occurrence of any nature whatsoever which, in the reasonable judgment of UTC, materially adversely affects or involves, the general economic, financial, currency exchange, securities or commodity market operations in Canada or the United States;

(g) neither ICP nor any of its subsidiaries (or the Board of Directors or any committee thereof of ICP) shall have approved, recommended, authorized, proposed, filed a document with any Securities Authorities not opposing, or publicly announced its intention to enter into, any Take-over Proposal (other than with UTCSub or any of its affiliates) and shall not have resolved to do any of the foregoing;

(h) this Agreement shall not have been terminated pursuant to its terms; and

(i) the Board of Directors or any committee thereof of ICP shall not have modified or amended in any manner adverse to UTC or UTCSub, and shall not have withdrawn, its authorization, approval or recommendation of the Offer or this Agreement and shall not have resolved to do any of the foregoing.

The foregoing conditions are for the sole benefit of UTC and UTCSub and may be asserted regardless of the circumstances (including any action or inaction by UTC or UTCSub or any of their affiliates giving rise to any such condition) or waived by UTC or UTCSub in whole or in part at any time from time to time in its discretion subject to the terms and conditions of this Agreement. The failure of UTC or UTCSub at any time to exercise any of the foregoing rights

shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

"Offer Documents" has the meaning set forth in Section 2.3(a);

"Officer Obligations" means any existing written obligations or liabilities of ICP or any of its subsidiaries to pay any amount to its officers, directors or employees, other than for salary, bonuses under their existing bonus arrangements and directors' fees in the ordinary course and, without limiting the generality of the foregoing, shall include the obligations of ICP or any of its subsidiaries to officers or employees, in each case to the extent disclosed in the Disclosure Schedule or the SEC Reports (i) for severance or termination payments on the change of control of ICP pursuant to any executive involuntary severance and termination agreements in the case of officers and pursuant to ICP's severance policy in the case of employees, and (ii) for retention bonus payments pursuant to any retention bonus program;

"SEC" means the United States Securities and Exchange Commission;

"SEC Reports" means annual and periodic reports, proxy materials and registration statements required to be filed by ICP and its subsidiaries with the SEC pursuant to applicable Securities Laws;

"Second Stage Transaction" has the meaning set forth in Section 4.1;

"Securities Authorities" means the appropriate securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof and in the United States and each of the states thereof;

"Securities Laws" means, collectively, the Canada BCA, any applicable Canadian provincial securities laws or United States federal securities laws, the "blue sky" or securities laws of the states of the United States and any other applicable securities laws;

"Stock Option Plans" means the Employee Stock Option Plan and the 1998 Employee Stock Option Plan of ICP;

"subsidiary" has the meaning set forth in the Canada BCA;

"Superior Take-over Proposal" means any written unsolicited Take-over Proposal (i) which, in the opinion of ICP's Board of Directors, after consulting with and receipt of advice from Credit Suisse First Boston Corporation, ICP's independent financial advisor (or any other nationally recognized investment banking firm), is more favourable to ICP's shareholders from a financial point of view than the Offer (including, and after considering, any adjustment to the terms and conditions proposed by UTC and UTCSub in response to such Take-over Proposal), and (if such Take-over Proposal includes cash as consideration) that sufficient financing commitments have been obtained with respect to such Take-over Proposal that it reasonably expects a transaction pursuant to such proposal could be consummated and that such transaction is reasonably capable of being consummated without material delay taking into account all legal, accounting, regulatory and other aspects of such Take-over Proposal; and (ii) in respect of which UTC has received a copy of such Take-over Proposal as executed by the party making the proposal, at

least 48 hours prior to acceptance or recommendation of such proposal by the Board of Directors of ICP;

"Take-over Proposal" means, in respect of ICP or its subsidiaries or their assets, any proposals or offers regarding any take-over bid, merger, consolidation, amalgamation, arrangement, sale of a material amount of assets, sale of treasury shares (other than pursuant to options under the Stock Option Plans) or other business combination or similar transaction; and

"Take-up Date" means the date that UTCSub first takes up and acquires ICP Shares pursuant to the Offer.

1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Deemed Currency

In the absence of a specific designation of any currency any undescribed dollar amount herein shall be deemed to refer to United States dollars.

1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of this Agreement in which such reference is made.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

1.7 Attornment

The parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Ontario for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought

against either party in such court. The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Ontario and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

ARTICLE 2
THE OFFER

2.1 The Offer

(a) Provided that this Agreement shall not have been terminated in accordance with Article 11, then UTCSub shall, as promptly as practicable, (but in no event later than five Business Days after the date of the public announcement of the execution of this Agreement), and UTC shall cause UTCSub to, commence (within the meaning of Rule 14d-2 under the Exchange Act) an offer to purchase all of the outstanding ICP Shares for a price of $11.75 in cash for each ICP Share, which offer shall be made in accordance with applicable Securities Laws and be subject only to the Offer Conditions (the "Offer", which definition shall include any permitted amendments to, or extensions of, the Offer). The Offer shall be made pursuant to the Offer Documents and shall contain the terms and conditions set forth in this Agreement. The obligation of UTCSub to, and of UTC to cause UTCSub to, commence the Offer, conduct and consummate the Offer and accept for payment, and pay for, any ICP Shares tendered (and not properly withdrawn) pursuant to the Offer shall be subject only to the Offer Conditions (any of which may be waived in whole or in part by UTCSub in its sole discretion). UTCSub expressly reserves the right, subject to compliance with applicable Securities Laws, to modify the terms of the Offer, except that, without the express written consent of ICP, UTCSub shall not (i) reduce the number of ICP Shares subject to the Offer, (ii) reduce the Offer price, (iii) add to or modify the Offer Conditions, (iv) except as provided in the next sentence, change the Expiry Time, (v) change the form of consideration payable in the Offer or (vi) amend, alter, add or waive any term of the Offer in any manner that is, in the opinion of ICP, acting reasonably, materially adverse to the holders of the ICP Shares. Notwithstanding the foregoing, (A) if on any scheduled expiration date of the Offer, which shall initially be the Initial Expiry Time, all of the Offer Conditions have not been satisfied or waived, UTCSub shall, and UTC shall cause UTCSub to, unless in the reasonable judgment of UTC all of the Offer Conditions cannot be satisfied or waived on or prior to December 15, 1999, from time to time, extend the Expiry Time for such period of time as is necessary to satisfy or fulfill such conditions, (B) UTCSub may extend the Offer for any period required by any rule, regulation, interpretation or position of any of the Securities Authorities applicable to the Offer, or to permit ICP to cure any misrepresentation, breach or non-performance during the time period referred to in the proviso to clause (d) of the Offer Conditions, and (C) UTCSub may extend the Offer for up to ten (10) Business Days (but not beyond December 15, 1999) if there have been validly tendered (and not properly withdrawn) prior to the expiration of the Offer such number of

ICP Shares that would constitute at least 80%, but less than 90%, of the issued and outstanding ICP Shares as of the date of determination. Subject only to the Offer Conditions, UTCSub shall, and UTC shall cause UTCSub to, pay, as soon as practicable after the expiration of the Offer, for all ICP Shares validly tendered (and not properly withdrawn).

(b) UTCSub will instruct the depositary under the Offer to advise ICP, from time to time (but not less frequently than every two (2) Business Days until the day immediately prior to the Expiry Time and thereafter on an hourly basis, if requested by ICP and in such manner as ICP may reasonably request), as to the number of ICP Shares that have been tendered (and not properly withdrawn) under the Offer.

(c) The parties hereto agree that UTC may make the Offer through UTCSub but that UTC shall be liable to ICP for the full performance by UTCSub of its obligations under this Agreement.

2.2 ICP Directors' Circular

(a) ICP hereby consents to the Offer as set forth in Section 2.1 and represents, warrants and confirms that (i) its Board of Directors has unanimously (A) determined that the Offer is fair to the holders of ICP Shares and is in the best interests of ICP and such holders and (B) approved the Offer and this Agreement and resolved to recommend acceptance of the Offer by the holders of ICP Shares, provided that the Offer is not amended except in accordance with the terms of this Agreement, and (C) determined to elect, to the extent permitted by law, not to be subject to any "moratorium", "control share acquisition", "business combination", "fair price" or other form of anti-takeover laws and regulations of any jurisdiction that may purport to be applicable to this Agreement or the Lockup Agreements, (ii) the making of the Offer and the taking of any other action by UTC or UTCSub in connection with this Agreement or the Lockup Agreements and the transactions contemplated hereby and thereby have been consented to by the Board of Directors of ICP in accordance with the terms and provisions of the Confidentiality Agreement dated March 19, 1999 between UTC and ICP (the "Confidentiality Agreement") and (iii) Credit Suisse First Boston Corporation, ICP's independent financial advisor, has advised ICP's Board of Directors that, in its opinion, the consideration to be paid in the Offer to ICP's shareholders is fair, from a financial point of view, to such shareholders. On the date the Offer Documents are filed with the appropriate Securities Authorities, ICP shall file with the Securities Authorities a directors' circular with respect to the Offer containing the recommendation described in Section 2.2(a) and shall mail the directors' circular to the shareholders of ICP. The directors' circular shall comply as to form and content in all material respects with the requirements of applicable Securities Laws and, on the date filed with Securities Authorities and on the date first published, sent or given to ICP's shareholders, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the

circumstances under which they were made, not misleading, except that no representation or warranty is made by ICP with respect to written information supplied by UTC or UTCSub or any other third party specifically for inclusion in the directors' circular. ICP, UTC and UTCSub each agree promptly to correct any written information provided by it for use in the directors' circular if and to the extent that such information shall have become false or misleading in any material respect, and ICP further agrees to take all steps necessary to amend or supplement the directors' circular and to cause the directors' circular as so amended or supplemented to be filed with the appropriate Securities Authorities and disseminated to ICP's shareholders, in each case as and to the extent required by applicable Securities Laws. UTC shall be given reasonable opportunity to review and comment upon the directors' circular prior to its filing with the Securities Authorities or dissemination to ICP's shareholders, and ICP shall consider such comments in good faith. ICP agrees to provide UTC any comments ICP or its counsel may receive from the Securities Authorities with respect to the directors' circular promptly after the receipt of such comments.

(b) The Board of Directors of ICP has been advised that all directors of ICP intend to tender their ICP Shares under the Offer. The directors' circular shall reflect the intention of such directors to tender their ICP Shares pursuant to the Offer.

(c) Notwithstanding Section 2.2(a), in the event that, prior to the expiry of the Offer, a Superior Take-over Proposal is offered or made to the holders of ICP Shares or ICP, the Board of Directors of ICP may withdraw, modify or change any recommendation regarding the Offer if the Board of Directors of ICP, acting in good faith, after consulting outside counsel, determines that the directors are required to do so in order to discharge properly their fiduciary duties under applicable law.

2.3 Offer Documents

(a) On the date of commencement of the Offer, UTC and UTCSub shall file or cause to be filed with the appropriate Securities Authorities an offer to purchase and take-over circular and the related letter of transmittal, notice of guaranteed delivery and summary advertisement pursuant to which the Offer will be made (collectively, the "Offer Documents"). UTC and UTCSub further agree to take all reasonable steps necessary to cause the Offer Documents to be disseminated to holders of ICP Shares in accordance with applicable Securities Laws. UTC and UTCSub agree that the Offer Documents shall comply as to form and content in all material respects with applicable Securities Laws, and the Offer Documents, on the date first published, sent or given to ICP's shareholders, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation or warranty is made by UTC or UTCSub with respect to written information supplied by ICP or any third party specifically for inclusion or incorporation by reference in the Offer Documents. UTC, UTCSub and ICP each

agree promptly to correct any written information provided by it for use in the Offer Documents if and to the extent that such information shall have become false or misleading in any material respect and UTC and UTCSub further agree to take all steps to cause the Offer Documents as so corrected to be filed with the appropriate Securities Authorities and disseminated to ICP's shareholders, in each case as and to the extent required by applicable Securities Laws. ICP shall be given reasonable opportunity to review and comment upon the Offer Documents prior to their filing with Securities Authorities or dissemination to ICP's shareholders, and UTC and UTCSub shall consider such comments in good faith. UTC and UTCSub agree to provide ICP any comments UTC, UTCSub or their counsel may receive from Securities Authorities with respect to the Offer Documents promptly after the receipt of such comments.

(b) ICP agrees to provide such reasonable assistance as UTCSub or its agents may reasonably request in connection with communicating the Offer and any amendments and supplements thereto to the holders of the ICP Shares and to such other persons as are entitled to receive the Offer under Securities Laws, including providing lists of the shareholders of ICP and of the holders of ICP Options and other securities convertible into or exchangeable for ICP Shares and mailing labels with respect to all such holders of securities as soon as possible after the date of this Agreement but in any event no later than the close of business in Toronto on June 28, 1999 and updates or supplements thereto from time to time as may be requested by UTCSub.

2.4 Outstanding Stock Options

ICP shall cause the vesting of option entitlements under the Stock Option Plans to accelerate prior to or concurrent with the Expiry Time, such that all outstanding ICP Options to acquire ICP Shares are exercisable prior to or concurrent with the Expiry Time. At the Effective Time, each holder of a then outstanding ICP Option shall, in settlement thereof, be entitled to receive from ICP, and shall be paid in full satisfaction for each ICP Share subject to such ICP Option an amount (subject to any applicable withholding tax) in cash equal to the product of (i) the excess of the Offer price over the per share exercise or purchase price of such ICP Option and (ii) the number of ICP Shares subject to such ICP Option. Upon receipt of such consideration, each such ICP Option shall be cancelled. The surrender of a ICP Option to ICP in exchange for such consideration shall be deemed a release of any and all rights the holder had or may have had in respect of such ICP Option. The Stock Option Plans shall terminate as of the Effective Time and any and all rights under any and all rights under any provisions in any other plan, program or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of ICP or any subsidiary thereof shall be cancelled by ICP as of the Effective Time.

ARTICLE 3
PUBLICITY AND SOLICITATION

3.1 Publicity

UTC, UTCSub and ICP shall not issue any press release with respect to this Agreement or the transactions contemplated hereby unless such action is agreed to jointly or is required by applicable law or by obligations pursuant to any listing agreement with a stock exchange, in which case the party making such release will use reasonable efforts to consult the other party before issuance of such release.

3.2 Solicitation

The financial advisors to UTC and UTCSub will act as dealer managers (the "Dealer Managers") in connection with the solicitation of acceptances of the Offer and will form a soliciting dealer group comprised of members of stock exchanges in Canada and the United States therefor.

ARTICLE 4
TRANSACTIONS FOLLOWING COMPLETION OF THE OFFER

4.1 Second Stage Transaction

If UTCSub takes up and pays for any ICP Shares pursuant to the terms of the Offer, UTCSub shall use its reasonable best efforts to, subject to any necessary regulatory and shareholder approval, acquire, and ICP agrees to assist UTCSub in acquiring, the balance of any non-tendered ICP Shares as soon as practicable (but in any event no later than ninety (90) days) following the Take-up Date by way of a statutory arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other type of acquisition transaction or transactions ("Second Stage Transaction") carried out for a cash consideration per ICP Share not less than the consideration paid pursuant to the Offer. Nothing herein shall be construed to prevent UTCSub from acquiring, directly or indirectly, additional ICP Shares in the open market or in privately negotiated transactions, in accordance with Securities Laws (including by way of compulsory acquisition) following completion of the Offer.

4.2 Information Circular, Etc.

Without limiting Section 4.1, ICP agrees that if UTCSub is required to use its reasonable best efforts to effect a Second Stage Transaction which requires approval of ICP's shareholders in a meeting of ICP's shareholders, ICP shall take all action necessary in accordance with the Securities Laws, other applicable Canadian laws, the ICP Governing Documents and the requirements of The Toronto Stock Exchange and the American Stock Exchange or any other regulatory authority having jurisdiction to duly call, give notice of, convene and hold a meeting of its shareholders as promptly as practicable to consider and vote upon the action proposed by UTCSub. In the event of such a meeting or meetings, ICP shall mail to its shareholders an Information Circular with respect to the meeting of ICP's shareholders. The term "Information Circular" shall mean such proxy or other required informational statement or circular, as the case may be, and all related materials at the time required to be mailed to ICP's shareholders and all amendments or supplements thereto, if any. Each of UTCSub and ICP shall obtain and furnish

the information required to be included in any Information Circular. The information provided and to be provided by UTCSub and ICP for use in the Information Circular, on both the date the Information Circular is first mailed to ICP's shareholders and on the date any such meeting is held, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and will comply in all material respects with all applicable requirements of law. UTCSub and ICP each agree to correct promptly any such information provided by it for use in any Information Circular which shall have become false or misleading.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF UTC AND UTCSUB

As of the date hereof, UTC and UTCSub hereby jointly and severally represent and warrant to ICP as follows and acknowledge that ICP is relying upon these representations and warranties in connection with the entering into of this Agreement:

5.1 Organization and Qualification

UTC is a corporation duly incorporated and organized and validly existing under the laws of the State of Delaware and has the requisite corporate power and authority to carry on its business as it is now being conducted. UTCSub is a corporation duly incorporated and organized and validly existing under the laws of the Province of New Brunswick and has the requisite corporate power and authority to carry on its business as it is now being conducted.

5.2 Authority Relative to this Agreement

UTC and UTCSub have the requisite corporate authority to enter into this Agreement and to carry out their obligations hereunder. The execution and delivery of this Agreement and the consummation by UTC and UTCSub of the transactions contemplated hereby have been duly authorized by their respective Boards of Directors and no other corporate proceedings on their part are or will be necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by each of UTC and UTCSub and constitutes the legal, valid and binding obligation of each of UTC and UTCSub enforceable against each of them in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

5.3 No Violations

(a) Neither the execution and delivery of this Agreement by UTC and UTCSub, the consummation by them of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of UTC or UTCSub or any of their subsidiaries under,

any of the terms, conditions or provisions of (x) the charter or bylaws of either UTC or UTCSub or (y) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which UTC or UTCSub or any of their subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which either UTC or UTCSub or any of their subsidiaries is bound; or (ii) subject to compliance with the statutes and regulations referred to in Section 5.3(b), violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to UTC or UTCSub or any of their subsidiaries (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices which if not given or received, would not have any material adverse effect on the ability of UTC to consummate the transactions contemplated hereby on a timely basis).

(b) Other than in connection with or in compliance with the provisions of Securities Laws, the Competition Act, the HSR Act, the Investment Canada Act, the rules of The Toronto Stock Exchange or the American Stock Exchange, and any other pre-merger notification or similar statutes, (i) there is no legal impediment to UTC and UTCSub's consummation of the transactions contemplated by this Agreement and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by UTC or UTCSub in connection with the making or the consummation of the Offer, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a material adverse effect on the ability of UTCSub to consummate the transactions contemplated hereby on a timely basis.

5.4 Funds Available

Adequate arrangements have been made for aggregate funds to be available at each of the Expiry Time and the Effective Time, such that UTCSub will be in a position (i) to pay for all ICP Shares tendered pursuant to the Offer in accordance with the terms of the Offer and any ICP Shares acquired pursuant to a compulsory acquisition or Second Stage Transaction and (ii) to satisfy all other financial obligations of UTC, UTCSub and ICP arising as a result of the consummation of the transactions contemplated hereby.

5.5 Litigation

There is no litigation, suit, claim, action, proceeding or investigation pending or, to the knowledge of UTC and UTCSub, threatened against UTC or UTCSub or any of their respective properties or assets by or before any Governmental Authority, which would seek to delay or prevent the consummation of any transaction contemplated by this Agreement. Neither UTC, UTCSub nor any property or asset of UTC or UTCSub is subject to any continuing order of, consent decree, settlement agreement or similar written agreement with, or, to the knowledge of UTC and UTCSub, continuing investigation by, any Governmental Authority, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority or any

arbitrator which would prevent UTC or UTCSub from performing their respective material obligations under this Agreement or prevent or materially delay the consummation of any transaction contemplated by this Agreement.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF ICP

As of the date hereof and except as otherwise disclosed in ICP's SEC Reports or the Disclosure Schedule, ICP hereby represents and warrants to UTC and UTCSub as follows and acknowledges that they are relying upon these representations and warranties in connection with the entering into of this Agreement:

6.1 Organization and Qualification

ICP is a corporation duly continued and validly existing under the federal laws of Canada and has the requisite corporate power and authority to carry on its business as it is now being conducted. Each of ICP's subsidiaries is a corporation duly incorporated and organized and validly subsisting under the laws of the jurisdiction of its incorporation and has the requisite corporate power and authority to carry on its business as now being conducted. ICP and each of its subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing neither, individually or in the aggregate, has had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP.

6.2 Authority Relative to this Agreement

ICP has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by ICP's Board of Directors, and no other corporate proceedings on the part of ICP are necessary to authorize this Agreement and the transactions contemplated hereby (except for obtaining shareholder approval in respect of any Second Stage Transaction). This Agreement has been duly executed and delivered by ICP and constitutes the legal, valid and binding obligation of ICP enforceable against ICP in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

6.3 No Violations

(a) Neither the execution and delivery of this Agreement by ICP, the consummation of the transactions contemplated hereby nor compliance by ICP with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, cause any available credit to cease to be available under, or result in a creation of any lien,

security interest, charge or encumbrance upon any of the properties or assets of ICP or any of its subsidiaries, or impair or limit the ability of ICP or any subsidiary to carry on business under, any of the terms, conditions or provisions of (x) the ICP Governing Documents or (y) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which ICP or any of its subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which ICP or any of its subsidiaries is bound; or (ii) subject to compliance with the statutes and regulations referred to in Section 6.3(b), violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to ICP or any of its subsidiaries (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, neither, individually or in the aggregate, have had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP or the consummation of any of the transactions contemplated by this Agreement).

(b) Other than in connection with or in compliance with the provisions of Securities Laws, the Competition Act, the HSR Act, the Investment Canada Act, the rules of The Toronto Stock Exchange or the American Stock Exchange, and any other pre-merger notification or similar statutes, (i) there is no legal impediment to ICP's consummation of the transactions contemplated by this Agreement and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by ICP in connection with the making or the consummation of the Offer, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not prevent or materially delay or limit the performance of this Agreement by ICP or the consummation of any of the transactions contemplated by this Agreement.

6.4 Capitalization

As of the date hereof, the authorized share capital of ICP consists of an unlimited number of ordinary shares and class A and B preference shares. As of the date of ICP's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1999, forty million seven hundred forty-seven thousand four hundred and seventy-one (40,747,471) ICP Shares were issued and outstanding and no Class A or Class B preference shares were issued and outstanding. As of the date hereof, 2,043,000 ICP Shares are reserved for issuance pursuant to the exercise of outstanding ICP Options granted under the Stock Option Plans. Except for such ICP Options, there are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by ICP of any shares of ICP (including the ICP Shares) or any subsidiary of ICP or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of ICP (including the ICP Shares) or any subsidiary of ICP, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of ICP or any subsidiary of ICP. All outstanding ICP

Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any preemptive rights, and all ICP Shares issuable upon exercise of outstanding stock options in accordance with their respective terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any preemptive rights.

6.5 No Material Adverse Effect

Since March 31, 1999, there has not been any change, condition, event or development that has had or is reasonably likely to have a Material Adverse Effect.

6.6 No Undisclosed Material Liabilities

Except (a) as disclosed or reflected in the consolidated interim unaudited financial statements of ICP as at March 31, 1999 included in ICP's Quarterly Report on Form 10-Q for such period, (b) for liabilities and obligations (i) incurred after March 31, 1999 in the ordinary course of business and consistent with past practice, or (ii) pursuant to the terms of this Agreement, and (c) for liabilities or obligations which neither, individually or in the aggregate, have had or would reasonably be expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP, neither ICP nor any of its subsidiaries has incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by generally accepted accounting principles in Canada to be reflected on a consolidated balance sheet of ICP and its subsidiaries).

6.7 Brokerage Fees

ICP has not retained (nor will it retain) any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated, except that Credit Suisse First Boston Corporation has been retained as ICP's financial advisor in connection with certain matters including the transactions contemplated hereby. ICP has delivered to UTCSub a true and complete copy of its agreement with Credit Suisse First Boston Corporation.

6.8 Conduct of Business

Since March 31, 1999, neither ICP nor any of its subsidiaries has taken any action that would be in violation of Section 7.1 if such provision had been in effect since such date, other than violations which neither, individually or in the aggregate, have had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP.

6.9 Reports

(a) ICP has heretofore made available to UTCSub true and complete copies of (i) ICP's Annual Report on Form 10-K or 20-F, as the case may be, for each of the fiscal years ended December 31, 1996, 1997, 1998, Information Circular relating to ICP's 1999 annual meeting of shareholders and related 1998 Annual

Report to shareholders and (ii) all prospectuses or other offering documents used by ICP in the offering of its securities or filed with Securities Authorities since January 1, 1998, and (iii) ICP's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1999. As of their respective dates, such forms, statements, prospectuses and other offering documents (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and complied in all material respects with all applicable requirements of law and related rules and regulations. The audited financial statements and unaudited interim financial statements of ICP and its consolidated subsidiaries publicly issued by ICP, or included or incorporated by reference in such forms, statements, prospectuses and other offering documents were prepared in accordance with generally accepted accounting principles in Canada applied on a consistent basis (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of ICP's independent accountants or (ii) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements; provided, however, that were such unaudited interim financial statements to include footnotes or not be condensed, the financial results indicated therein would not be materially different), and fairly present the consolidated financial position, results of operations and changes in financial position of ICP and its consolidated subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments except for such adjustments necessary for a fair statement of the results for the interim periods presented).

(b) ICP will deliver to UTCSub as soon as they become available true and complete copies of any report or statement filed by it with Securities Authorities subsequent to the date hereof. As of their respective dates, such reports and statements (excluding any information therein provided by UTCSub specifically for inclusion therein, as to which ICP makes no representation) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and will comply in all material respects with all applicable requirements of law and related rules and regulations. The consolidated financial statements of ICP issued thereby or to be included in such reports and statements (excluding any information therein provided by UTCSub specifically for inclusion therein, as to which ICP makes no representation) will be prepared in accordance with generally accepted accounting principles in Canada applied on a consistent basis (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of ICP's independent accounts or (ii) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements; provided, however, that were such unaudited interim financial statements to include

footnotes or not be condensed, the financial results indicated therein would not be materially different) and will present fairly the consolidated financial position, results of operations and changes in financial position of ICP as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments except for such adjustments necessary for a fair statement of the results for the interim periods presented).

6.10 U.S. Registration

The ICP Shares were not issued by a closed-end investment company registered under the United States Investment Company Act of 1940.

6.11 Subsidiaries

All of the capital stock of each of ICP's subsidiaries is beneficially owned, directly or indirectly, by ICP with valid and marketable title thereto, free and clear of any and all liens, charges, security interests, adverse claims, encumbrances and demands of any nature or kind whatsoever.

6.12 Litigation

There is no claim, action, suit, proceeding or governmental investigation pending or, to the knowledge of ICP, threatened against or relating to ICP or any of its subsidiaries that involves a claim against ICP or any of its subsidiaries in excess of $500,000 or that, either individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect or in any manner challenges or seeks to prevent, enjoin, alter or materially delay or limit the Offer or the performance of this Agreement by ICP or any of the other transactions contemplated hereby. Neither ICP (or any of its subsidiaries) nor any property or asset of ICP (or any of its subsidiaries) is subject to any continuing order of, consent, decree, settlement, agreement or similar written agreement with or, to the knowledge of ICP, continuing investigation by, any Governmental Authority, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority or any arbitrator which would prevent ICP from performing its material obligations under this Agreement or prevent or materially delay or limit the consummation of any transaction contemplated by this Agreement.

6.13 Insurance

ICP has insurance policies, including without limitation, policies of life, fire, health and other casualty and liability insurance, that ICP believes is sufficient for its business and operations.

6.14 Environmental

(a) ICP has been and is in compliance with all applicable environmental laws and regulations except for non-compliance that neither, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP;

(b) ICP has never received any notice of or been prosecuted for non-compliance with any environmental laws or regulations, nor has ICP settled any allegation of non-compliance short of prosecution; and

(c) there are no actual or threatened orders or directions relating to environmental matters requiring any material work, repair or construction or capital expenditures to be made with respect to any of ICP's properties, nor has ICP received notice of any of the same.

6.15 Benefit Plans

(a) there are no benefit plans (as defined in Section 9.6);

(b) the benefit plans have been maintained and operated in accordance with their terms and applicable legal requirements and there are no outstanding violations or defaults under any benefit plans except for violations or defaults that neither, individually or in the aggregate, have had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP, nor any actions, claims or other proceedings pending or, to the knowledge of ICP, threatened with respect to any benefit plan except for claims for benefits in the ordinary course of business;

(c) no benefit plan currently is under a governmental investigation or audit and, to the knowledge of ICP, no such investigation or audit is contemplated or under consideration;

(d) each benefit plan covers only current or former employees of ICP or its subsidiaries and their dependents or beneficiaries;

(e) no promise or commitment to increase benefits under any benefit plan (except pursuant to the express terms of the plan) or to adopt any additional benefit plan has been made;

(f) no event has occurred which could subject any person to any tax, penalty or fiduciary liability in connection with any plan that, individually or in the aggregate, has had or would be reasonably expected to have a Material Adverse Effect or would prevent or materially delay or limit the performance of this Agreement by ICP;

(g) there have been no withdrawals of surplus or contribution holidays in respect of such benefit plans, except as permitted by law and the terms of the benefit plans;

(h) ICP and its subsidiaries do not contribute to any multi-employer plan or multiple employer plans with respect to which there would be a liability of ICP or its subsidiaries on withdrawal from any such plan except for liability that neither, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect or would prevent or materially delay or limit the performance of this Agreement by ICP;

(i) ICP and its subsidiaries do not provide for any medical or health benefits extending beyond termination of employment, except to the extent required by applicable law;

(j) neither ICP nor any of its subsidiaries is a party to any collective bargaining agreement or other agreement or understanding with a labour union or labour organization; there are no labour unions or other organizations representing, purporting to represent or attempting to represent, any employee of ICP or any of its subsidiaries; and

(k) the consummation of the transactions contemplated by this Agreement (alone or together with any other event) will not (i) entitle any person to any benefit under any benefit plan, (ii) accelerate the time of payment, vesting or funding of, or increase the amount, of any compensation or benefits due to any executive officer under any benefit plan, or (iii) accelerate the timing of payment, vesting or funding of, or increase the amount, of any compensation or benefits due any person other than an executive officer under any benefit plan except for amounts that neither, individually or in the aggregate, have had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP.

6.16 Tax Matters

(a) ICP and its subsidiaries have timely filed all returns and reports relating to taxes of any kind or nature (including but not limited to income, sales, payroll, value added, property, withholding and estimated taxes) required to be filed by applicable law with respect to each of ICP and its subsidiaries or any of their income, properties or operations as of the date hereof, except where the failure to file neither, individually or in the aggregate, has had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP. All such returns are true, accurate and complete and accurately set forth all items required to be reflected or included in such terms by applicable federal, state, local or foreign tax laws, rules or regulations, except to the extent that any inaccuracies in filed returns would neither, individually or in the aggregate, have had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP. ICP and its subsidiaries have timely paid all such taxes attributable to each of ICP and its subsidiaries that were due and payable without regarding to whether such taxes have been assessed, except to the extent that any failure to pay neither, individually or in the aggregate, has had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP. ICP has made available to UTC complete and accurate copies of the portions applicable to each of ICP and its subsidiaries of all income and franchise tax returns, and any amendments thereto, filed by or on behalf of ICP or any of its subsidiaries or any member of a group of corporations including ICP or any of its subsidiaries for the taxable years ending 1994 and 1995 (in respect of

Canadian returns) and 1994 through 1997, inclusive (in respect of United States returns).

(b) There are no pending or, to ICP's knowledge, threatened audits, examinations, investigations, deficiencies, claims or other proceedings relating to such taxes of ICP or any of its subsidiaries. ICP and its subsidiaries have made adequate provisions in accordance with Canadian generally accepted accounting principles appropriately and consistently applied to each of ICP and its subsidiaries in the consolidated financial statements included in the Reports referred to in Section 6.9(a) for the payment of all taxes for which each of ICP and its subsidiaries may be liable for the periods covered thereby that were not yet due and payable as of the dates thereof, regardless of whether the liability for such taxes is disputed, except where the failure to reserve neither, individually or in the aggregate, has had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP.

6.17 Year 2000

ICP has taken steps that are reasonable to ensure that the occurrence of the year 2000 will not materially and adversely affect the information and business systems of ICP or its subsidiaries, and it is ICP's reasonable expectation that no material expenditures in excess of currently budgeted items will be required in order to cause such systems to operate properly following the change of the year 1999 to 2000.

6.18 Compliance

Neither ICP nor any of its subsidiaries is or has been in conflict with, in default with respect to or in violation of, any statute, law, ordinance, rule, regulation, order, judgment, decree, agreement, indenture, contract or other instrument applicable to ICP or any of its subsidiaries or by which any property or asset of ICP or any of its subsidiaries is bound or affected, except for any such conflicts, defaults or violations that neither, individually or in the aggregate, have had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP. ICP and its subsidiaries have all material permits, licenses, authorizations, consents, approvals and franchises from Governmental Authorities required to conduct their businesses as currently conducted, except for such permits, licenses, authorizations, consents, approvals and franchises the absence of which neither, individually or in the aggregate, have had or would be reasonably expected to have a Material Adverse Effect nor would prevent or materially delay or limit the performance of this Agreement by ICP.

6.19 Debt Covenant

At the date hereof ICP is able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to Section 4.03 of the Indenture dated as of May 13, 1998 among International Comfort Products Holdings, Inc., International Comfort Products Corporation and United States Trust Company of New York (the "Indenture"; the terms

"Indebtedness" and "Permitted Indebtedness" as used in this sentence have the meanings ascribed to such terms by the Indenture).

ARTICLE 7
CONDUCT OF BUSINESS

7.1 Conduct of Business by ICP

Unless UTCSub shall otherwise agree in writing or as alternatively expressly permitted or specifically contemplated by this Agreement, ICP covenants and agrees that, during the period from the date of this Agreement until this Agreement is terminated:

(a) the business of ICP and its subsidiaries shall be conducted only in, and ICP and its subsidiaries shall not take any action except in, the usual and ordinary course of business and consistent with past practice, and ICP shall use all commercially reasonable efforts to maintain and preserve its and its subsidiaries' business organization, assets, employees and advantageous business relationships;

(b) ICP shall not directly or indirectly do or permit to occur any of the following: (i) amend the ICP Governing Documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its share capital; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of ICP or its subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of ICP or its subsidiaries, other than ICP Shares issuable pursuant to the terms of ICP Options outstanding on the date hereof; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its shares; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of ICP or any of its subsidiaries; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;

(c) other than pursuant to commitments entered into prior to the date of this Agreement as disclosed in the Disclosure Schedule or ICP's SEC Reports, neither ICP nor any of its subsidiaries shall directly or indirectly: (i) sell, pledge, dispose of or encumber any assets except in the ordinary course of business; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or, except for investments in securities made in the ordinary course of business, make any investment either by purchase of shares or securities, contributions of capital (other than to subsidiaries), property transfer, or, except in the ordinary course of business, purchase of any property or assets of any other individual or entity; (iii) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, except in the ordinary course

of business; (iv) except for the Officer Obligations, pay, discharge or satisfy any material claims, liabilities or obligations other than the payment, discharge or satisfaction in the ordinary course of business consistent with past practice of liabilities reflected or reserved against in its financial statements or incurred in the ordinary course of business consistent with past practice; (v) authorize, recommend or propose any release or relinquishment of any material contract right other than in the ordinary course of business consistent with past practice; (vi) waive, release, grant or transfer any rights of material value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other document, other than in the ordinary course of business consistent with past practice; (vii) enter into any interest rate swaps, currency swaps or any other rate fixing agreement for a financial transaction or enter into any call arrangement of any sort or any forward sale agreement for commodities, other than in the ordinary course of business consistent with past practice; (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing; or (ix) make any capital expenditures other than in accordance with the 1999 capital expenditure budget previously disclosed in writing to UTC;

(d) neither ICP nor any of its subsidiaries shall create any new Officer Obligations and, except for payment of the existing Officer Obligations, neither ICP nor any of its subsidiaries shall grant to any officer or director an increase in compensation in any form, grant any general salary increase other than in accordance with the requirements of any existing collective bargaining or union contracts, grant to any other employee any increase in compensation in any form other than routine increases in the ordinary course of business consistent with past practices, make any loan to any officer or director, or take any action with respect to the grant of any severance or termination pay arising from the Offer or a change of control of ICP or the entering into of any employment agreement with, any senior officer or director, or with respect to any increase of benefits payable under its current severance or termination pay policies;

(e) neither ICP nor any of its subsidiaries shall adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with the law or as required by existing provisions of any such plans, programs, arrangements or agreements; and

(f) ICP shall use its reasonable efforts to cause it current insurance (or re-insurance) policies not be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.

ARTICLE 8
COVENANTS OF ICP

8.1 No Solicitation

(a) ICP shall immediately cease and cause to be terminated all existing discussions and negotiations, if any, with any parties conducted before the date of this Agreement with respect to any Take-over Proposal and, without limitation, shall promptly following the execution of this Agreement request the return of all confidential information provided by ICP to all parties who have had such discussions or negotiations or who have entered into confidentiality agreements with ICP pertaining to the sale of ICP or a substantial portion of its assets.

(b) ICP shall immediately notify UTCSub of any Take-over Proposal received by it or any of its subsidiaries or any of their respective directors, officers, employees, agents, financial advisors, counsel or other representatives or any request for confidential information relating to ICP in connection with a Take-over Proposal or for access to the properties, books or records of ICP or any of its subsidiaries by any person or entity that it is considering making a Take-over Proposal. Any such notice to UTCSub shall be made orally immediately following any such receipt or request, shall be confirmed in writing, and shall indicate such details of the Take-over Proposal or information request known to such persons as UTCSub may reasonably request, including the identity of the person making such Take-over Proposal or request for information.

(c) Neither ICP nor any of its subsidiaries, or any of their respective directors, officers, employees, agents, financial advisors, counsel or other representatives shall, directly or indirectly, (i) solicit, initiate or encourage, or enter into any agreements or understandings with respect to any Take-over Proposal (other than from UTC and its subsidiaries and their respective directors, officers, employees, agents, financial advisors, counsel or other representatives) or (ii) provide any confidential information to any person or entity (other than UTC and its affiliates) or participate in any discussions or negotiations relating to any such Take-over Proposal.

(d) Notwithstanding Section 8.1(c), if the Board of Directors of ICP receives a request for confidential information from a party who proposes to ICP a Take-over Proposal and the Board of Directors of ICP determines that such proposal is reasonably likely to lead to a Superior Take-over Proposal and, after consulting with its outside counsel, that it is necessary to do so in order for the directors to discharge properly their fiduciary duties under applicable law, then, and only in such case, ICP may, subject to the prior execution and delivery of a confidentiality agreement in substantially the same form and containing the same restrictions and limitations as are set forth in the Confidentiality Agreement, provide such party with access to such information regarding ICP as was provided to or made available to UTC and/or UTCSub, and ICP or its Board of Directors may consider and negotiate such Superior Take-over Proposal (it being

understood that neither ICP nor its Board of Directors may approve, make a recommendation to ICP shareholders or enter into an agreement with respect to such Superior Take-over Proposal unless this Agreement has been previously terminated). In such event, upon UTC's request, ICP shall from time to time advise UTC as to the status of such discussions and shall provide to UTC a copy of any such confidentiality agreement immediately upon its execution.

(e) ICP shall not waive, in whole or in part, the "standstill" provisions applicable to any party to a confidentiality agreement with ICP (other than UTC) as at the date hereof.

8.2 ICP Board of Directors

(a) Promptly upon the purchase by UTCSub of the outstanding ICP Shares pursuant to the Offer, and from time to time thereafter, UTC shall be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board of Directors of ICP as shall give UTC representation on the Board of Directors of ICP equal to the product of the total number of directors on the Board of Directors (giving effect to the directors appointed pursuant to this sentence) multiplied by the percentage that the aggregate number of the ICP Shares beneficially owned by UTC or any affiliate of UTC following such purchase bears to the total number of ICP Shares then outstanding, and ICP shall, at such time, immediately take all actions necessary to cause UTC's designees to be appointed as directors of ICP, including increasing the size of the Board of Directors of ICP or securing the resignations of incumbent directors or both.

(b) ICP shall promptly take all actions required pursuant to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder in order to fulfill its obligations under this Section 8.2 and shall include in the Schedule 14D-9 such information with respect to ICP and its officers and directors as is required under Section 14(f) and Rule 14f-1 to fulfill such obligations. UTC shall supply to ICP and be solely responsible for any information with respect to UTC and its nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

(c) Following the appointment of designees of UTC pursuant to this Section 8.2 and prior to consummation of the Second Stage Transaction, any amendment of this Agreement or the ICP Governing Documents, any termination of this Agreement by ICP, any extension by ICP of the time for the performance of any of the obligations or other acts of UTC hereunder or waiver thereof, any waiver of any condition to the obligations of ICP or waiver of any of ICP's rights hereunder or other action by ICP shall require the concurrence of a majority of the directors of ICP then in office who were not designated by UTC, which action shall be deemed to constitute the action of the full Board of Directors of ICP even if such majority does not constitute a majority of all directors then in office.

ARTICLE 9
COVENANTS OF UTC and UTCSub

9.1 Regulatory and Other Authorizations: Consents

UTC and UTCSub agree to take any and all steps necessary to avoid or eliminate each and every impediment under any antitrust, competition, or trade regulation law that may be asserted by any Governmental Authority or any other party so as to enable the parties to consummate the transactions contemplated hereby as soon as practicable, but in any event no later than December 15, 1999, including without limitation, committing to and/or effecting, by consent decree, hold separate orders, or otherwise, the sale, divestiture or disposition of such assets or businesses of UTC, UTCSub or ICP as are required to be divested in order to avoid the entry of any injunction, temporary restraining order or other Governmental Order, which would otherwise have the effect of preventing the consummation of all or any part of the transactions contemplated hereby; provided, however, that neither UTC nor UTCSub shall have any obligation under this Section 9.1 to take any actions if such actions, in the reasonable judgment of UTC, would reasonably be expected, in the aggregate, to materially impair the overall benefits to be realized by UTC from consummation of the Offer and the other transactions contemplated by this Agreement.

9.2 Employment Agreements

UTCSub agrees, and after the Effective Time will cause ICP and any successor to ICP to agree, to honour and comply with the terms of those existing executive termination and severance agreements, plans or policies of ICP and its subsidiaries, in each case to the extent disclosed in the Disclosure Schedule or ICP's SEC Reports or except as may otherwise be agreed with the relevant employee.

9.3 Officers' and Directors' Insurance

UTCSub agrees to use reasonable efforts to secure directors and officers liability insurance coverage for ICP's current and former directors and officers on a six year "trailing" or "runoff' basis from and after the Effective Time. If a "trailing" policy is not available, then UTCSub agrees that for the entire period from the Effective Time until six years after the Effective Time, UTCSub will use reasonable efforts to cause ICP or any successor to ICP to maintain ICP's current directors' and officers' insurance policy or an equivalent policy, subject in either case to terms and conditions no less advantageous to the directors and officers of ICP than those contained in the policy in effect on the date hereof, for all present and former directors and officers of ICP, covering claims made prior to or within six years after the Effective Time. This Section 9.3 shall not require UTCSub to pay an annual premium in excess of 200% of the aggregate annual amounts currently paid by ICP to maintain the existing policies (the "Insurance Amount") and, if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of such amount, UTCSub shall use its reasonable best efforts to obtain as much comparable insurance as available for the Insurance Amount.

9.4 Employment Termination

If UTC, UTCSub or ICP choose to terminate, whether constructively or actually, the employment of any employees (other than for cause) of ICP or any of its subsidiaries within one year of the completion of the Offer, notice and severance shall be provided to such employees in accordance with ICP's existing severance practices, in each case to the extent disclosed in the Disclosure Schedule or ICP's SEC Reports or except as may otherwise be agreed with the relevant employee.

9.5 Indemnities

UTC agrees that if it acquires ICP Shares under the Offer it shall cause ICP to fulfill its obligations pursuant to indemnities provided or available to past and present officers and directors of ICP pursuant to the provisions of the ICP Governing Documents, the Canada BCA, and the written indemnity agreements entered into between ICP and its officers and directors, in each case to the extent disclosed in the Disclosure Schedule or ICP's SEC Reports.

9.6 Compensation; Benefit Plans

Except as otherwise agreed with a relevant employee, UTC and UTCSub agree, and after the Effective Time will cause ICP and any successor to ICP to agree, to maintain until December 31, 1999 salaries and all benefit plans and compensation programs currently available to employees of ICP or any of its subsidiaries, including without limitation members of management of ICP or any of its subsidiaries, or to make available until December 31, 1999 alternative benefit plans and compensation programs which are comparable in the aggregate to those currently available to such employees. For the purposes of this Section 9.6, "benefit plans" means all arrangements, agreements, programs or policies, whether funded or unfunded, relating to employees which ICP or any of its subsidiaries is a party or by which it is bound and under which ICP or any of its subsidiaries have any liability or contingent liability and relating to: (i) retirement savings or pensions, including any defined benefit pension plan, defined contribution plan, group registered retirement savings plan, thrift and saving plan or supplemental pension or retirement plan; (ii) employee welfare benefits, as defined for purposes of Section 3(1) of the Employee Retirement Income Security Act of 1974 (United States), as amended, including hospitalization, health, disability, life or severance pay benefits; and (iii) profit sharing, bonus, stock incentive, stock purchase and other incentive plans or programs.

ARTICLE 10
MUTUAL COVENANTS

10.1 Notification of Certain Matters

UTC shall give prompt notice to ICP, and ICP shall give prompt notice to UTC, of (a) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would cause (i) any representation or warranty contained in this Agreement to be untrue or inaccurate or (ii) any covenant, condition or agreement contained in this Agreement not to be complied with or satisfied and (b) any failure of UTC or ICP, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided,

however, that the delivery of any notice pursuant to this Section 10.1 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

10.2 Competition Filings and Investment Canada Act Filing

(a) Without limiting UTC's and UTCSub's obligations under Section 9.1, UTC, UTCSub and ICP shall, and shall cause their respective officers, employees, representatives, advisors and agents to, (i) take promptly all actions necessary to make the filings required of UTC, UTCSub, ICP or any of their affiliates under the HSR Act, the Competition Act and any other similar statute in other jurisdictions, (ii) comply at the earliest practicable date with any request for additional information or documentary material received by UTC, UTCSub, ICP or any of their affiliates from the U.S. Department of Justice pursuant to the HSR Act or from the Canadian Competition Bureau pursuant to the Competition Act or any other Governmental Authority, as the case may be, and (iii) consult and cooperate in connection with any investigation or other inquiry concerning the transactions contemplated by this Agreement commenced by the U.S. Federal Trade Commission or the Antitrust Division of the U.S. Department of Justice or state attorneys general or by the Canadian Competition Bureau or any other Governmental Authority, as the case may be.

(b) Each of the parties hereto shall promptly inform the other parties of any material communication received by such party from the U.S. Federal Trade Commission, the Antitrust Division of the U.S. Department of Justice, the Canadian Competition Bureau or any other Governmental Authority regarding any of the transactions contemplated hereby. UTC and UTCSub shall advise ICP promptly of any understandings, undertakings or agreements which UTC and UTCSub propose to make or enter into with the U.S. Federal Trade Commission, the Antitrust Division of the U.S. Department of Justice, the Canadian Competition Bureau or any other Governmental Authority in connection with the transactions contemplated hereby.

(c) UTC, UTCSub and ICP shall, as promptly as practicable hereafter, make any necessary filings under the Investment Canada Act and shall respond as promptly as practicable to any inquiry from the Investment Review Division of Industry Canada.

10.3 Other Filings

UTC, UTCSub and ICP shall, as promptly as practicable hereafter, prepare and file any filings required under Securities Laws, the rules of The Toronto Stock Exchange and the American Stock Exchange, or any other applicable law relating to the transactions contemplated herein.

10.4 Additional Agreements

(a) Subject to the terms and conditions herein provided, each of the parties hereto agrees to use all commercially reasonable efforts to take, and to cause its officers, employees, representatives, advisors and agents to take, all action and to do, or

cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements (including, without limitation, the agreement of any persons as may be required pursuant to any agreement, arrangement or understanding relating to ICP's operations), (ii) to make all filings and obtain all necessary consents, approvals and authorizations as are required to be obtained under any federal, provincial or foreign law or regulations, (iii) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby, (iv) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated hereby, (v) to effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities and (vi) to fulfill all conditions and satisfy all provisions of this Agreement and the Offer. For purposes of the foregoing, the obligation to use "commercially reasonable efforts" to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

(b) Nothing in this Agreement (other than as expressly provided for in Section 2.1) shall obligate UTC or UTCSub (i) to keep the Offer open for acceptance beyond the expiration date set forth in the Offer (as it may be extended from time to time) or (ii) to take any action that, in the reasonable judgment of UTC, would reasonably be expected to materially impair the overall benefits to be realized by UTC from consummation of the Offer and the other transactions contemplated by this Agreement.

10.5 Access to Information

Subject to the Confidentiality Agreement and upon reasonable notice, ICP shall (and shall cause each of its subsidiaries to) afford UTC's officers, employees, counsel, accountants and other authorized representatives and advisers reasonable access, during normal business hours and until the expiration of this Agreement, to all of its properties, books, contracts and records as well as to its management personnel, and, during such period, ICP shall (and shall cause each of its subsidiaries to) furnish promptly to UTC all information concerning its business, properties and personnel as UTC may reasonably request.

10.6 Debt Obligations

ICP acknowledges that following completion of the Offer the modification or elimination of the covenants contained in, and reduction of the outstanding amount of, its existing debt obligations is integral to UTC's business plans. ICP agrees to use reasonable efforts to cooperate and assist UTC in obtaining consents to such modifications and in purchasing such obligations in

furtherance of those plans, including the conduct of (or provision of assistance to UTC in conducting) a consent solicitation and tender offer for the outstanding debt securities of ICP or its subsidiaries on terms satisfactory to UTC; provided that (i) ICP shall not be required to purchase any debt obligations or pay any fees in connection with such efforts prior to consummation of the Second Stage Transaction, unless funds therefore are provided by UTC on terms satisfactory to ICP and (ii) UTC shall pay or reimburse ICP for all reasonable expenses in connection therewith.

ARTICLE 11
TERMINATION, AMENDMENT AND WAIVER

11.1 Termination

This Agreement may be terminated by written notice given to the other parties hereto, at any time prior to completion of the transactions contemplated hereby:

(a) by mutual written consent of ICP and UTC;

(b) by either UTC or ICP (provided that the terminating party is not then in breach, in any material respect, of any covenant or other agreement contained herein and no representation or warranty of such terminating party contained herein that is qualified as to materiality shall be untrue or incorrect, and no representation or warranty of such terminating party contained herein that is not so qualified shall be untrue or incorrect in any material respect, at any time before the Effective Time, in each case, as if made at and as of such time (or, to the extent such representation or warranty speaks as of a specific date, no such representation or warranty was so untrue or incorrect as of such date)), if there shall have been a breach, in any material respect, of any covenant or other agreement contained herein on the part of the other party or if any representation or warranty of such other party contained herein that is qualified as to materiality shall not be true and correct, or any representation or warranty of such other party contained herein that is not so qualified shall not be true and correct in all material respects, at any time before the Effective Time, in each case as if made at and as of such time (or, to the extent such representation or warranty speaks as of a specific date, such representation or warranty was not so true and correct as of such date), which breach or misrepresentation is not cured within 10 days following written notice to such other party, or such breach, by its nature or timing cannot be cured prior to the Expiry Time;

(c) by ICP, following receipt of, and in order to accept or recommend, a Superior Take-over Proposal if, after consulting with outside counsel, the Board of Directors of ICP has determined that such action is required in order to discharge properly the directors' fiduciary duties under applicable law;

(d) by UTC, if (i) the Board of Directors or any committee thereof of ICP modifies or amends in any manner adverse to UTC or UTCSub, or withdraws, its authorization, approval or recommendation of the Offer or this Agreement or shall

have resolved to do any of the foregoing or (ii) ICP or any of its subsidiaries (or the Board of Directors or any committee thereof) shall have approved, recommended, authorized, proposed or filed a document with any Securities Authority not opposing, or publicly announced its intention to enter into any Take-over Proposal (other than with UTC, UTCSub or any of their affiliates), or shall have resolved to do any of the foregoing;

(e) by either UTC or ICP, if the Offer terminates or expires at the Expiry Time, without UTCSub taking up and paying for any ICP Shares on account of the failure of any of the Offer Conditions which has not been waived by UTCSub, unless the absence of such occurrence shall be due to the failure of the party seeking to terminate this Agreement to perform its requisite obligations hereunder; or

(f) by either UTC or ICP, if the Take-up Date has not occurred on or prior to December 15, 1999.

11.2 Effect of Termination and Other Events

(a) In the event of the termination of this Agreement as provided in Section 11. 1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of UTC, UTCSub or ICP hereunder except as set forth in Section 12.4 and this Section 11.2, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any party from liability for any breach of this Agreement.

(b) In the event of termination of this Agreement pursuant to Section 11.1(c) or 11.1(d), ICP shall make payment to UTC by wire transfer of immediately available funds of a fee in the amount of $15 million. Such fee shall be payable concurrently with a termination pursuant to Section 11.1(c) (and such termination shall not be effective until payment of such fee) and within two Business Days after a termination pursuant to Section 11.1(d).

(c) In the event of termination of this Agreement pursuant to Section 11.1(e) or 11.1(f) principally as a result of a failure to obtain the antitrust approvals contemplated under clause (b) of the Offer Conditions, then, within two Business Days after such termination, UTC shall make payment to ICP by wire transfer of immediately available funds of a fee in the amount of $10 million, provided, however, that no payment shall be due if ICP shall have breached Sections 10.2, 10.3 or 10.4 contained herein.

(d) In the event a Take-over Proposal is announced publicly while the Offer is open for acceptance and the minimum acceptance condition contemplated under clause (a) of the Offer Conditions is not satisfied at the Expiry Time (other than principally as a result of a failure to obtain the antitrust approvals contemplated under clause (b) of the Offer Conditions), then, within two Business Days after

such Expiry Time, ICP shall make payment to UTC by wire transfer of immediately available funds of a fee in the amount of $15 million.

(e) In the event a Take-over Proposal is announced publicly and made after the Expiry Time but prior to March 31, 2000, then, if UTCSub did not take up and pay for any ICP Shares under the Offer and ICP was not entitled to any payment under Section 11.2(c), ICP shall within two Business Days of the date on which such Take-over Proposal is made make payment to UTC by wire transfer of immediately available funds of a fee in the amount of $15 million.

11.3 Amendment

This Agreement may be amended by mutual agreement between the parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the parties hereto.

11.4 Waiver

Each of UTC and UTCSub, on the one hand, and ICP, on the other hand, may (i) extend the time for the performance of any of the obligations or other acts of the other, (ii) waive compliance with any of the other's agreements or the fulfilment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE 12
GENERAL PROVISIONS

12.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or as of the date sent if sent by cable, telegram, telecopier, telex or by prepaid overnight carrier to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

(a) if to UTC and UTCSub:

United Technologies Corporation
One Financial Plaza
Hartford, CT 06101

Attention: Ari Bousbib
Telecopy No.: 860-728-6355

and

United Technologies Corporation
One Financial Plaza
Hartford, CT 06101

Attention: General Counsel
Telecopy No.: 860-728-7862

with a copy to:

Stikeman, Elliott
Commerce Court West
Suite 5300, P.O. Box 85, Stn. Commerce Court
Toronto, ON M5L 1B9

Attention: William J. Braithwaite
Telecopy No.: 416-947-0866

(b) if to ICP:

501 Corporate Centre Drive, Suite 200
Franklin, TN 37067

Attention: David P. Cain
Telecopy No.: 615-771-4001

with a copy to:

Osler, Hoskin & Harcourt
1900, 333 7th Avenue S.W.
Calgary, AB T2P 2Z1

Attention: F.R. Allen
Telecopy No.: 403-260-7024

12.2 Miscellaneous

This Agreement (i) except for the Confidentiality Agreement, constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter hereof, and (ii) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and no other person. The parties hereto shall be entitled to rely upon delivery of an executed facsimile copy of the Agreement, and such facsimile copy shall be legally effective to create a valid and binding agreement among the parties hereto. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to

enforce specifically the terms and provisions hereof in any court of the Province of Ontario having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

12.3 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties. UTCSub may assign all of its rights or obligations under this Agreement to a direct or indirect wholly-owned subsidiary of UTC, provided that any such assignment will have no material adverse tax or other effects to ICP or the holders of ICP Shares, and provided further that if such assignment takes place, UTC and UTCSub shall continue to be liable to ICP for all obligations under this Agreement and for any default in performance by the assignee.

12.4 Expenses

Except as provided in Sections 10.6 and 11.2, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such cost or expense, whether or not the Offer is consummated.

12.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.6 Survival

Except as otherwise provided in this Section 12.6, none of the representations, warranties or covenants in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time or, in the case of ICP, shall survive the acceptance of, and payment for, any ICP Shares by UTCSub pursuant to the Offer. This Section 12.6 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

12.7 Counterpart Execution

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument but all such counterparts together shall constitute one agreement.

IN WITNESS WHEREOF, UTC, UTCSub and ICP have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION

By: /s/ Ari Bousbib

Name: Ari Bousbib
Title: Vice President

TITAN ACQUISITIONS, LTD.

By: /s/ Ari Bousbib

Name: Ari Bousbib
Title: President

INTERNATIONAL COMFORT PRODUCTS CORPORATION

By: /s/ Richard W. Snyder

Name: Richard W. Snyder
Title: Chairman

EXHIBIT (c)(2)

TITAN ACQUISITIONS, LTD.

June 23, 1999

Ravine Partners, Ltd.
3219 McKinney Avenue
Dallas, TX 75204

Dear Sirs:

Reference is made to the Pre-Acquisition Agreement dated June 23, 1999 (the "Pre-Acquisition Agreement") between Titan Acquisitions, Ltd. (the "Offeror"), United Technologies Corporation ("Parent") and International Comfort Products Corporation ("ICP") pursuant to which the Offeror has agreed to make an offer to purchase all of the outstanding shares (the "Shares") of ICP. All capitalized terms referred herein and not otherwise defined herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement.

The Offeror understands, and by your acceptance of this letter agreement (the "Agreement") you (the "Seller") represent and warrant to the Offeror that, there are 7,889,870 Shares beneficially owned, directly or indirectly, by the Seller or over which the Seller exercises direction or control (collectively, the "Seller's Shares").

This Agreement sets out the terms and conditions by which the Seller irrevocably and unconditionally agrees to deposit the Seller's Shares under the Offer, grants an Option over the Seller's Shares to the Offeror and sets out the obligations and commitments of the Seller in connection therewith. This Agreement is also the Seller's agreement to ensure that the Seller's associates (as defined in the Securities Act (Ontario)) are bound by and perform the obligations of the Seller hereunder, and any reference to the Seller in this Agreement shall include the Seller's associates, all to the extent applicable.

Section 1. Acceptance of the Offer

1.1 Deposit. The Seller hereby irrevocably and unconditionally agrees to deposit the Seller's Shares, together with a completed and executed letter of transmittal, under the Offer prior to the Initial Expiry Time.

1.2 Non-Withdrawal. The Seller hereby irrevocably and unconditionally agrees not to withdraw or take any action to withdraw any portion of the Seller's Shares following their deposit under the Offer, notwithstanding any statutory rights or other rights under the terms of the Offer or otherwise which the Seller might have, unless the Pre-Acquisition Agreement is terminated in accordance with its terms prior to the taking up of the Seller's Shares under the Offer.

Section 2 Option

2.1 Grant of Option. On the terms and subject to the conditions set forth herein, the Seller hereby grants to Offeror an irrevocable option (the "Option") to purchase all of the right, title and interest of the Seller in and to the Seller's Shares at a price equal to the greater of (a) US$11.75 per share and (b) any higher price per share paid by the Offeror in the Offer.

2.2 Exercise of the Option. Offeror may exercise the Option in accordance with the terms of Section 2.1 hereof in whole, but not in part, if, but only if, the fee provided for in Section 11.2(b), (d) or (e) of the Pre-Acquisition Agreement has become payable to Offeror in accordance with the terms thereof. Offeror may exercise the Option at any time within the 60 days following the date when the Option first becomes exercisable.

In the event that Offeror is entitled to and wishes to exercise the Option, Offeror shall send a written notice to the Seller (the "Notice" and the date on which the Notice is sent shall be referred to herein as the "Notice Date") specifying the place and the date (the "Closing Date") promptly after the Notice Date for the closing of such purchase (the "Closing"); provided, however, that in the event that prior notification to, or approval of, any regulatory or antitrust agency is required in connection with the exercise of the Option, Offeror shall promptly file the required notice or application for approval and shall promptly notify the Company of such filing, and the period of time that otherwise would run pursuant to this Section 2.2 shall run instead from the last the date on which all required notification or waiting periods shall have expired or been terminated or all required approvals shall have been obtained; provided further that in the event there shall be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority prohibiting the exercise of the Option pursuant to this Agreement, the period of time that otherwise would run pursuant to this Section 2.2 shall run instead from the date on which such prohibition shall have been vacated, terminated or waived. Any exercise of the Option shall be deemed to have occurred on the Notice Date relating thereto.

2.3 Closing. At the Closing, simultaneously with the payment by Offeror of the purchase price for the Seller's Shares, the Seller shall deliver, or cause to be delivered, to Offeror certificates representing the Seller's Shares duly endorsed to Offeror or accompanied by stock powers duly executed by the Seller in blank, together with any necessary stock transfer stamps properly affixed.

2.4 Acquired Option Shares. In the event the Seller's Shares are acquired by Offeror pursuant to the exercise of the Option (the "Acquired Option Shares") and Offeror subsequently disposes of, sells or transfers the Acquired Option Shares in connection with any Take-over Proposal for which a binding contract of sale is executed within 12 months of the Closing (a "Sale"), the Seller shall be entitled to receive an amount in cash equal to 75% of the excess, if any, of the aggregate proceeds received by

Offeror in such Sale (net of selling commissions, if any) over the aggregate purchase price paid by Offeror for the Acquired Option Shares subject to such Sale.

If any of the consideration received by Offeror in a Sale consists of securities, for purposes hereof, the proceeds of such Sale shall be deemed to be the net after-tax amount that would actually have been received by Offeror in an orderly sale of such securities commencing on the first business day following actual receipt of such securities by Offeror, in the written opinion of an investment banking firm of national reputation selected by Offeror and reasonably satisfactory to the Seller.

Any payment due to the Seller pursuant to this Section 2.4 shall be paid by Offeror to the Seller within three Business Days following receipt by Offeror of the Sale proceeds or, if any of such consideration consists of securities, within three Business Days after receipt of the Sale proceeds or, if later, the date on which the investment banking firm's written opinion is received by Offeror.

Nothing herein shall create any duty by Offeror to engage in a Sale of the Acquired Option Shares.

Section 3 Representations and Warranties

3.1 Representations and Warranties of Seller. The Seller hereby represents and warrants to and in favour of the Offeror that:

(a) the Seller is a limited partnership duly organized and validly existing under the laws of the State of Texas;

(b) the Seller has the power and capacity and has received all requisite approvals to enter into this Agreement and to perform its obligations hereunder and this Agreement is a valid and binding agreement enforceable by the Offeror against the Seller in accordance with its terms;

(c) the Seller is (and, if applicable, upon the deposit of the Seller's Shares under the Offer, will be) the sole legal and beneficial owner of the Seller's Shares and has and will have the exclusive right to dispose of the Seller's Shares as provided in this Agreement;

(d) the Seller's Shares are owned (and, if applicable, will be acquired by the Offeror) with good and marketable title, free and clear of any and all mortgages, liens, charges, encumbrances and adverse claims;

(e) no person, firm or corporation has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Seller's Shares or any interest therein or right thereto, except pursuant to this Agreement; and

(f) the execution and delivery of this Agreement and the fulfilment of the terms hereof by the Seller do not and will not result in a breach of any agreement or instrument to which the Seller is a party or by which the Seller is contractually bound.

3.2 Representations and Warranties of the Offeror. The Offeror hereby represents and warrants to the Seller that:

(a) the Offeror is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation;

(b) the Offeror has the financial resources and is financially capable of completing the Offer; and

(c) the Offeror has the corporate power and capacity and has received all requisite approvals to enter into this Agreement and this Agreement is a valid and binding agreement enforceable by the Seller against the Offeror in accordance with its terms.

Section 4 Covenants of the Seller

4.1 General. The Seller hereby covenants that during the term of this Agreement the Seller will:

(a) not take any action to solicit, initiate or encourage enquiries, submissions, proposals or offers from, or provide information to, any other person, entity or group relating to, and will not participate in any negotiations regarding, or otherwise cooperate in any way with or assist or participate in:

(i) the direct or indirect acquisition or disposition of all or any Shares or any other securities of ICP or its subsidiaries (except as expressly provided in this Agreement); or

(ii) except as expressly permitted by this Agreement or as previously approved in writing by the Offeror, any amalgamation, merger, sale of any material part of ICP's or its subsidiaries' assets, take-over bid, plan of arrangement, reorganization, recapitalization, liquidation or winding-up of, or other business combination or similar transaction involving ICP or any of its subsidiaries;

(b) not sell, assign, convey or otherwise dispose of any of the Seller's Shares except pursuant to and in accordance with this Agreement;

(c) not exercise any shareholder rights or remedies available at common law or pursuant to applicable corporate and securities laws to delay, hinder, upset or challenge the Offer;

(d) cause the voting rights attaching to the Seller's Shares to be exercised to oppose any proposed action by ICP, its shareholders or others:

(i) which might reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Offer; or

(ii) to materially change the business, assets, operations, capital, affairs, financial conditions, licences, permits, rights or privileges, whether contractual or otherwise, or prospects of ICP which in the sole judgement of the Offeror could individually, or in the aggregate, materially adversely affect the value of the Shares to the Offeror;

(e) use Seller's reasonable efforts to assist the Offeror to successfully complete the acquisition of Shares; and

(f) promptly notify the Offeror upon any of Seller's representations or warranties contained in this Agreement becoming untrue or incorrect in any material respect during the period commencing on the date hereof and expiring at the time of expiry of the Offer, and for the purposes of this provision, each representation and warranty shall be deemed to be given at and as of all times during such period (irrespective of any language which suggests that it is only being given as at the date hereof).

The Seller shall not be deemed to have violated Section 4.1(a) and (e) solely as a result of the participation by any associate of the Seller who is a director of ICP in a decision by the Board of Directors of ICP to provide information to any person, entity or group subject to and in accordance with Section 8.1 of the Pre-Acquisition Agreement.

4.2 Resignation as Director. The Seller shall upon request use all reasonable efforts to cause any of its associates who may be directors of ICP to resign effective at the time and in the manner requested by the Offeror following the purchase of the Seller's Shares by the Offeror under the Offer.

Section 5 Covenants of the Offeror

5.1 Completion of the Offer. Subject to the terms and conditions hereof, the Offeror hereby covenants to use its reasonable commercial efforts to successfully complete the Offer, including diligently pursuing all requisite regulatory approvals, subject to the limitations in Section 10.4(b) of the Pre-Acquisition Agreement.

Section 6 Termination

6.1 Termination. If the Option is not exercised in accordance with the terms and conditions of Section 2.2, then, from and after the last date on which the Option is or may become exercisable pursuant to Section 2.2, no party hereto shall have any rights or obligations hereunder and this Agreement shall terminate and become null and void.

In the event of such termination of this Agreement, the Seller may withdraw all of the Seller's Shares deposited in accordance with the terms and conditions of the Offer, this Agreement shall forthwith be of no further force and effect and there shall be no liability on the part of either Seller or the Offeror, except to the extent that either such party is in default of its obligations herein contained.

Section 7 General

7.1 Disclosure. Prior to the first public disclosure of the existence and terms and conditions of this Agreement, none of the parties hereto shall disclose the existence of this Agreement, or any details hereof, to any person other than ICP, its directors and officers, without the prior written consent of the other party hereto, except to the extent required by law including applicable securities laws. The existence and terms and conditions of this Agreement may be disclosed by the Offeror and ICP in press releases issued in connection with the execution of the Pre-Acquisition Agreement, in the Offer Documents and in the directors circular prepared by ICP.

7.2 Assignment. The Offeror may assign all or any part of its rights and/or obligations under this Agreement to a wholly-owned subsidiary of the Parent, but, if such assignment takes place, the Offeror shall continue to be liable to Seller for any default in performance by the assignee. This Agreement shall not otherwise be assignable by any party without the consent of the other.

7.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and of Canada applicable therein.

7.4 Survival of Representations and Warranties. The representations and warranties made by the Offeror and the Seller herein shall expire immediately following the Closing. No investigations made by or on behalf of the Offeror or any of its authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the Seller herein or pursuant hereto.

7.5 Amendments. This Agreement may not be amended except by written agreement signed by the parties to this Agreement.

7.6 Specific Performance and other Equitable Rights. Each of the parties recognizes and acknowledges that this Agreement is an integral part of the Offer, that the Offeror would not contemplate causing the Offer to be made unless this Agreement was executed, and that a breach by any party of any covenants or other commitments contained in this Agreement will cause the other party to sustain injury for which it would not have an adequate remedy at law for money damages. Therefore, each of the parties agrees that in the event of any such breach, the aggrieved party shall be entitled to the remedy of specific performance of such covenants or commitments and preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it or they may be entitled, at law or in equity, and the parties

further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

7.7 Expenses. The Offeror and the Seller shall each pay its legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred, and none of such costs and expenses shall be borne by ICP.

7.8 Counterparts. This Agreement may be executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by means of a telecopier transmission.

7.9 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties pertaining to the subject matter of this Agreement.

7.10 Time. Time shall be of the essence of this Agreement.

7.11 Notices. Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by telecopier, in the case of:

(a) The Offeror addressed as follows:

United Technologies Corporation
One Financial Plaza
Hartford, CT 06101
Attention: Ari Bousbib

Telecopier No.: 860-728-6355

United Technologies Corporation
One Financial Plaza
Hartford, CT 06101
Attention: General Counsel

Telecopier No.: 860-728-7862

(b) The Seller, addressed as follows:

Snyder Capital Corporation
3219 McKinney Avenue
Dallas, Texas 75240
Attn: Richard Snyder

Telecopier No.: 214-754-0350

or to such other address as the relevant party may from time to time advise by notice in wiring given pursuant to this Section 7.11. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery or sending thereof.

(Intentionally Blank)

If the terms and conditions of this Agreement are acceptable to you, please so indicate by executing and returning the enclosed copy hereof and the attached resignation to the undersigned prior to 11:59 p.m. (Toronto time) on June 23, 1999, failing which this letter shall be null and void.

Yours truly,

TITAN ACQUISITIONS, LTD.

By: /s/ Ari Bousbib

(Acceptance on following page)

ACCEPTANCE

Agreed and accepted this 23rd day of June, 1999.

/s/ Robert Lloyd Snyder
- ----------------------
Robert Lloyd Snyder
Attorney-in-Fact for Ravine Partners, Ltd.

POWER OF ATTORNEY

We, Richard W. Snyder and Roberta M. Snyder, both domiciliaries and residents of Dallas County, Texas and the General Partners of Ravine Partners, Ltd., a Texas limited partnership, do hereby appoint Robert Lloyd Snyder, also of Dallas County, Texas as true and lawful attorney-in-fact on behalf of Ravine Partners, Ltd. with authority to negotiate and execute on its behalf the letter agreement, dated June 23, 1999, between Ravine Partners, Ltd. And Titan Acquisitions, Ltd.

IN WITNESS WHEREOF, we hereunto have set our hands this 23rd day of June, 1999.

/s/ Richard W. Snyder

Richard W. Snyder
General Partner - Ravine Partners, Ltd.

/s/ Roberta M. Snyder

Roberta M. Snyder
General Partner - Ravine Partners, Ltd.

Acknowledgment

STATE OF TEXAS

Before me, this 23rd day of June, 1999, personally appeared Robert Lloyd Snyder, Richard W. Snyder and Roberta M. Snyder, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 23rd day of June, 1999.

/s/ Vicki A. Bolton

Notary Public in and for The State of Texas

/s/ [Seal] VICKI A. BOLTON
NOTARY PUBLIC
State of Texas
Comm. Exp. 10-03-99

My commission expires: 10/3/99

EXHIBIT (c)(3)

TITAN ACQUISITIONS, LTD.

June 23, 1999

Ontario Teachers' Pension Plan Board
5650 Yonge Street
Toronto, Ontario
M2M 4H5

Attention: Portfolio Manager Merchant Banking

Dear Sirs:

Reference is made to the Pre-Acquisition Agreement dated June 23, 1999 (the "Pre-Acquisition Agreement") between Titan Acquisitions, Ltd. (the "Offeror"), United Technologies Corporation ("Parent") and International Comfort Products Corporation (the "Corporation") pursuant to which the Offeror has agreed to make an offer to purchase all of the outstanding shares (the "Shares") of the Corporation. All capitalized terms referred herein and not otherwise defined herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement.

The Offeror understands, and by your acceptance of this letter agreement (the "Agreement") you (the "Seller") represent and warrant to the Offeror that 7,919,638 Shares are beneficially owned, directly or indirectly, by the Seller or over which the Seller exercises direction or control (collectively, the "Seller's Shares").

This Agreement sets out the terms and conditions by which the Seller irrevocably and unconditionally agrees to deposit the Seller's Shares under the Offer, and sets out the obligations and commitments of the Seller in connection therewith. This Agreement is also the Seller's agreement to ensure that the Seller's associates (as defined in the Securities Act (Ontario)) are bound by and perform the obligations of the Seller hereunder, and any reference to the Seller in this Agreement shall include the Seller's associates, all to the extent applicable.

Section 1 Acceptance

1.1 Deposit. Subject to the terms and conditions hereof, the Seller hereby irrevocably and unconditionally agrees to deposit the Seller's Shares, together with a completed and executed letter of transmittal, under the Offer prior to the Initial Expiry Time.

1.2 Non-Withdrawal. The Seller hereby irrevocably and unconditionally agrees not to withdraw or take any action to withdraw any portion of the Seller's Shares following their deposit under the Offer, notwithstanding any statutory rights or other rights under the terms of the Offer or otherwise which the Seller might have, except pursuant to Section 1.3 or unless this Agreement is terminated in accordance with its terms prior to the taking up of the Seller's Shares under the Offer.

1.3 Superior Take-over Proposal. If a third party has made a bona fide offer for all of the Shares of the Corporation which offer constitutes a Superior Take-over Proposal (as defined in the Pre-Acquisition Agreement), then the Seller shall not be required to deposit the Seller's Shares pursuant to the Offer or may withdraw the Seller's Shares deposited pursuant to the Offer, as the case may be.

Section 2 Representations and Warranties

2.1 Representations and Warranties of Seller. The Seller hereby represents and warrants to and in favour of the Offeror that:

(a) the Seller is a non-share capital corporation duly incorporated and validly existing under the laws of the Province of Ontario;

(b) the Seller has the power and capacity and has received all requisite approvals to enter into this Agreement and to perform its obligations hereunder and this Agreement is a valid and binding agreement enforceable by the Offeror against the Seller in accordance with its terms;

(c) the Seller is (and, if applicable, upon the deposit of the Seller's Shares under the Offer, will be) the sole legal and beneficial owner of the Seller's Shares and has and will have the exclusive right to dispose of the Seller's Shares as provided in this Agreement;

(d) the Seller's Shares are owned (and, if applicable, will be acquired by the Offeror) with good and marketable title, free and clear of any and all mortgages, liens, charges, encumbrances and adverse claims; and

(e) no person, firm or corporation has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Seller's Shares or any interest therein or right thereto, except pursuant to this Agreement.

2.2 Representations and Warranties of the Offeror. The Offeror hereby represents and warrants to the Seller that:

(a) the Offeror is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation;

(b) the Offeror has the financial resources and is financially capable of completing the Offer; and

(c) the Offeror has the corporate power and capacity and has received all requisite approvals to enter into this Agreement and this Agreement is a valid and binding agreement enforceable by the Seller against the Offeror in accordance with its terms.

Section 3 Covenants of the Seller

3.1 General. The Seller hereby covenants that during the term of this Agreement the Seller will:

(a) not take any action to solicit, initiate or encourage enquiries, submissions, proposals or offers from, or provide information to, any other person, entity or group relating to, and will not participate in any negotiations regarding, or otherwise cooperate in any way with or assist or participate in:

(i) the direct or indirect acquisition or disposition of all or any Shares or any other securities of the Corporation or its subsidiaries (except as expressly provided in this Agreement); or

(ii) except as expressly permitted by this Agreement or as previously approved in writing by the Offeror, any amalgamation, merger, sale of any material part of the Corporation's or its subsidiaries' assets, take-over bid, plan of arrangement, reorganization, recapitalization, liquidation or winding-up of, or other business combination or similar transaction involving the Corporation or any of its subsidiaries;

(b) not sell, assign, convey or otherwise dispose of any of the Seller's Shares except pursuant to and in accordance with this Agreement;

(c) cause the voting rights attaching to the Seller's Shares to be exercised to oppose any proposed action by the Corporation, its shareholders or others:

(i) which might reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Offer (other than as contemplated in Section 1.3 hereof); or

(ii) to materially change the business, assets, operations, capital, affairs, financial conditions, licences, permits, rights or privileges, whether contractual or otherwise, or prospects of the Corporation which in the sole judgement of the Offeror could individually, or in the aggregate, materially adversely affect the value of the Shares to the Offeror; and

(d) promptly notify the Offeror upon any of Seller's representations or warranties contained in this Agreement becoming untrue or incorrect in any material respect during the period commencing on the date hereof and expiring at the time of expiry of the Offer.

The Seller shall not be deemed to have violated Section 4.1(a) solely as a result of the participation by any associate or nominee of the Seller who is a director of the Corporation in a decision by the Board of Directors of the Corporation to provide information to any person, entity or group in accordance with Sections 2.2(c), 8.1(c) and 8.1(d) of the Pre-Acquisition Agreement.

3.2 Resignation as Director. The Seller shall upon request use all reasonable efforts to cause any of its associates or nominees who may be directors of the Corporation to resign effective at the time and in the manner requested by the Offeror following the purchase of the Seller's Shares by the Offeror under the Offer.

Section 4 Covenants of the Offeror

4.1 Offeror. Subject to the terms and conditions hereof, the Offeror hereby covenants to use its reasonable commercial efforts to successfully complete the Offer, including diligently pursuing all requisite regulatory approvals, subject to the limitations in Section 10.4(b) of the Pre-Acquisition Agreement.

Section 5 Termination by the Seller

5.1 Termination. Seller, when not in default in performance of Seller's obligations under this Agreement, may, without prejudice to any other rights, terminate Seller's obligations under this Agreement by notice to the Offeror on the earlier of: (i) an occurrence of the event referred to in Section 1.3

hereof; (ii) the Pre-Acquisition Agreement is terminated in accordance with its terms; and (iii) December 15, 1999.

In the event of such termination of this Agreement, the Seller may withdraw all of the Seller's Shares deposited in accordance with the terms and conditions of the Offer, this Agreement shall forthwith be of no further force and effect and there shall be no liability on the part of either Seller or the Offeror, except to the extent that either such party is in default of its obligations herein contained.

Section 6 General

6.1 Disclosure. Prior to the first public disclosure of the existence and terms and conditions of this Agreement, none of the parties hereto shall disclose the existence of this Agreement, or any details hereof, to any person other than the Corporation, its directors and officers, without the prior written consent of the other party hereto, except to the extent required by law including applicable securities laws. The existence and terms and conditions of this Agreement may be disclosed by the Offeror and the Corporation in press releases issued in connection with the execution of the Pre-Acquisition Agreement, in the Offer Documents and in the directors circular prepared by the Corporation.

6.2 Assignment. The Offeror may assign all or any part of its rights and/or obligations under this Agreement to a wholly-owned subsidiary of the Parent, but, if such assignment takes place, the Offeror shall continue to be liable to Seller for any default in performance by the assignee. This Agreement shall not otherwise be assignable by any party without the consent of the other.

6.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and of Canada applicable therein.

6.4 Survival of Representations and Warranties. The representations and warranties made by the Offeror and the Seller herein shall expire immediately following the Closing. No investigations made by or on behalf of the Offeror or any of its authorized agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the Seller herein or pursuant hereto.

6.5 Amendments. This Agreement may not be amended except by written agreement signed by the parties to this Agreement.

6.6 Specific Performance and other Equitable Rights. Each of the parties recognizes and acknowledges that this Agreement is an integral part of the Offer, that the Offeror would not contemplate causing the Offer to be made unless this Agreement was executed, and that a breach by any party of any covenants or other commitments contained in this Agreement will cause the other party to sustain injury for which it would not have an adequate remedy at law for money damages. Therefore, each of the parties agrees that in the event of any such breach, the aggrieved party shall be entitled to the remedy of specific performance of such covenants or commitments and preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it or they may be entitled, at law or in equity, and the parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

6.7 Expenses. The Offeror and the Seller shall each pay its legal, financial advisory and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed or prepared pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred, and none of such costs and expenses shall be borne by the Corporation.

6.8 Counterparts. This Agreement may be executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by means of a telecopier transmission.

6.9 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties pertaining to the subject matter of this Agreement.

6.10 Time. Time shall be of the essence of this Agreement.

6.11 Notices. Any notice, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered, or sent by telecopier, in the case of:

(a) The Offeror addressed as follows:

United Technologies Corporation
One Financial Plaza
Hartford, CT 06101
Attention: Ari Bousbib

Telecopier No.: (860) 728-6355

United Technologies Corporation
One Financial Plaza
Hartford, CT 06101
Attention: General Counsel

Telecopier No.: (860) 728-7862

(b) The Seller, addressed as follows:

Ontario Teachers' Pension Plan Board
5650 Yonge Street
Toronto, Ontario
M2M 4H5
Attention: Portfolio Manager Merchant Banking

Telecopier No.: (416) 730-5374

or to such other address as the relevant party may from time to time advise by notice in writing given pursuant to this section 6.11. The date of receipt of any such notice, request, consent, agreement or approval shall be deemed to be the date of delivery or sending thereof.

If the terms and conditions of this Agreement are acceptable to you, please so indicate by executing and returning the enclosed copy hereof to the undersigned prior to 11:59 p.m. (Toronto time) on June 23, 1999, failing which this letter shall be null and void.

Yours truly,

TITAN ACQUISITIONS, LTD.

By: /s/ Ari Bousbib

(Acceptance on following page)

ACCEPTANCE

Agreed and accepted this 23rd day of June, 1999.

ONTARIO TEACHERS' PENSION PLAN BOARD

By: /s/ Roy T. Graydon

EXHIBIT (c)(4)

19 March, 1999

Mr. Ari Bousbib
Vice President Strategic Planning
United Technologies Corporation
United Technologies Bldg.
Hartford, CT 06101

Dear Mr. Bousbib:

You have expressed interest in pursuing a transaction (the "Transaction") involving the capital stock or assets of International Comfort Products Corporation (the "Company"). You understand that prior to or during the course of negotiations in respect of the Transaction, certain confidential information concerning the Company and/or the Company's affiliates, including, without limitation, the Information Memorandum prepared in connection therewith, may be disclosed to you or your directors, officers, employees, affiliates and advisors (your "Representatives"), either in written form or orally (the "Evaluation Material"). In consideration of the Company agreeing to make the Evaluation Material available to you or your Representatives, you agree as follows:

1. No disclosure of your interest in the Company will be made by you or your Representatives prior to the execution of a definitive, written purchase agreement between you and the Company in respect of the Transaction, except as may be otherwise agreed upon by you and the Company.

2. The fact that the Company is providing Evaluation Material to you, the fact that the parties have had, are having or may have discussions concerning the Transaction, and any negotiations that may occur between you and the Company shall also be deemed Evaluation Material and treated in accordance with the provisions hereof. All Evaluation Material will be held in complete confidence (i.e., using the same degree of care that you use for your own confidential, non-public proprietary information of a similar nature) and, without the Company's prior written consent, will not be disclosed, in whole or in part, to any other person (other than such of your Representatives who need access to any such materials or information for purposes of your evaluating or negotiating the Transaction), nor will any Evaluation Material be used in any way directly or indirectly detrimental to the Company or its affiliates or for any purpose other than your evaluation or negotiation of the Transaction. The term "Evaluation Material" does not include any information:

   (a) which, at the time of disclosure to you or your Representatives, is in the public domain or which after such disclosure comes into the public domain through no fault of you or your Representatives;

   (b) which was available to you on a non-confidential basis from a source other than the Company or its advisors, provided that such source is not and was not bound by a confidentially agreement with the Company;

(c) which, after notifying the Company pursuant to paragraph 5, is required by applicable law or regulatory authority to be disclosed; or

(d) which was independently developed by you.

3. You shall be responsible for ensuring that your Representatives adhere to the terms of the undertakings of this agreement as if such persons were original parties hereto.

4. You and your Representatives will, at your option, either destroy or return to the Company upon demand or in the event you cease to be interested in pursuing the Transaction, all Evaluation Material provided to you or your Representatives, including all copies thereof which may have been made by or on behalf of you or your Representatives. You shall destroy, or cause to be destroyed, all notes or memoranda or other stored information of any kind prepared by you or your Representatives relating to the Evaluation Material or negotiations generally.

5. If you or your Representatives become (or if it is reasonably likely that you or they shall become) legally compelled to disclose any Evaluation Material, prompt notice of such fact shall be given to the Company so that appropriate action may be taken by the Company.

6. Without prejudice to any other rights or remedies the Company may have, you acknowledge and agree that money damages may not be an adequate remedy for any breach of this agreement and that the Company may be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of this agreement.

7. You acknowledge that, except as may be set forth in a definitive, written purchase agreement in respect of the Transaction, neither the Company nor any of its directors, officers, employees, affiliates or advisors shall have been deemed to make, or shall be responsible for, any representations or warranties, express or implied, with respect to the accuracy or completeness of the Evaluation Material supplied under this agreement. Further, it is acknowledged hereby by you that only those representations and warranties made by the Company in a definitive, written purchase agreement in respect of the Transaction shall have any force or effect.

8. During the period of one year commencing on the date hereof, you shall not solicit or actively seek to hire any person who during such period is employed by the Company, whether or not such person would commit any breach of such person's contract of service in leaving such employment. This provision shall not apply to any general solicitation for employment not specifically targeted at such employee.

9. You agree that until six months from the date of this agreement, you will not without the prior approval of the Board of Directors of the Company (i) acquire or make any proposal to acquire any securities or property of the Company, (ii) propose to enter into any merger or business combination involving the Company or purchase a material portion of the assets of the Company; (iii) make or participate in any solicitation of proxies to vote, or seek to advise or influence any person with respect to the voting of any securities of

the Company, (iv) form, join or participate in a "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934) with respect to any voting securities of the Company, (v) otherwise and to seek to control or influence the management, Board of Directors or policies of the Company, (vi) disclose any intention, plan or arrangement inconsistent with the foregoing or (vii) take any action which might require the Company to make a public announcement regarding the possibility of a business combination or merger. This provision shall not apply to investments in the Company that are made by or through your employee pension fund in the ordinary course and without your specific direction.

10. You acknowledge and confirm that no limitation provided, or statements made, to you or your Representatives prior to, in the course of or for the purpose of negotiations, will constitute an offer by the Company or on the Company's behalf, nor will any such information or statements form the basis of any contract or agreement (including, without limitation, an agreement in principle), to sell the Company or any of its capital stock or assets.

11. You acknowledge that the Company and the Company's advisors shall be free to conduct the process in respect of the Transaction as they in their sole discretion shall determine, including, without limitation, negotiating with any prospective or interested parties.

12. You will maintain contact with the Company at all times only through Credit Suisse First Boston Corporation, the Company's financial advisor, and will not attempt any direct communication with the Company relating to the Transaction without the express permission of Credit Suisse First Boston Corporation.

13. No failure or delay by the Company in exercising any right, power or privilege under this agreement shall operate as a waiver thereof, and no modification hereof shall be effective, unless in writing and signed by an officer of the Company or other authorized person on its behalf.

14. The illegality, invalidity or unenforceability of any provision hereof under the laws of any jurisdiction shall not affect its legality, validity or enforceability under the laws of any other jurisdiction, nor the legality, validity or enforceability of any other provision.

15. This agreement shall terminate two years from the date hereof.

This agreement shall be governed by and construed in accordance with the laws of the State of New York, applicable to contracts made and to be performed therein.

Very truly yours,

International Comfort Products Corporation

By CREDIT SUISSE FIRST BOSTON CORPORATION, solely as the Company's Representative

By: /s/ David M. Sultan

Name: David M. Sultan
Title: Director

Accepted and agreed to as of the date hereof:

United Technologies Corporation

By: /s/ Ari Bousbib

Name: Ari Bousbib
Title: Vice President Strategic Planning