

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-8974

Honeywell

Honeywell International Inc.

(Exact name of registrant as specified in its charter)

Delaware	22-2640650
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
300 South Tryon Street Charlotte, NC	28202
(Address of principal executive offices)	(Zip Code)

(704) 627-6200

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1 per share*	HON	The New York Stock Exchange
1.300% Senior Notes due 2023	HON 23A	The New York Stock Exchange
0.000% Senior Notes due 2024	HON 24A	The New York Stock Exchange
2.250% Senior Notes due 2028	HON 28A	The New York Stock Exchange
0.750% Senior Notes due 2032	HON 32	The New York Stock Exchange

* The common stock is also listed on the London Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Non-Accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 694,555,603 shares of Common Stock outstanding at March 31, 2021.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

We describe many of the trends and other factors that drive our business and future results in the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations and in other parts of this report (including Part II, Item 1A Risk Factors). Such discussions contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements are those that address activities, events or developments that management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ significantly from those envisaged by our forward-looking statements. We do not undertake to update or revise any of our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, including the impact of the coronavirus pandemic (COVID-19), that can affect our performance in both the near- and long-term. These forward-looking statements should be considered in light of the information included in this report and our other filings with the Securities and Exchange Commission, including, without limitation, the Risk Factors, as well as the description of trends and other factors in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in this report and our 2020 Annual Report on Form 10-K.

PART I. FINANCIAL INFORMATION

The financial statements and related footnotes as of March 31, 2021 should be read in conjunction with the financial statements for the year ended December 31, 2020 contained in our 2020 Annual Report on Form 10-K.

ITEM 1. FINANCIAL STATEMENTS

HONEYWELL INTERNATIONAL INC. CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(Dollars in millions, except per share amounts)	
Product sales	\$ 6,409	\$ 6,305
Service sales	2,045	2,158
Net sales	8,454	8,463
Costs, expenses and other		
Cost of products sold	4,551	4,374
Cost of services sold	1,158	1,160
	5,709	5,534
Selling, general and administrative expenses	1,236	1,238
Other (income) expense	(442)	(317)
Interest and other financial charges	90	73
	6,593	6,528
Income before taxes	1,861	1,935
Tax expense (benefit)	413	329
Net income	1,448	1,606
Less: Net income attributable to the noncontrolling interest	21	25
Net income attributable to Honeywell	\$ 1,427	\$ 1,581
Earnings per share of common stock - basic	\$ 2.05	\$ 2.23
Earnings per share of common stock - assuming dilution	\$ 2.03	\$ 2.21

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(Dollars in millions)	
Net income	\$ 1,448	\$ 1,606
Other comprehensive income (loss), net of tax		
Foreign exchange translation adjustment	214	(276)
Prior service (credit) cost recognized	(22)	(20)
Pension and other postretirement benefit adjustments	(22)	(20)
Changes in fair value of available for sale investments	(3)	—
Cash flow hedges recognized in other comprehensive income (loss)	8	195
Less: Reclassification adjustment for gains (losses) included in net income	3	55
Changes in fair value of cash flow hedges	5	140
Other comprehensive income (loss), net of tax	194	(156)
Comprehensive income	1,642	1,450
Less: Comprehensive income attributable to the noncontrolling interest	22	18
Comprehensive income attributable to Honeywell	\$ 1,620	\$ 1,432

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2021	December 31, 2020
	(Dollars in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,718	\$ 14,275
Short-term investments	942	945
Accounts receivable - net	6,675	6,827
Inventories	4,607	4,489
Other current assets	1,645	1,639
Total current assets	25,587	28,175
Investments and long-term receivables	746	685
Property, plant and equipment - net	5,547	5,570
Goodwill	16,981	16,058
Other intangible assets - net	3,799	3,560
Insurance recoveries for asbestos related liabilities	347	366
Deferred income taxes	762	760
Other assets	9,792	9,412
Total assets	\$ 63,561	\$ 64,586
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 5,792	\$ 5,750
Commercial paper and other short-term borrowings	3,568	3,597
Current maturities of long-term debt	1,635	2,445
Accrued liabilities	6,955	7,405
Total current liabilities	17,950	19,197
Long-term debt	16,124	16,342
Deferred income taxes	2,309	2,113
Postretirement benefit obligations other than pensions	234	242
Asbestos-related liabilities	1,873	1,920
Other liabilities	6,812	6,975
Redeemable noncontrolling interest	7	7
SHAREOWNERS' EQUITY		
Capital - common stock issued	958	958
- additional paid-in capital	7,505	7,292
Common stock held in treasury, at cost	(27,975)	(27,229)
Accumulated other comprehensive loss	(3,184)	(3,377)
Retained earnings	40,682	39,905
Total Honeywell shareowners' equity	17,986	17,549
Noncontrolling interest	266	241
Total shareowners' equity	18,252	17,790
Total liabilities, redeemable noncontrolling interest and shareowners' equity	\$ 63,561	\$ 64,586

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(Dollars in millions)	
Cash flows from operating activities:		
Net income	\$ 1,448	\$ 1,606
Less: Net income attributable to the noncontrolling interest	21	25
Net income attributable to Honeywell	1,427	1,581
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:		
Depreciation	171	153
Amortization	170	90
Gain on sale of non-strategic businesses and assets	(90)	—
Repositioning and other charges	141	62
Net payments for repositioning and other charges	(195)	(111)
Pension and other postretirement income	(293)	(212)
Pension and other postretirement benefit payments	(14)	(14)
Stock compensation expense	77	44
Deferred income taxes	63	(58)
Other	(96)	(179)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts receivable	143	41
Inventories	(158)	(163)
Other current assets	(66)	166
Accounts payable	57	(54)
Accrued liabilities	(359)	(407)
Net cash provided by (used for) operating activities	978	939
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(221)	(139)
Proceeds from disposals of property, plant and equipment	14	7
Increase in investments	(736)	(648)
Decrease in investments	612	843
Receipts (payments) from settlements of derivative contracts	140	287
Cash paid for acquisitions, net of cash acquired	(1,303)	—
Proceeds from sales of businesses, net of fees paid	190	—
Net cash provided by (used for) investing activities	(1,304)	350
Cash flows from financing activities:		
Proceeds from issuance of commercial paper and other short-term borrowings	1,268	3,455
Payments of commercial paper and other short-term borrowings	(1,266)	(3,373)
Proceeds from issuance of common stock	67	66
Proceeds from issuance of long-term debt	23	1,127
Payments of long-term debt	(817)	(1,125)
Repurchases of common stock	(822)	(1,923)
Cash dividends paid	(640)	(635)
Other	(30)	(38)
Net cash provided by (used for) financing activities	(2,217)	(2,446)
Effect of foreign exchange rate changes on cash and cash equivalents	(14)	(189)
Net increase (decrease) in cash and cash equivalents	(2,557)	(1,346)
Cash and cash equivalents at beginning of period	14,275	9,067
Cash and cash equivalents at end of period	\$ 11,718	\$ 7,721

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED STATEMENT OF SHAREOWNERS' EQUITY
(Unaudited)

	Three Months Ended March 31,			
	2021		2020	
	Shares	\$	Shares	\$
	(In millions, except per share amounts)			
Common stock, par value	957.6	958	957.6	958
Additional paid-in capital				
Beginning balance		7,292		6,876
Issued for employee savings and option plans		136		127
Stock-based compensation expense		77		44
Ending balance		7,505		7,047
Treasury stock				
Beginning balance				
Reacquired stock or repurchases of common stock	(260.8)	(27,229)	(246.5)	(23,836)
Issued for employee savings and option plans	1.8	76	2.4	116
Ending balance	(263.0)	(27,975)	(255.8)	(25,643)
Retained earnings				
Beginning balance		39,905		37,693
Net income attributable to Honeywell		1,427		1,581
Dividends on common stock		(650)		(639)
Ending balance		40,682		38,635
Accumulated other comprehensive income (loss)				
Beginning balance		(3,377)		(3,197)
Foreign exchange translation adjustment		213		(276)
Pension and other postretirement benefit adjustments		(22)		(20)
Changes in fair value of available for sale investments		(3)		—
Changes in fair value of cash flow hedges		5		140
Ending balance		(3,184)		(3,353)
Noncontrolling interest				
Beginning balance		241		212
Acquisitions, divestitures, and other		—		(6)
Net income attributable to noncontrolling interest		21		25
Foreign exchange translation adjustment		1		(7)
Dividends paid		(1)		(3)
Contributions from noncontrolling interest holders		4		—
Ending balance		266		221
Total shareowners' equity	694.6	18,252	701.8	17,865
Cash dividends per share of common stock		\$ 0.930		\$ 0.900

The Notes to Consolidated Financial Statements are an integral part of this statement.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 1. BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited Consolidated Financial Statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of Honeywell International Inc. and its consolidated subsidiaries (Honeywell or the Company) at March 31, 2021 and December 31, 2020, the cash flows for the three months ended March 31, 2021 and March 31, 2020, the results of operations for the three months ended March 31, 2021 and March 31, 2020 and the shareowners' equity for the three months ended March 31, 2021 and March 31, 2020. The results of operations for the three months ended March 31, 2021 and cash flows for the three months ended March 31, 2021 should not necessarily be taken as indicative of the entire year.

Honeywell reports its quarterly financial information using a calendar convention; the first, second and third quarters are consistently reported as ending on March 31, June 30 and September 30. It has been Honeywell's practice to establish actual quarterly closing dates using a predetermined fiscal calendar, which requires Honeywell's businesses to close their books on a Saturday in order to minimize the potentially disruptive effects of quarterly closing on our business processes. The effects of this practice are generally not significant to reported results for any quarter and only exist within a reporting year. In the event that differences in actual closing dates are material to year-over-year comparisons of quarterly or year-to-date results, Honeywell will provide appropriate disclosures. Honeywell's actual closing dates for the three months ended March 31, 2021 and March 31, 2020 were April 3, 2021 and March 28, 2020. We estimate that our sales in the first quarter of 2021 compared to the first quarter of 2020 include an approximate 3 percent benefit from additional reporting days in the current year period resulting from our normal quarterly closing procedures.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are set forth in Note 1 to the Company's Consolidated Financial Statements contained in the Company's 2020 Annual Report on Form 10-K. The Company includes herein certain updates to those policies.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

RECENT ACCOUNTING PRONOUNCEMENTS

The Company considers the applicability and impact of all Accounting Standards Updates (ASUs) issued by the Financial Accounting Standards Board (FASB). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our Consolidated Financial Statements.

In December 2019, the FASB issued an ASU to simplify the accounting for income taxes. The standard's amendments include changes in various subtopics of accounting for income taxes including, but not limited to, accounting for "hybrid" tax regimes, tax basis step-up in goodwill obtained in a transaction that is not a business combination, intraperiod tax allocation exception to incremental approach, ownership changes in investments, interim-period accounting for enacted changes in tax law, and year-to-date loss limitation in interim-period tax accounting. Effective January 1, 2021, the Company adopted this standard. The adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements.

In March 2020, the FASB issued guidance that provides optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by the transition away from reference rates expected to be discontinued to alternative reference rates. The guidance was effective upon issuance and may be applied prospectively to contract modifications made and hedging relationships entered into on or before December 31, 2022. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements. The Company does not expect the adoption of this standard to have a material impact on the Company's Consolidated Financial Statements.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 3. ACQUISITIONS AND DIVESTITURES

On February 12, 2021, the Company acquired 100% of the shares outstanding of Sparta Systems, a leading provider of enterprise quality management software for the life sciences industry, for \$1,303 million. Sparta Systems is expected to further strengthen the Company's leadership in industrial automation, digital transformation solutions, and enterprise performance management software. The business is included within the Performance Materials and Technologies segment. The assets and liabilities acquired with Sparta Systems are included in the Consolidated Balance Sheet as of March 31, 2021, including \$371 million of intangible assets and \$1,036 million allocated to goodwill, which is non-deductible for tax purposes. The purchase accounting is subject to final adjustment, primarily for the valuation of intangible assets, amounts allocated to goodwill, tax balances, and certain pre-acquisition contingencies.

On March 15, 2021, the Company completed the sale of its retail footwear business in exchange for gross cash consideration of \$230 million. The Company recognized a pre-tax gain of \$90 million, which was recorded in Other (income) expense. The retail footwear business was previously included in the Safety and Productivity Solutions segment.

Please refer to Note 2 Acquisitions and Divestitures of Notes to Consolidated Financial Statements in our 2020 Annual Report on Form 10-K for additional information regarding prior year.

NOTE 4. REVENUE RECOGNITION AND CONTRACTS WITH CUSTOMERS

Honeywell generates revenue from a comprehensive offering of products and services, including software and technologies, that are sold to a variety of customers in multiple end markets. See the following table and related discussions by operating segment for details.

	Three Months Ended March 31,	
	2021	2020
Aerospace		
Commercial Aviation Original Equipment	\$ 431	\$ 675
Commercial Aviation Aftermarket	910	1,385
Defense and Space	1,291	1,301
	<u>2,632</u>	<u>3,361</u>
Honeywell Building Technologies		
Products	798	741
Building Solutions	560	540
	<u>1,358</u>	<u>1,281</u>
Performance Materials and Technologies		
UOP	527	594
Process Solutions	1,096	1,151
Advanced Materials	723	652
	<u>2,346</u>	<u>2,397</u>
Safety and Productivity Solutions		
Safety and Retail	743	502
Productivity Solutions and Services	343	287
Warehouse and Workflow Solutions	844	458
Advanced Sensing Technologies (formerly Sensing & Internet-of-Things)	188	177
	<u>2,118</u>	<u>1,424</u>
Net sales	<u>\$ 8,454</u>	<u>\$ 8,463</u>

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(Unaudited)
(Dollars in tables in millions, except per share amounts)

Aerospace – A global supplier of products, software and services for aircrafts that it sells to original equipment manufacturers (OEM) and other customers in a variety of end markets including: air transport, regional, business and general aviation aircraft, airlines, aircraft operators and defense and space contractors. Aerospace products and services include auxiliary power units, propulsion engines, environmental control systems, integrated avionics, wireless connectivity services, electric power systems, engine controls, flight safety, communications, navigation hardware, data and software applications, radar and surveillance systems, aircraft lighting, management and technical services, advanced systems and instruments, satellite and space components, aircraft wheels and brakes, repair and overhaul services and thermal systems. Aerospace also provides spare parts, repair, overhaul and maintenance services (principally to aircraft operators) for the aftermarket. Honeywell Forge solutions are leveraged by our customers as tools to turn data into predictive maintenance and predictive analytics to enable better fleet management and make flight operations more efficient.

Honeywell Building Technologies – A global provider of products, software, solutions and technologies that enable building owners and occupants to ensure their facilities are safe, energy efficient, sustainable and productive. Honeywell Building Technologies products and services include advanced software applications for building control and optimization; sensors, switches, control systems and instruments for energy management; access control; video surveillance; fire products; remote patient monitoring systems; and installation, maintenance and upgrades of systems. Honeywell Forge solutions enable our customers to digitally manage buildings, connecting data from different assets to enable smart maintenance, improve building performance and protect from incoming security threats.

Performance Materials and Technologies – A global provider in developing and manufacturing high-quality performance chemicals and materials, process technologies and automation solutions. The segment is comprised of Process Solutions, UOP and Advanced Materials. Process Solutions provides automation control, instrumentation, advanced software and related services for the oil and gas, refining, pulp and paper, industrial power generation, chemicals and petrochemicals, biofuels, life sciences, and metals, minerals and mining industries. Through its smart energy products, Process Solutions enables utilities and distribution companies to deploy advanced capabilities to improve operations, reliability and environmental sustainability. UOP provides process technology, products, including catalysts and adsorbents, equipment, and consulting services that enable customers to efficiently produce gasoline, diesel, jet fuel, petrochemicals and renewable fuels for the petroleum refining, gas processing, petrochemical, and other industries. Advanced Materials manufactures a wide variety of high-performance products, including materials used to manufacture end products such as bullet-resistant armor, nylon, computer chips and pharmaceutical packaging, and provides reduced and low global-warming-potential materials based on hydrofluoro-olefin technology. In the industrial environment, Honeywell Forge solutions enable integration and connectivity to provide a holistic view of operations and turn data into clear actions to maximize productivity and efficiency. Honeywell Forge's cybersecurity capabilities help identify risks and act on cyber-related incidents, together enabling improved operations and protecting processes, people and assets.

Safety and Productivity Solutions – A global provider of products and software that improve productivity, workplace safety and asset performance to customers around the globe. Safety products include personal protective equipment (PPE), apparel, gear, and footwear designed for work, play and outdoor activities; gas detection technology; and cloud-based notification and emergency messaging. Productivity Solutions products and services include mobile devices and software for computing, data collection and thermal printing; supply chain and warehouse automation equipment, software and solutions; custom-engineered sensors, switches and controls for sensing and productivity solutions; and software-based data and asset management productivity solutions. Honeywell Forge solutions digitally automate processes to improve efficiency while reducing downtime and safety costs.

For a summary by disaggregated product and services sales for each segment, refer to Note 18 Segment Financial Data.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

The Company recognizes revenue from performance obligations to customers that are satisfied at a point in time and over time. The disaggregation of the Company's revenue based off timing of recognition is as follows:

	Three Months Ended March 31,	
	2021	2020
Products, transferred point in time	58 %	61 %
Products, transferred over time	18	14
Net product sales	76	75
Services, transferred point in time	7	9
Services, transferred over time	17	16
Net service sales	24	25
Net sales	100 %	100 %

CONTRACT BALANCES

The Company records progress on satisfying performance obligations to customers, and the related billings and cash collections, on the Consolidated Balance Sheet in Accounts receivable - net and Other assets (unbilled receivables (contract assets) and billed receivables) and Accrued liabilities and Other liabilities (customer advances and deposits (contract liabilities)). Unbilled receivables (contract assets) arise when the timing of cash collected from customers differs from the timing of revenue recognition, such as when contract provisions require specific milestones to be met before a customer can be billed. Unbilled receivable balance increases when the revenue associated with the contract is recognized prior to billing and decreases when billed in accordance with the terms of the contract. Contract liabilities increase when customers remit contractual cash payments in advance of the Company satisfying performance obligations under contractual arrangements, including those with performance obligations to be satisfied over a period of time. Contract liabilities decrease when revenue is recorded, either when a milestone is met triggering the contractual right to bill or when the performance obligation is satisfied.

Contract balances are classified as assets or liabilities on a contract-by-contract basis at the end of each reporting period.

The following table summarizes the Company's contract assets and liabilities balances:

	2021		2020	
	\$		\$	
Contract assets - January 1	1,618		1,602	
Contract assets - March 31	1,789		1,699	
Change in contract assets - increase (decrease)	171		97	
Contract liabilities - January 1	(4,033)		(3,501)	
Contract liabilities - March 31	(3,994)		(3,506)	
Change in contract liabilities - decrease (increase)	39		(5)	
Net change	210		92	

The net change for the three months ended March 31, 2021 and 2020 was primarily driven by the recognition of revenue as performance obligations were satisfied prior to billing exceeding receipt of advance payments from customers.

For the three months ended March 31, 2021 and 2020, the Company recognized revenue of \$1,120 million and \$888 million that was previously included in the beginning balance of contract liabilities.

When contracts are modified to account for changes in contract specifications and requirements, the Company considers whether the modification either creates new or changes the existing enforceable rights and obligations. Contract modifications that are for goods or services that are not distinct from the existing contract, due to the significant integration with the original good or service provided, are accounted for as if they were part of that

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

existing contract. The effect of a contract modification on the transaction price, and the Company's measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. When the modifications include additional performance obligations that are distinct and at relative stand-alone selling price, they are accounted for as a new contract and performance obligation, which are recognized prospectively.

PERFORMANCE OBLIGATIONS

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is defined as the unit of account. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. When the Company's contracts with customers require highly complex integration or manufacturing services that are not separately identifiable from other promises in the contracts and, therefore, not distinct, then the entire contract is accounted for as a single performance obligation. In situations when the Company's contract includes distinct goods or services that are substantially the same and have the same pattern of transfer to the customer over time, they are recognized as a series of distinct goods or services. For any contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the estimated relative standalone selling price of each distinct good or service in the contract. For product sales, each product sold to a customer typically represents a distinct performance obligation. In such cases, the observable standalone sales are used to determine the standalone selling price.

Performance obligations are satisfied as of a point in time or over time. Performance obligations are supported by contracts with customers, providing a framework for the nature of the distinct goods, services or bundle of goods and services. The timing of satisfying the performance obligation is typically indicated by the terms of the contract.

The following table outlines the Company's remaining performance obligations disaggregated by segment:

	<u>March 31, 2021</u>
Aerospace	\$ 9,055
Honeywell Building Technologies	6,564
Performance Materials and Technologies	7,076
Safety and Productivity Solutions	4,044
	<u>\$ 26,739</u>

Performance obligations recognized as of March 31, 2021 will be satisfied over the course of future periods. The Company's disclosure of the timing for satisfying the performance obligation is based on the requirements of contracts with customers. However, from time to time, these contracts may be subject to modifications, impacting the timing of satisfying the performance obligations. Performance obligations expected to be satisfied within one year and greater than one year are 55% and 45%, respectively.

The timing of satisfaction of the Company's performance obligations does not significantly vary from the typical timing of payment. Typical payment terms of the Company's fixed-price over time contracts include progress payments based on specified events or milestones, or based on project progress. For some contracts we may be entitled to receive an advance payment.

The Company applied the practical expedient for certain revenue streams to exclude the value of remaining performance obligations for (i) contracts with an original expected term of one year or less or (ii) contracts for which we recognize revenue in proportion to the amount we have the right to invoice for services performed.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 5. REPOSITIONING AND OTHER CHARGES

A summary of repositioning and other charges follows:

	Three Months Ended March 31,	
	2021	2020
Severance	\$ 28	\$ 66
Asset impairments	42	2
Exit costs	49	15
Reserve adjustments	1	(13)
Total net repositioning charge	120	70
Asbestos related litigation charges, net of insurance and reimbursements	21	11
Probable and reasonably estimable environmental liabilities, net of reimbursements	5	8
Other	(5)	(27)
Total net repositioning and other charges	\$ 141	\$ 62

The following table summarizes the pretax distribution of total net repositioning and other charges by classification:

	Three Months Ended March 31,	
	2021	2020
Cost of products and services sold	\$ 98	\$ 20
Selling, general and administrative expenses	43	42
	\$ 141	\$ 62

The following table summarizes the pretax impact of total net repositioning and other charges by segment:

	Three Months Ended March 31,	
	2021	2020
Aerospace	\$ 48	\$ 11
Honeywell Building Technologies	5	25
Performance Materials and Technologies	5	21
Safety and Productivity Solutions	37	6
Corporate	46	(1)
	\$ 141	\$ 62

In the three months ended March 31, 2021, we recognized gross repositioning charges totaling \$119 million including severance costs of \$28 million related to workforce reductions of 1,021 manufacturing and administrative positions mainly in our Aerospace and Safety and Productivity Solutions segments. The workforce reductions were primarily related to site transitions, mainly in Aerospace, to more cost-effective locations and to our productivity and ongoing functional transformation initiatives. The repositioning charge included asset impairments of \$42 million primarily related to the write-down of certain manufacturing and other equipment due to their planned disposition. The repositioning charge included exit costs of \$49 million primarily for closure obligations associated with site transitions, lease exit obligations for certain equipment in Corporate and current period exit costs incurred for previously approved repositioning projects.

In the three months ended March 31, 2020, we recognized gross repositioning charges totaling \$83 million including severance costs of \$66 million related to workforce reductions of 2,124 manufacturing and administrative positions across our segments. The workforce reductions were primarily related to our productivity and ongoing functional transformation initiatives.

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The following table summarizes the status of the Company's total repositioning reserves:

	Severance Costs	Asset Impairments	Exit Costs	Total
Balance at December 31, 2020	\$ 527	\$ —	\$ 74	\$ 601
Charges	28	42	49	119
Usage - cash	(84)	—	(21)	(105)
Usage - noncash	—	(42)	—	(42)
Foreign currency translation	(3)	—	(2)	(5)
Adjustments	1	—	—	1
Balance at March 31, 2021	\$ 469	\$ —	\$ 100	\$ 569

Certain repositioning projects will recognize exit costs in future periods when the actual liability is incurred. Such exit costs incurred in the three months ended March 31, 2021 and 2020 were \$10 million and \$11 million, respectively.

NOTE 6. INCOME TAXES

The effective tax rate increased for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 primarily from tax benefits realized in the prior year as a result of tax law changes in India and the resolution of certain U.S. tax matters. Other changes to the tax rate include tax benefits for employee share-based compensation and the resolution of certain foreign tax matters in the current year.

The effective tax rate for the three months ended March 31, 2021 was higher than the U.S. federal statutory rate of 21% primarily due to incremental tax reserves and states taxes, partially offset by tax benefits for employee share based compensation and the resolution of certain foreign tax matters.

NOTE 7. ACCOUNTS RECEIVABLE - NET

	March 31, 2021	December 31, 2020
Trade	\$ 6,874	\$ 7,029
Less - Allowance for doubtful accounts	(199)	(202)
	\$ 6,675	\$ 6,827

Trade receivables include \$1,750 million and \$1,589 million of unbilled balances under long-term contracts as of March 31, 2021 and December 31, 2020. These amounts are billed in accordance with the terms of the customer contracts to which they relate.

NOTE 8. INVENTORIES

	March 31, 2021	December 31, 2020
Raw materials	\$ 1,152	\$ 1,079
Work in process	811	798
Finished products	2,644	2,612
	\$ 4,607	\$ 4,489

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NOTE 9. LONG-TERM DEBT AND CREDIT AGREEMENTS

	March 31, 2021	December 31, 2020
4.25% notes due 2021	\$ —	\$ 800
1.85% notes due 2021	1,500	1,500
0.483% notes due 2022	2,500	2,500
2.15% notes due 2022	600	600
Floating rate notes due 2022	1,100	1,100
1.30% Euro notes due 2023	1,471	1,534
3.35% notes due 2023	300	300
0.00% Euro notes due 2024	589	614
2.30% notes due 2024	750	750
1.35% notes due 2025	1,250	1,250
2.50% notes due 2026	1,500	1,500
2.25% Euro notes due 2028	883	920
2.70% notes due 2029	750	750
1.95% notes due 2030	1,000	1,000
0.75% Euro notes due 2032	589	614
5.70% notes due 2036	441	441
5.70% notes due 2037	462	462
5.375% notes due 2041	417	417
3.812% notes due 2047	445	445
2.80% notes due 2050	750	750
Industrial development bond obligations, floating rate maturing at various dates through 2037	22	22
6.625% debentures due 2028	201	201
9.065% debentures due 2033	51	51
Other (including capitalized leases and debt issuance costs), 8.2% weighted average interest rate maturing at various dates through 2025	188	266
	17,759	18,787
Less-current portion	(1,635)	(2,445)
	\$ 16,124	\$ 16,342

On August 19, 2020, the Company issued \$2.5 billion 0.483% Senior Notes due 2022 and \$500 million Floating Rate Senior Notes due 2022 (collectively, the 2022 Callable Notes). The \$500 million Floating Rate Senior Notes due 2022 were issued at a variable interest rate equal to the three-month LIBOR plus the applicable margin of 0.23%. The Company may redeem the 2022 fixed rate notes at any time, in whole or in part, at the Company's option. The Company may redeem the 2022 floating rate notes at any time, in whole or in part, on or after August 19, 2021. The offering provided gross proceeds of \$3.0 billion, offset by \$10 million in discount and closing costs related to the offering. The Company used the proceeds of the offering to repay \$3.0 billion of borrowings under the Term Loan Agreement (defined below).

On May 18, 2020, the Company issued \$1.25 billion 1.35% Senior Notes due 2025, \$1.0 billion 1.95% Senior Notes due 2030, and \$750 million 2.80% Senior Notes due 2050 (collectively, the 2020 Notes) to replace and, accordingly, permanently reduce \$3.0 billion of undrawn commitments under the Term Loan Agreement, referenced below. The Company may redeem the 2020 Notes at any time, in whole or in part, at the Company's option. The offering provided gross proceeds of \$3.0 billion, offset by \$27 million in discount and closing costs related to the offering.

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On March 10, 2020, the Company issued €500 million 0.00% Senior Notes due 2024 and €500 million 0.75% Senior Notes due 2032 (collectively, the 2020 Euro Notes). The offering provided gross proceeds of \$1.1 billion, offset by \$9 million in discount and closing costs related to the offering.

The 2022 Callable Notes, 2020 Notes, and 2020 Euro Notes are senior unsecured and unsubordinated obligations of the Company and rank equally with each other and with all of the Company's existing and future senior unsecured debt and senior to all of the Company's subordinated debt.

On March 1, 2021, the Company paid its 4.25% notes due 2021.

On February 21, 2020, the Company paid its 0.65% Euro notes due 2020.

On March 31, 2021, the Company entered into a \$4.0 billion Amended and Restated Five Year Credit Agreement (the 5-Year Credit Agreement) with a syndicate of banks. The 5-Year Credit Agreement is maintained for general corporate purposes. Commitments under the 5-Year Credit Agreement can be increased pursuant to the terms of the 5-Year Credit Agreement to an aggregate amount not to exceed \$4.5 billion. The 5-Year Credit Agreement amended and restated the previously reported \$4.0 billion amended and restated five year credit agreement dated as of April 26, 2019 (the Prior 5-Year Agreement).

On March 31, 2021, the Company entered into a \$1.5 billion 364-Day Credit Agreement (the 364-Day Credit Agreement) with a syndicate of banks. Amounts borrowed under the 364-Day Credit Agreement are required to be repaid no later than March 30, 2022, unless (i) Honeywell elects to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 30, 2023, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 364-Day Credit Agreement is maintained for general corporate purposes and replaces the previously reported \$1.5 billion 364-day credit agreement dated as of April 10, 2020 (the Prior 364-Day Agreement), which was terminated in accordance with its terms effective March 31, 2021.

On March 26, 2020, the Company entered into a Delayed Draw Term Loan Agreement (the Term Loan Agreement) with a syndicate of banks. The Term Loan Agreement provided for a two-year, delayed draw term loan facility in the aggregate principal amount of \$6.0 billion. Effective May 22, 2020, the Company permanently reduced the undrawn commitments under the Term Loan Agreement by an aggregate amount of \$3.0 billion. On June 24, 2020, the Company drew on the remaining \$3.0 billion of commitments under the Term Loan Agreement at a variable interest rate equal to the one-month LIBOR plus the applicable margin of 1.25%. The draw provided gross proceeds of \$3.0 billion, offset by \$7 million in closing costs related to the borrowing. On August 20, 2020 the Company prepaid the outstanding principal amount of \$3.0 billion, using the proceeds from the offering of the 2022 Callable Notes. As of August 21, 2020, there were no borrowings outstanding or commitments remaining under the Term Loan Agreement.

As of March 31, 2021, there were no outstanding borrowings under the 5-Year Credit Agreement or the 364-Day Credit Agreement.

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NOTE 10. LEASES

The Company's operating and finance lease portfolio is described in Note 11 Leases of Notes to Consolidated Financial Statements in our 2020 Annual Report on Form 10-K. Supplemental cash flow information related to leases was as follows:

	Three Months Ended March 31,	
	2021	2020
Net right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 33	\$ 68
Finance leases	3	3

Supplemental balance sheet information related to leases was as follows:

	March 31, 2021		December 31, 2020	
	\$		\$	
Operating leases				
Other assets	\$	774	\$	773
Accrued liabilities		187		187
Other liabilities		640		641
Total operating lease liabilities	\$	827	\$	828
Finance leases				
Property, plant and equipment	\$	351	\$	357
Accumulated depreciation		(185)		(180)
Property, plant and equipment - net	\$	166	\$	177
Current maturities of long-term debt		59		60
Long-term debt		114		124
Total finance lease liabilities	\$	173	\$	184

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NOTE 11. DERIVATIVE INSTRUMENTS AND HEDGING TRANSACTIONS

Our credit, market, foreign currency and interest rate risk management policies are described in Note 12 Derivative Instruments and Hedging Transactions of Notes to Consolidated Financial Statements in our 2020 Annual Report on Form 10-K. All derivative assets are presented in Other current assets or Other assets. All derivative liabilities are presented in Accrued liabilities or Other liabilities.

The following table summarizes the notional amounts and fair values of the Company's outstanding derivatives by risk category and instrument type within the Consolidated Balance Sheet as of March 31, 2021 and December 31, 2020:

	Notional		Fair Value Asset		Fair Value (Liability)	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Derivatives in Fair Value Hedging Relationships:						
Interest rate swap agreements	\$ 3,150	\$ 3,950	\$ 100	\$ 194	\$ —	\$ —
Derivatives in Cash Flow Hedging Relationships:						
Foreign currency exchange contracts	422	488	15	65	—	(58)
Derivatives in Net Investment Hedging Relationships:						
Foreign currency exchange contracts	792	806	49	45	(3)	(1)
Cross currency swap agreements	1,200	1,200	—	—	(5)	(50)
Total Derivatives Designated as Hedging Instruments	5,564	6,444	164	304	(8)	(109)
Derivatives Not Designated as Hedging Instruments:						
Foreign currency exchange contracts	13,403	14,829	161	92	(163)	(91)
Total Derivatives at Fair Value	\$ 18,967	\$ 21,273	\$ 325	\$ 396	\$ (171)	\$ (200)

In addition to the derivative instruments listed above, certain of the Company's foreign currency denominated debt instruments are designated as net investment hedges. The carrying value of those debt instruments designated as net investment hedges, which includes the adjustment for the foreign currency transaction gain or loss on those instruments, was \$4,235 million and \$4,414 million as of March 31, 2021 and December 31, 2020.

The following table sets forth the amounts recorded on the Consolidated Balance Sheet related to cumulative basis adjustments for fair value hedges:

Line in the Consolidated Balance Sheet of Hedged Item	Carrying Amount of the Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Item	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Long-term debt	\$ 3,250	\$ 4,144	\$ 100	\$ 194

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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The following tables summarize the location and impact to the Consolidated Statement of Operations related to derivative instruments:

	Three Months Ended March 31, 2021									
	Revenue	8,454	Cost of Products and Services Sold	5,709	SG&A	1,236	Other (Income) Expense	(442)	Interest and Other Financial Charges	90
Gain or (loss) on cash flow hedges:										
Foreign Currency Exchange Contracts:										
Amount reclassified from accumulated other comprehensive income into income		1		1		2		—		—
Amount excluded from effectiveness testing recognized in earnings using an amortization approach		—		—		—		—		—
Gain or (loss) on fair value hedges:										
Interest Rate Swap Agreements:										
Hedged items		—		—		—		—		94
Derivatives designated as hedges		—		—		—		—		(94)
Gain or (loss) on net investment hedges:										
Foreign Currency Exchange Contracts:										
Amount excluded from effectiveness testing recognized in earnings using an amortization approach		—		—		—		—		4
Gain or (loss) on derivatives not designated as hedging instruments:										
Foreign currency exchange contracts		—		—		—		60		—

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Three Months Ended March 31, 2020						
	Revenue	Cost of Products and Services Sold	SG&A	Other (Income) Expense	Interest and Other Financial Charges	
	\$ 8,463	\$ 5,534	\$ 1,238	\$ (317)		73
Gain or (loss) on cash flow hedges:						
Foreign Currency Exchange Contracts:						
Amount reclassified from accumulated other comprehensive income into income	—	27	—	40		—
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	4	—	8		—
Gain or (loss) on fair value hedges:						
Interest Rate Swap Agreements:						
Hedged items	—	—	—	—		(205)
Derivatives designated as hedges	—	—	—	—		205
Gain or (loss) on net investment hedges:						
Foreign Currency Exchange Contracts:						
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	—	—	—		5
Gain or (loss) on derivatives not designated as hedging instruments:						
Foreign currency exchange contracts	—	—	—	284		—

The following table summarizes the amounts of gain or (loss) on net investment hedges recognized in Accumulated other comprehensive income (loss):

	Three Months Ended March 31,			
	2021	2021	2020	2020
Derivatives Net Investment Hedging Relationships				
Euro-denominated long-term debt	\$	150	\$	124
Euro-denominated commercial paper		30		70
Cross currency swap		44		(26)
Foreign currency exchange contracts		(2)		84

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NOTE 12. FAIR VALUE MEASUREMENTS

The accounting guidance for fair value measurements and disclosures establishes a three-level fair value hierarchy.

- Level 1 - Inputs are based on quoted prices in active markets for identical assets and liabilities.
- Level 2 - Inputs are based on observable inputs other than quoted prices in active markets for identical or similar assets and liabilities.
- Level 3 - One or more inputs are unobservable and significant.

Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following table sets forth the Company's financial assets and liabilities accounted for at fair value on a recurring basis:

	March 31, 2021		December 31, 2020	
Assets:				
Foreign currency exchange contracts	\$	225	\$	202
Available for sale investments		1,122		1,118
Interest rate swap agreements		100		194
Liabilities:				
Foreign currency exchange contracts	\$	166	\$	150
Cross currency swap agreements		5		50

The foreign currency exchange contracts, interest rate swap agreements, and cross currency swap agreements are valued using broker quotations, or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are classified within level 2. The Company also holds investments in commercial paper, certificates of deposits, and time deposits that are designated as available for sale and are valued using published prices based off observable market data. As such, these investments are classified within level 2. The Company also holds available for sale investments in U.S. government and corporate debt securities valued utilizing published prices based on quoted market pricing, which are classified within level 1.

The carrying value of cash and cash equivalents, trade accounts and notes receivables, payables, commercial paper, and short-term borrowings approximates fair value.

The following table sets forth the Company's financial assets and liabilities that were not carried at fair value:

	March 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Long-term receivables	\$	161	\$	155
			\$	137
			\$	132
Liabilities				
Long-term debt and related current maturities	\$	17,759	\$	18,861
			\$	18,787
			\$	20,176

The Company determined the fair value of the long-term receivables by utilizing transactions in the listed markets for identical or similar assets. As such, the fair value of these receivables is considered level 2. The Company determined the fair value of the long-term debt and related current maturities utilizing transactions in the listed markets for identical or similar liabilities. As such, the fair value of the long-term debt and related current maturities is considered level 2.

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NOTE 13. EARNINGS PER SHARE

	Three Months Ended March 31,	
	2021	2020
Basic		
Net income attributable to Honeywell	\$ 1,427	\$ 1,581
Weighted average shares outstanding	696.2	709.6
Earnings per share of common stock - basic	\$ 2.05	\$ 2.23
	Three Months Ended March 31,	
	2021	2020
Assuming Dilution		
Net income attributable to Honeywell	\$ 1,427	\$ 1,581
Average Shares		
Weighted average shares outstanding	696.2	709.6
Dilutive securities issuable - stock plans	8.3	7.4
Total weighted average diluted shares outstanding	704.5	717.0
Earnings per share of common stock - assuming dilution	\$ 2.03	\$ 2.21

The diluted earnings per share calculations exclude the effect of stock options when the options' exercise price exceed the average market price of the common shares during the period. For the three months ended March 31, 2021 and 2020, the weighted average number of stock options excluded from the computations were 1.0 million and 4.3 million. These stock options were outstanding at the end of each of the respective periods.

As of March 31, 2021 and 2020, total shares outstanding were 694.6 million and 701.8 million and as of March 31, 2021 and 2020, total shares issued were 957.6 million.

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NOTE 14. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Benefits Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Cash Flow Hedges	Total
Balance at December 31, 2020	\$ (2,780)	\$ (601)	\$ 4	\$ —	\$ (3,377)
Other comprehensive income (loss) before reclassifications	216	—	(3)	8	221
Amounts reclassified from accumulated other comprehensive income	(3)	(22)	—	(3)	(28)
Net current period other comprehensive income (loss)	213	(22)	(3)	5	193
Balance at March 31, 2021	<u>\$ (2,567)</u>	<u>\$ (623)</u>	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ (3,184)</u>

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Benefits Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Cash Flow Hedges	Total
Balance at December 31, 2019	\$ (2,566)	\$ (675)	\$ —	\$ 44	\$ (3,197)
Other comprehensive income (loss) before reclassifications	(273)	—	—	195	(78)
Amounts reclassified from accumulated other comprehensive income	(3)	(20)	—	(55)	(78)
Net current period other comprehensive income (loss)	(276)	(20)	—	140	(156)
Balance at March 31, 2020	<u>\$ (2,842)</u>	<u>\$ (695)</u>	<u>\$ —</u>	<u>\$ 184</u>	<u>\$ (3,353)</u>

NOTE 15. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS

Our environmental matters are described in Note 20 Commitments and Contingencies of Notes to Consolidated Financial Statements in our 2020 Annual Report on Form 10-K.

The following table summarizes information concerning our recorded liabilities for environmental costs:

Balance at December 31, 2020	\$ 660
Accruals for environmental matters deemed probable and reasonably estimable	41
Environmental liability payments	(79)
Other	1
Balance at March 31, 2021	<u>\$ 623</u>

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Environmental liabilities are included in the following balance sheet accounts:

	March 31, 2021	December 31, 2020
Accrued liabilities	\$ 225	\$ 225
Other liabilities	398	435
	<u>\$ 623</u>	<u>\$ 660</u>

The Company does not currently possess sufficient information to reasonably estimate the amounts of environmental liabilities to be recorded upon future completion of studies, litigation or settlements, and neither the timing nor the amount of the ultimate costs associated with environmental matters can be determined although they could be material to our consolidated results of operations and operating cash flows in the periods recognized or paid. However, considering our past experience and existing reserves, the Company does not expect that environmental matters will have a material adverse effect on its consolidated financial position.

In conjunction with the Resideo Technologies, Inc. (Resideo) spin-off, the Company entered into an indemnification and reimbursement agreement with a Resideo subsidiary, pursuant to which Resideo's subsidiary has an ongoing obligation to make cash payments to Honeywell in amounts equal to 90% of Honeywell's annual net spending for environmental matters at certain sites as defined in the agreement. The amount payable to Honeywell in any given year is subject to a cap of \$140 million, and the obligation will continue until the earlier of December 31, 2043, or December 31 of the third consecutive year during which the annual payment obligation is less than \$25 million.

Reimbursements associated with this agreement are collected from Resideo quarterly and were \$35 million in the three months ended March 31, 2021 and offset operating cash outflows incurred by the Company. As the Company incurs costs for environmental matters deemed probable and reasonably estimable related to the sites covered by the indemnification and reimbursement agreement, a corresponding receivable from Resideo for 90% of such costs is also recorded. This receivable amount recorded in the three months ended March 31, 2021 was \$36 million. As of March 31, 2021, Other Current Assets and Other Assets included \$140 million and \$452 million, respectively, for the short-term and long-term portion of the receivable amount due from Resideo under the indemnification and reimbursement agreement.

ASBESTOS MATTERS

Honeywell is named in asbestos-related personal injury claims related to North American Refractories Company (NARCO), which was sold in 1986, and the Bendix Friction Materials (Bendix) business, which was sold in 2014.

The following tables summarize information concerning NARCO and Bendix asbestos-related balances:

ASBESTOS RELATED LIABILITIES

	Bendix	NARCO	Total
December 31, 2020	\$ 1,441	\$ 779	\$ 2,220
Accrual for update to estimated liability	10	8	18
Asbestos-related liability payments	(35)	(30)	(65)
March 31, 2021	<u>\$ 1,416</u>	<u>\$ 757</u>	<u>\$ 2,173</u>

INSURANCE RECOVERIES FOR ASBESTOS RELATED LIABILITIES

	Bendix	NARCO	Total
December 31, 2020	\$ 148	\$ 254	\$ 402
Probable insurance recoveries related to estimated liability	—	—	—
Insurance receipts for asbestos-related liabilities	(5)	(14)	(19)
Insurance receivables settlements	—	—	—
March 31, 2021	<u>\$ 143</u>	<u>\$ 240</u>	<u>\$ 383</u>

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NARCO and Bendix asbestos-related balances are included in the following balance sheet accounts:

	March 31, 2021	December 31, 2020
Other current assets	\$ 36	\$ 36
Insurance recoveries for asbestos related liabilities	347	366
	<u>\$ 383</u>	<u>\$ 402</u>
Accrued liabilities	\$ 300	\$ 300
Asbestos-related liabilities	1,873	1,920
	<u>\$ 2,173</u>	<u>\$ 2,220</u>

NARCO Products – NARCO manufactured high-grade, heat-resistant, refractory products for various industries. Honeywell's predecessor, Allied Corporation, owned NARCO from 1979 to 1986. Allied Corporation sold the NARCO business in 1986 and entered into a cross-indemnity agreement which included an obligation to indemnify the purchaser for asbestos claims. Such claims arise primarily from alleged occupational exposure to asbestos-containing refractory brick and mortar for high-temperature applications. NARCO ceased manufacturing these products in 1980 and ultimately filed for bankruptcy in January 2002, at which point in time all then current and future NARCO asbestos claims were stayed against both NARCO and Honeywell pending the reorganization of NARCO. The Company established its initial liability for NARCO asbestos claims in 2002.

NARCO emerged from bankruptcy in April 2013, at which time a federally authorized 524(g) trust was established to evaluate and resolve all existing NARCO asbestos claims (the Trust). Both Honeywell and NARCO are protected by a permanent channeling injunction barring all present and future individual actions in state or federal courts and requiring all asbestos-related claims based on exposure to NARCO asbestos-containing products to be made against the Trust. The NARCO Trust Agreement (TA) and the NARCO Trust Distribution Procedures (TDP) are the principal documents setting forth the structure of the Trust, establishing Honeywell's evergreen funding obligations and the material operating rules for the Trust.

Per the TA, the Trust is eligible to receive cash dividends from Harbison-Walker International Inc. (HWI), the reorganized and renamed entity that emerged, fully operational, from the NARCO bankruptcy. The cash dividends are required to be used to pay claims which qualify for payment under the TDP (Annual Contribution Claims) until those funds are exhausted, at which point Honeywell's funding obligation, subject to an annual cap of \$145 million, is triggered. The Company is also required to fund amounts owed pursuant to settlement agreements reached during the pendency of the NARCO bankruptcy proceedings that provide for the right to submit claims to the Trust subject to qualification under the terms of the settlement agreements and TDP (Pre-Established Unliquidated Claims), as well as fund the annual operating costs of the Trust. There is no annual funding cap relative to Pre-Established Unliquidated Claims. Dividends from HWI were exhausted during the fourth quarter of 2019 and there have been no further dividends from HWI to date.

The operating rules per the TDP include Honeywell's audit rights and the criteria claimants must meet for a claim to be considered valid and paid, which include adequate medical evidence of the claimant's asbestos-related condition and credible evidence of exposure to a specific NARCO asbestos-containing product. Once operational in 2014, the Trust began to receive, process and pay claims, at which point the Company began to assert its audit rights to review and monitor the claims processor's adherence to the established requirements of the TDP. While doing so, the Company identified several issues with the way the Trust was adhering to the TDP and the Company continues to identify and dispute these matters as further claims are processed. Although the Company is attempting to resolve instances where it believes the Trust is not processing claims in accordance with the established TDP, the Company reserves the right to seek judicial intervention should it fail to resolve the disputed issues.

Due to the bankruptcy filing in 2002, claimants were not permitted to file additional claims until the Trust became operative in 2014. As a consequence, there was a large backlog of claims that were filed with the Trust upon becoming operative through December 31, 2017, the date by which these claims had to be filed or else be barred by the statute of limitations (subject to tolling exceptions in the TDP). Therefore, the claims filing rate did not start to normalize until 2018 and thereafter. As a result, between 2002 and 2018, the Company lacked a history of sufficiently reliable claims data to derive a reasonable estimate and the Company continued to update its original NARCO asbestos liability, as appropriate, using all available information.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

With three years of sufficiently reliable claims data, the Company updated its estimate of the NARCO asbestos liability utilizing claims data from January 1, 2018 through December 31, 2020. The Company utilized an asbestos liability valuation specialist to support our preparation of the NARCO asbestos liability estimates. Our estimates, which involve significant management judgment, include consideration of multiple scenarios, including a scenario adjusting for the impact of the COVID-19 pandemic on the Trust's ability to process claims during 2020. The estimate for the resolution of asserted Annual Contribution Claims and Pre-Established Unliquidated Claims uses average payment values for the relevant historical period. For unasserted claims, the estimate is based on historic and anticipated claims filing experience and payment rates, disease classifications and type of claim, and average payment values by the Trust for the relevant historical period. The Company's estimate also includes all years of epidemiological disease projection through 2059.

The liability reflects an estimate for the resolution of Annual Contribution Claims and Pre-Established Unliquidated Claims filed with the Trust, as well as for unasserted Annual Contribution Claims and Pre-Established Unliquidated Claims. The NARCO asbestos liability excludes the annual operating expenses of the Trust which are expensed as they are incurred.

The Company's NARCO related insurance receivable reflects coverage which reimburses Honeywell for portions of NARCO-related claims and defense costs. This coverage is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Honeywell's NARCO related insurance receivable is an estimate of the probable amount of insurance that is recoverable for asbestos claims. Most of our insurance carriers remain solvent. However, select individual insurance carriers are now insolvent, which we have considered in our analysis of probable recoveries. Our judgments related to our insurance carriers and insurance coverages are reasonable and consistent with Honeywell's historical dealings and Honeywell's knowledge of any pertinent solvency issues surrounding insurers.

Bendix Products – Bendix manufactured automotive brake linings that contained chrysotile asbestos in an encapsulated form. Claimants consist largely of individuals who allege exposure to asbestos from brakes from either performing or being in the vicinity of individuals who performed brake replacements. The following tables present information regarding Bendix-related asbestos claims activity:

Claims Activity	Three Months Ended	Years Ended	
	March 31,	December 31,	
	2021	2020	2019
Claims unresolved at the beginning of period			6,209
Claims filed	6,242	6,480	6,209
Claims resolved	617	2,233	2,659
Claims unresolved at the end of period	(486)	(2,471)	(2,388)
	6,373	6,242	6,480
	March 31,	December 31,	
	2021	2020	2019
Disease Distribution of Unresolved Claims			
Mesothelioma and other cancer claims	3,566	3,422	3,399
Nonmalignant claims	2,807	2,820	3,081
Total claims	6,373	6,242	6,480

Honeywell has experienced average resolution values per claim excluding legal costs as follows:

	Years Ended December 31,				
	2020	2019	2018	2017	2016
	(in whole dollars)				
Malignant claims	\$ 61,500	\$ 50,200	\$ 55,300	\$ 56,000	\$ 44,000
Nonmalignant claims	\$ 550	\$ 3,900	\$ 4,700	\$ 2,800	\$ 4,485

It is not possible to predict whether resolution values for Bendix-related asbestos claims will increase, decrease or stabilize in the future.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

The Consolidated Financial Statements reflect an estimated liability for resolution of asserted (claims filed as of the financial statement date) and unasserted Bendix-related asbestos claims, which exclude the Company's ongoing legal fees to defend such asbestos claims which will continue to be expensed as they are incurred.

The Company reflects the inclusion of all years of epidemiological disease projection through 2059 when estimating the liability for unasserted Bendix-related asbestos claims. Such liability for unasserted Bendix-related asbestos claims is based on historic and anticipated claims filing experience and dismissal rates, disease classifications, and resolution values in the tort system for the previous five years. The Company has valued Bendix asserted and unasserted claims using average resolution values for the previous five years. The Company updates the resolution values used to estimate the cost of Bendix asserted and unasserted claims during the fourth quarter each year.

The Company's insurance receivable corresponding to the liability for settlement of asserted and unasserted Bendix asbestos claims reflects coverage which is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Based on our ongoing analysis of the probable insurance recovery, insurance receivables are recorded in the financial statements simultaneous with the recording of the estimated liability for the underlying asbestos claims. This determination is based on our analysis of the underlying insurance policies, our historical experience with our insurers, our ongoing review of the solvency of our insurers, judicial determinations relevant to our insurance programs, and our consideration of the impacts of any settlements reached with our insurers.

On October 31, 2018, David Kanefsky, a Honeywell shareholder, filed a putative class action complaint in the U.S. District Court for the District of New Jersey alleging violations of the Securities Exchange Act of 1934 and Rule 10b-5 related to the prior accounting for Bendix asbestos claims. An Amended Complaint was filed on December 30, 2019, and on February 7, 2020, we filed a Motion to Dismiss. On May 18, 2020, the court denied our Motion to Dismiss. We believe the claims have no merit.

GARRETT MATTER

In conjunction with the Garrett spin-off, the Company entered into a binding indemnification and reimbursement agreement (Garrett Indemnity) with a Garrett subsidiary, pursuant to which Garrett's subsidiary has an ongoing obligation to make cash payments to Honeywell in amounts equal to (i) 90% of Honeywell's asbestos-related liability payments primarily related to the Bendix business in the United States, as well as certain environmental-related liability payments and accounts payable and non-United States asbestos-related liability payments, including the legal costs of defending and resolving such liabilities, less (ii) 90% of Honeywell's net insurance receipts and, as may be applicable, certain other recoveries associated with such liabilities. The amount payable to Honeywell in respect of such liabilities arising in any given year is subject to a cap of approximately Euro 150 million (equivalent to \$175 million at the time the Garrett Indemnity was entered into). The obligation under the terms of the Garrett Indemnity continues until the earlier of December 31, 2048, or December 31 of the third consecutive year during which the annual obligation is less than the Euro equivalent, at the fixed exchange rate at the time the Garrett Indemnity was entered into, of \$25 million.

On June 12, 2020, the Company and Garrett entered into an amendment of the Garrett Indemnity in connection with Garrett's amendment of its 2018 credit agreement. These amendments provided Garrett with temporary financial covenant relief with respect to the total leverage and interest coverage ratios, for a period that could extend to as late as June 30, 2022. Garrett's payments to the Company under the Garrett Indemnity were deferred to the extent Garrett is (or to the extent such payments would cause Garrett to be) out of compliance with the original financial covenants and resume to the extent Garrett is in compliance with such original financial covenants. Any deferred amounts were to be paid to the extent Garrett was in compliance with such original financial covenants and had available capacity to make such payments pursuant to the terms of the Garrett Indemnity and its current credit agreement.

In conjunction with the spin-off, Honeywell also entered into a binding tax matters agreement with Garrett and a Garrett subsidiary (the Tax Matters Agreement). The Tax Matters Agreement generally provides that Garrett is responsible and must indemnify Honeywell for all ordinary operating taxes, including income taxes, sales taxes, value-added taxes and payroll taxes, relating to Garrett for all periods, including periods prior to the spin-off, to the extent not paid prior to the spin-off date. In addition, among other items, as a result of the mandatory transition tax imposed by the U.S. Tax Cuts and Jobs Act, Garrett is required to make payments to Honeywell in the amount representing the net tax liability of Honeywell under the mandatory transition tax attributable to Garrett.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

GARRETT LITIGATION AND BANKRUPTCY PROCEEDINGS

On December 2, 2019, Garrett and Garrett ASASCO Inc. filed a Summons with Notice and commenced a lawsuit in the Commercial Division of the Supreme Court of the State of New York, County of New York (the State Court), seeking to invalidate the Garrett Indemnity. Garrett sought damages and a declaratory judgment based on various claims set forth in the Summons with Notice. On January 15, 2020, Garrett filed its complaint in the action, which asserted the same claims, and on March 5, 2020, we filed a Motion to Dismiss. On June 12, 2020, given the challenges of operating in the COVID-19 environment, Honeywell and Garrett entered into a litigation status agreement pursuant to which (i) the parties agreed to make good faith efforts to limit near-term litigation spend on this matter, and (ii) the Company agreed to extend both the \$2 million payment owed by Garrett to the Company on May 1, 2020 under the Garrett Indemnity and the \$18 million payment owed by Garrett to the Company on April 1, 2020 under the Tax Matters Agreement until December 31, 2020 (which amounts, as previously disclosed, had been deferred to May 31, 2020). On July 17, 2020, the Company received a notice from Garrett asserting that Honeywell has caused material breaches of the Tax Matters Agreement and that the Tax Matters Agreement is unenforceable.

On September 20, 2020, Garrett and 36 of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). On September 24, 2020, Garrett moved the existing State Court litigation against Honeywell to the Bankruptcy Court. Honeywell again moved to dismiss all of Garrett's claims on October 13, 2020. On November 2, 2020, Garrett filed a motion seeking to establish procedures to estimate the value of Honeywell's claims. Honeywell objected to the motion. On November 18, 2020, the Bankruptcy Court held a hearing on the motion to establish procedures with respect to Honeywell's claims and the motion to dismiss. The Bankruptcy Court did not rule on the motion to dismiss but suggested that two weeks be set aside in February 2021 for an evidentiary hearing to establish the actual allowed amount or net amount of Honeywell's claim against Garrett. Honeywell and Garrett agreed to proceed with the estimation of Honeywell's claims but later agreed to suspend the estimation process pending the settlement and release of Honeywell's claims in connection with the confirmation of a plan of reorganization as discussed below. We continue to believe we have fully complied with our obligations under the Garrett Indemnity and the Tax Matters Agreement and that both agreements are valid and enforceable.

Garrett's operations have and are expected to continue, without interruption, throughout the bankruptcy proceedings. Garrett initially proposed to sell its business while in bankruptcy, and entered into a Share and Asset Purchase Agreement, dated as of September 20, 2020, with KPS Capital Partners, LP (the Stalking Horse Agreement) and filed proposed bidding procedures for a marketing and sale process, auction and other procedures related to the proposed sale. In October 2020, Honeywell signed a coordination agreement with Oaktree Capital Management, L.P. (Oaktree) and Centerbridge Partners, L.P. (Centerbridge), which was subsequently signed by additional equity holders that, collectively with Honeywell, Centerbridge and Oaktree, represent approximately 58% of Garrett's outstanding common stock and noteholders representing approximately 88% of the principal amount of Garrett's outstanding senior notes (the Coordination Agreement). The Coordination Agreement and related term sheet set forth the terms of a proposed plan of reorganization (the Initial COH Proposal).

In October 2020, the Bankruptcy Court approved the bidding procedures and the Stalking Horse Agreement (as amended), and Garrett conducted a marketing and auction process through January 8, 2021. On January 11, 2021, after further revisions to the Initial COH Proposal, Garrett determined that the revised proposal (the Final COH Proposal) was higher and better than all other proposals received and entered into a plan support agreement (the Plan Support Agreement), pursuant to which all parties agreed to pursue Bankruptcy Court confirmation of the Final COH Proposal. KPS Capital Partners, LP subsequently terminated the Stalking Horse Agreement with Garrett.

As set forth in the Plan Support Agreement, the Final COH Proposal, which will be implemented through Garrett's chapter 11 plan (the Plan) provides that, if the Plan is confirmed by the Bankruptcy Court (scheduled Plan confirmation hearing date is April 23, 2021), Honeywell will receive from Garrett on the effective date of the Plan an initial payment of \$375 million in cash and Series B Preferred Stock, which will provide for cash payments to Honeywell of approximately \$35 million in 2022 and \$100 million per year from 2023 to 2030 (inclusive), subject to various put and call rights set forth therein. The initial cash payment, together with the Series B Preferred Stock, would be paid/issued in full and final satisfaction of Garrett's obligations to Honeywell under the Garrett Indemnity and the Tax Matters Agreement. Upon Garrett's emergence from bankruptcy, both agreements would be terminated, Honeywell and Garrett would mutually release each other from the claims asserted in all pending legal actions, and all pending litigation with Garrett in connection with those agreements will be resolved. In light of these developments, the hearing scheduled to estimate Honeywell's claims and the adversary proceeding seeking to

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
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invalidate the Indemnity Agreement have been stayed and all related litigation suspended. If the Plan is confirmed by the Bankruptcy Court, both proceedings will be dismissed with prejudice on the effective date of the Plan.

We regularly review the aggregate carrying value of the receivable amounts due in connection with the Garrett Indemnity and the Tax Matters Agreement. Because Garrett is now a party to the Plan Support Agreement, we believe the present value of payments to Honeywell under the Plan, discounted at a rate reflective of the terms of the agreement, is an appropriate estimate of receivable amounts. As of December 31, 2020, Other Current Assets and Other Assets included \$10 million and \$949 million, respectively, for the short-term and long-term portion of the receivable amount due from the Garrett Indemnity and Tax Matters Agreement. During the three months ended March 31, 2021, there were no adjustments to the carrying value of the receivable.

There can be no assurance that the Plan will be confirmed by the Bankruptcy Court or that Garrett will be able to substantially consummate the restructuring transactions contemplated in the Plan. The ultimate outcome of the bankruptcy process is uncertain. Depending on the transaction and/or plan of reorganization ultimately approved and confirmed by the Bankruptcy Court, the amount collected could differ from the receivable amounts currently recorded in our financial statements. There can be no assurance that recording an additional adjustment (positive or negative) against the remaining receivable amounts in whole or in part (together with a related statement of operations charge) will not be necessary in a future period or periods. Honeywell will continue to participate in the Bankruptcy Court proceedings in order to appropriately assess and enforce our rights in this matter. Should the Plan not be confirmed in the form currently contemplated, Honeywell intends to vigorously defend its rights to collect amounts due under the Garrett Indemnity and Tax Matters Agreement with Garrett.

OTHER MATTERS

The Company is subject to a number of other lawsuits, investigations and disputes (some of which involve substantial amounts claimed) arising out of the conduct of our business, including matters relating to commercial transactions, government contracts, product liability, prior acquisitions and divestitures, employee benefit plans, intellectual property, and environmental, health and safety matters. We recognize a liability for any contingency that is probable of occurrence and reasonably estimable. We continually assess the likelihood of adverse judgments or outcomes in these matters, as well as potential ranges of possible losses (taking into consideration any insurance recoveries), based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts. Included in these other matters is the following:

Petrobras and Unaoil – We are cooperating with certain investigations by the U.S. Department of Justice (DOJ), the Securities and Exchange Commission (SEC) and the Brazilian authorities relating to our use of third parties who previously worked for our UOP business in Brazil in relation to Petróleo Brasileiro S.A. (Petrobras). The investigations are focused on compliance with the U.S. Foreign Corrupt Practices Act and similar Brazilian laws, and involve, among other things, document production and interviews with former and current management and employees. The DOJ and the SEC are also examining a matter involving a foreign subsidiary's prior engagement of Unaoil S.A.M. in Algeria. We are cooperating with the authorities in each of the above matters. While we cannot predict the outcome of these matters, based on the facts currently known to us, we do not anticipate that these matters will have a material adverse effect on our financial condition, results of operations, or cash flows.

Given the uncertainty inherent in litigation and investigations (including the specific matter referenced above), we do not believe it is possible to develop estimates of reasonably possible loss in excess of current accruals for these matters (other than as specifically set forth above). Considering our past experience and existing accruals, we do not expect the outcome of these matters, either individually or in the aggregate, to have a material adverse effect on our consolidated financial position. Because most contingencies are resolved over long periods of time, potential liabilities are subject to change due to new developments, changes in settlement strategy or the impact of evidentiary requirements, which could cause us to pay damage awards or settlements (or become subject to equitable remedies) that could have a material adverse effect on our consolidated results of operations or operating cash flows in the periods recognized or paid.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

NOTE 16. PENSION BENEFITS

Net periodic pension benefit costs for the Company's significant defined benefit plans include the following components:

	U.S. Plans			
	Three Months Ended March 31,			
	2021		2020	
Service cost	\$	26	\$	25
Interest cost		77		115
Expected return on plan assets		(305)		(284)
Amortization of prior service (credit)		(11)		(11)
	\$	(213)	\$	(155)

	Non-U.S. Plans			
	Three Months Ended March 31,			
	2021		2020	
Service cost	\$	7	\$	6
Interest cost		19		26
Expected return on plan assets		(87)		(84)
Amortization of prior service (credit)		—		—
	\$	(61)	\$	(52)

NOTE 17. OTHER (INCOME) EXPENSE

	Three Months Ended March 31,			
	2021		2020	
	Interest income	\$	(19)	\$
Pension ongoing income – non-service		(310)		(237)
Other postretirement income – non-service		(17)		(13)
Equity income of affiliated companies		(14)		(12)
Gain on sale of non-strategic business and assets		(90)		—
Foreign exchange		5		(12)
Other (net)		3		1
	\$	(442)	\$	(317)

NOTE 18. SEGMENT FINANCIAL DATA

Honeywell globally manages its business operations through four reportable operating segments. Segment information is consistent with how management reviews the businesses, makes investing and resource allocation decisions and assesses operating performance.

Honeywell's senior management evaluates segment performance based on segment profit. Each segment's profit is measured as segment income (loss) before taxes excluding general corporate unallocated expense, interest and other financial charges, stock compensation expense, pension and other postretirement income (expense), repositioning and other charges, and other items within Other (income) expense.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
(Dollars in tables in millions, except per share amounts)

	Three Months Ended March 31,	
	2021	2020
Net sales		
Aerospace		
Products	\$ 1,515	\$ 2,079
Services	1,117	1,282
Total	2,632	3,361
Honeywell Building Technologies		
Products	1,009	970
Services	349	311
Total	1,358	1,281
Performance Materials and Technologies		
Products	1,869	1,914
Services	477	483
Total	2,346	2,397
Safety and Productivity Solutions		
Products	2,016	1,342
Services	102	82
Total	2,118	1,424
	<u>\$ 8,454</u>	<u>\$ 8,463</u>
Segment profit		
Aerospace	\$ 762	\$ 937
Honeywell Building Technologies	305	262
Performance Materials and Technologies	434	512
Safety and Productivity Solutions	303	178
Corporate	(29)	(41)
Total segment profit	1,775	1,848
Interest and other financial charges	(90)	(73)
Stock compensation expense ^(a)	(77)	(44)
Pension ongoing income ^(b)	276	198
Other postretirement income ^(b)	17	13
Repositioning and other charges ^(c)	(141)	(62)
Other ^(d)	101	55
Income before taxes	<u>\$ 1,861</u>	<u>\$ 1,935</u>

(a) Amounts included in Selling, general and administrative expenses.

(b) Amounts included in Cost of products and services sold and Selling, general and administrative expenses (service cost component) and Other (income) expense (non-service cost component).

(c) Amounts included in Cost of products and services sold, Selling, general and administrative expenses, and Other (income) expense.

(d) Amounts include the other components of Other (income) expense not included within other categories in this reconciliation. Equity income of affiliated companies is included in segment profit.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in tables and graphs in millions)

The following Management Discussion and Analysis is intended to help the reader understand the results of operations and financial condition of Honeywell International Inc. and its consolidated subsidiaries (Honeywell or the Company) for the three months (quarter) ended March 31, 2021. The financial information as of March 31, 2021 should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2020 contained in our 2020 Annual Report on Form 10-K. See Note 1 Basis of Presentation of Notes to Financial Statements for discussion on the estimated impact from additional reporting days resulting from our normal quarterly closing procedures. See Note 3 Acquisitions and Divestitures of Notes to Consolidated Financial Statements for a discussion of acquisition and divestiture activity during the quarter ended March 31, 2021.

COVID-19 UPDATE

Our business faced significant disruptions due to the COVID-19 pandemic in 2020 and the resulting global recession, causing a slow-down in demand for many of our products and services. Although many jurisdictions worldwide authorized the emergency use of vaccines as a method to limit and control infections, as of March 31, 2021, the pandemic continues to impact our business as vaccination efforts continue to face challenges and new variants of the virus continue to emerge. When compared to the three months ended March 31, 2020, the pandemic resulted in a decline of sales for the Aerospace and Performance Materials and Technologies segments. Sales for the Safety and Productivity Solutions segment continue to benefit from significant demand for our respiratory PPE and warehouse automation services, and the Honeywell Building Technologies segment is showing early signs of improvement as our customers prepare to safely return to the office, school, and travel.

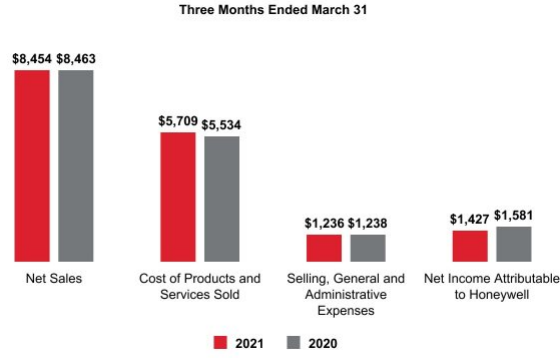
We remain cautious as many factors remain unpredictable. We actively monitor and respond to the changing conditions created by the pandemic, with focus on prioritizing the health and safety of our employees, dedicating resources to support our communities, and innovating to address our customers' needs. During the three months ended March 31, 2021, we made the following commitments to our employees and communities:

- In January 2021, Honeywell, Atrium Health, Tepper Sports & Entertainment and Charlotte Motor Speedway launched a unique public-private initiative, with support from North Carolina Governor Roy Cooper, Charlotte Mayor Vi Lyles and leaders from Mecklenburg County, to optimize mass vaccination events. The partnership has fully vaccinated more than 46,000 people.
- In February 2021, we sponsored a week-long vaccination program in the Phoenix area, supported by volunteers from our Aerospace business.
- We announced that we will continue to pay out-of-pocket prescribed coronavirus testing costs for all employees worldwide and treatment costs incurred by employees and their dependents enrolled in Honeywell medical plans through December 31, 2021. This is an extension beyond our previously communicated end date of March 31.

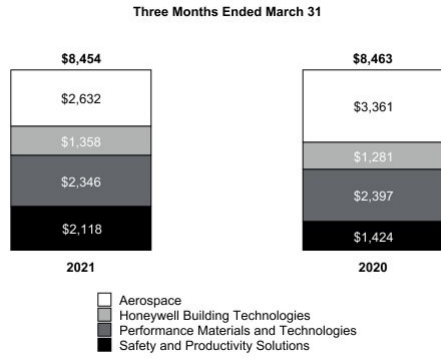
We continue to monitor COVID-19 infection rates globally and acknowledge the risk of new surges in COVID-19 infections. Please see section titled Risk Factors in our 2020 Annual Report on Form 10-K for discussion of risks associated with the COVID-19 pandemic. A discussion of the impact of COVID-19 can also be found in the Review of Business Segments section of this Management Discussion and Analysis.

RESULTS OF OPERATIONS

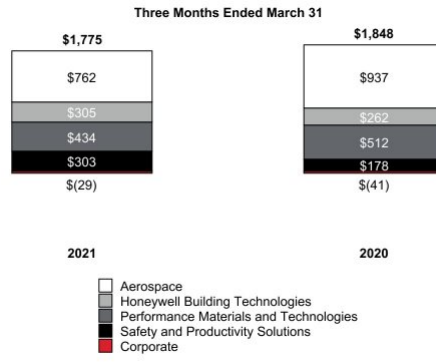
Consolidated Financial Results



Net Sales by Segment

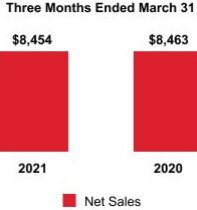


Segment Profit by Segment



CONSOLIDATED OPERATING RESULTS

Net Sales



The change in net sales was attributable to the following:

	Q1 2021 vs. Q1 2020
Volume	(4)%
Price	2 %
Foreign Currency Translation	2 %
Acquisitions/Divestitures	— %
	— %

Q1 2021 compared to Q1 2020

A discussion of net sales by segment can be found in the Review of Business Segments section of this Management Discussion and Analysis.

Net sales is largely unchanged. The overall mix of sales between our business segments changed, driven by the following:

- Lower sales volumes across our Aerospace segment due to the impact of the global recession attributable to COVID-19,
- Offset by increased demand for our respiratory PPE and warehouse automation businesses in the Safety and Productivity Solutions segment.

The favorable impact of foreign currency translation in the quarter is driven by the weakening of the U.S. Dollar against the currencies of the majority of our international markets, primarily the Euro, Chinese Renminbi, British Pound, Australian Dollar, and Canadian Dollar.

Cost of Products and Services Sold

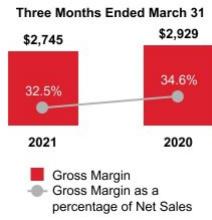


Q1 2021 compared to Q1 2020

Cost of products and services sold increased due to the following:

- Higher direct material costs of approximately \$170 million and higher repositioning and other charges of approximately \$80 million,
- Partially offset by lower labor costs of approximately \$100 million.

Gross Margin



Q1 2021 compared to Q1 2020

Gross margin and Gross margin as a percentage of net sales decreased due to the following:

- A larger portion of our sales was driven by our Safety and Productivity Solutions segment,
- Higher repositioning and other charges of approximately \$80 million, and
- Lower gross margins in our Performance Materials and Technologies segment,
- Partially offset by gross margin expansion in our Aerospace and Honeywell Building Technologies segments.

Selling, General and Administrative Expenses

Three Months Ended March 31

\$1,236 \$1,238



2021 2020

- Selling, general and administrative expenses
- Selling, general and administrative expenses as a percentage of Net Sales

Q1 2021 compared to Q1 2020

Selling, general and administrative expenses and Selling, general and administrative expenses as a percentage of net sales were largely unchanged.

- Cost savings from repositioning actions resulted in lower expenses,
- Offset by the unfavorable impact of foreign currency translation and higher share-based compensation expense.

Other (Income) Expense

	Three Months Ended March 31,	
	2021	2020
Other (income) expense	\$ (442)	\$ (317)

Q1 2021 compared to Q1 2020

Other income increased due to the following:

- Gain on sale of the retail footwear business and higher pension income,
- Partially offset by lower interest income and lower foreign exchange income.

Tax Expense



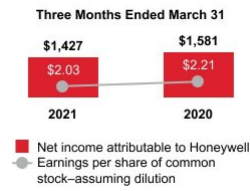
Q1 2021 compared to Q1 2020

The effective tax rate increased primarily from tax benefits realized in the prior year as a result of tax law changes in India and the resolution of certain U.S. tax matters.

The effective tax rate for the three months ended March 31, 2021 was higher than the U.S. federal statutory rate of 21% primarily due to incremental tax reserves and states taxes, partially offset by tax benefits for employee share-based compensation and the resolution of certain foreign tax matters.

The effective tax rate for the three months ended March 31, 2020 was lower than the U.S. federal statutory rate of 21% primarily from foreign earnings taxed at lower foreign tax rates, tax law changes in India and the resolution of certain U.S. tax matters, partially offset by incremental tax reserves and state taxes.

Net Income Attributable to Honeywell



Q1 2021 compared to Q1 2020

Earnings per share of common stock--assuming dilution decreased, driven by the following:

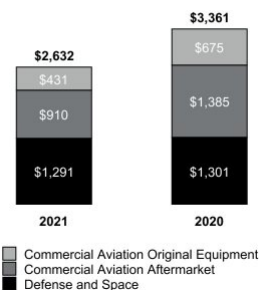
- Higher repositioning and other charges,
- Lower segment profit,
- Higher income taxes,
- Higher share-based compensation expense and lower interest income,
- Partially offset by a gain on sale of the retail footwear business and higher pension income.

REVIEW OF BUSINESS SEGMENTS

We globally manage our business operations through four segments: Aerospace, Honeywell Building Technologies, Performance Materials and Technologies, and Safety and Productivity Solutions.

AEROSPACE

NET SALES - Three Months Ended March 31



	Three Months Ended March 31,		% Change
	2021	2020	
Net sales	\$ 2,632	\$ 3,361	(22) %
Cost of products and services sold	1,656	2,199	
Selling, general and administrative and other expenses	214	225	
Segment profit	\$ 762	\$ 937	(19) %

Factors Contributing to Year-Over-Year Change	2021 vs. 2020 Three Months Ended March 31,	
	Sales	Segment Profit
Organic ⁽¹⁾	(22) %	(19) %
Foreign currency translation	— %	— %
Acquisitions, divestitures and other, net	— %	— %
Total % change	(22) %	(19) %

(1) Organic sales % change is defined as the change in net sales, excluding the impact on sales from foreign currency translation and acquisitions, net of divestitures. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Q1 2021 compared to Q1 2020

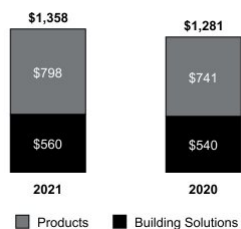
Sales decreased due to lower sales volumes as the decline in global travel and flight hours negatively impacted many of our customers, resulting in lower demand for our products from OEMs and reduced demand for our aftermarket products and services.

- Commercial Aviation Original Equipment sales decreased 36% (decreased 37% organic) in the quarter due to lower demand from air transport and regional and business aviation.
- Commercial Aviation Aftermarket sales decreased 34% (decreased 34% organic) in the quarter due to lower demand in air transport and regional and business aviation.
- Defense and Space sales decreased 1% (decreased 2% organic) in the quarter driven by lower sales volumes in international defense.

Segment profit decreased in the quarter driven by lower sales volumes partially offset by favorable pricing. Cost of products and services sold decreased in the quarter due to lower sales volumes.

HONEYWELL BUILDING TECHNOLOGIES

**NET SALES - Three Months Ended
March 31**



	Three Months Ended March 31,		
	2021	2020	% Change
Net sales	\$ 1,358	\$ 1,281	6 %
Cost of products and services sold	789	754	
Selling, general and administrative and other expenses	264	265	
Segment profit	\$ 305	\$ 262	16 %

Factors Contributing to Year-Over-Year Change	2021 vs. 2020 Three Months Ended March 31,	
	Sales	Segment Profit
Organic	2 %	12 %
Foreign currency translation	4 %	4 %
Acquisitions, divestitures and other, net	— %	— %
Total % change	6 %	16 %

Q1 2021 compared to Q1 2020

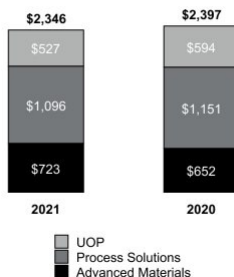
Sales increased due to the favorable impact of foreign currency translation and organic growth. Demand increased in the current quarter compared to the prior year as the global economy recovers from the recession resulting from the COVID-19 pandemic.

- Sales in Products increased 8% (increased 4% organic) due to the favorable impact of foreign currency translation, higher sales volumes and pricing.
- Sales in Building Solutions increased 4% (decreased 1% organic) due to the favorable impact of foreign currency translation, partially offset by lower sales volumes due to the timing of projects.

Segment profit increased primarily due to higher productivity, pricing and the favorable impact of foreign currency translation. Cost of products and services sold increased primarily due to the unfavorable impact of foreign currency translation, partially offset by higher productivity.

PERFORMANCE MATERIALS AND TECHNOLOGIES

**NET SALES - Three Months Ended
March 31**



	Three Months Ended March 31,		
	2021	2020	% Change
Net sales	\$ 2,346	\$ 2,397	(2)%
Cost of products and services sold	1,591	1,559	
Selling, general and administrative and other expenses	321	326	
Segment profit	\$ 434	\$ 512	(15)%

	2021 vs. 2020	
	Three Months Ended March 31,	
Factors Contributing to Year-Over-Year Change	Sales	Segment Profit
Organic	(6)%	(17)%
Foreign currency translation	3%	3%
Acquisitions, divestitures, and other, net	1%	(1)%
Total % change	(2)%	(15)%

Q1 2021 compared to Q1 2020

Sales decreased due to lower sales volumes partially offset by the favorable impact of foreign currency translation. The decline in global travel, coupled with reduced investment in the oil and gas industry, negatively impacted many of our customers resulting in lower demand for our products and services.

- UOP sales decreased 11% (decreased 14% organic) in the quarter due to lower demand for oil and gas products and services partially offset by the favorable impact of foreign currency translation.
- Process Solutions sales decreased 5% (decreased 9% organic) in the quarter driven by delays in automation projects and lower demand for products and services partially offset by the favorable impact of foreign currency translation.
- Advanced Materials sales increased 11% (increased 8% organic) in the quarter driven by increased demand in fluorine and specialty products and the favorable impact of foreign currency translation.

Segment profit decreased due to lower sales of higher margin products. Cost of products and services sold increased due to lower sales of higher margin products and services within UOP and the unfavorable impact of foreign currency translation, partially offset by a decrease in sales volumes.

SAFETY AND PRODUCTIVITY SOLUTIONS

NET SALES - Three Months Ended March 31



	Three Months Ended March 31,		
	2021	2020	% Change
Net sales	\$ 2,118	\$ 1,424	49 %
Cost of products and services sold	1,550	972	
Selling, general and administrative and other expenses	265	274	
Segment profit	\$ 303	\$ 178	70 %

	2021 vs. 2020		
	Three Months Ended March 31,		Segment Profit
Factors Contributing to Year-Over-Year Change			
Organic	Sales	47 %	67 %
Foreign currency translation		3 %	4 %
Acquisitions, divestitures, and other, net		(1)%	(1) %
Total % change		49 %	70 %

Q1 2021 compared to Q1 2020

Sales increased due to organic growth and the favorable impact of foreign currency translation, partially offset by a divestiture. The segment continues to benefit from increased demand for respiratory PPE and warehouse automation services. Demand increased across other verticals in the segment in the quarter compared to the prior year as the global economy recovers from the recession attributable to the COVID-19 pandemic.

- Sales in Safety and Retail increased 48% (increased 47% organic) in the quarter due to organic sales growth and the favorable impact of foreign currency translation, partially offset by a divestiture. Safety experienced a significant increase in sales volumes for respiratory PPE in the quarter due to the COVID-19 pandemic.
- Sales in Productivity Solutions and Services increased 19% (increased 16% organic) due to higher organic sales volumes and the favorable impact of foreign currency translation.
- Sales in Warehouse and Workflow Solutions increased 84% (increased 84% organic) due to strong demand for our warehouse automation services.
- Sales in Advanced Sensing Technologies (formerly Sensing & Internet-of-Things) increased 6% (increased 4% organic) due to higher organic sales volumes and the favorable impact of foreign currency translation.

Segment profit increased in the quarter primarily due to higher sales volumes, improved productivity, and favorable pricing, partially offset by higher sales of lower margin products. Cost of products and services sold increased in the quarter due to higher sales volumes, higher sales of lower margin products, and the unfavorable impact of foreign currency translation.

REPOSITIONING CHARGES

See Note 5 Repositioning and Other Charges of Notes to Consolidated Financial Statements for a discussion of our repositioning actions and related charges incurred in the three months ended March 31, 2021 and 2020. Cash spending related to our repositioning actions was \$105 million in the three months ended March 31, 2021 and was funded through operating cash flows.

LIQUIDITY AND CAPITAL RESOURCES

(Dollars in tables in millions)

We continue to manage our businesses to maximize operating cash flows as the primary source of liquidity. Each of our businesses is focused on increasing operating cash flows through revenue growth, margin expansion and improved working capital turnover. Additional sources of liquidity include committed credit lines, short-term debt from the commercial paper market, long-term borrowings, access to the public debt and equity markets, U.S. cash balances and the ability to access non-U.S. cash as a result of the U.S. Tax Cuts and Jobs Act.

CASH

We monitor the third-party depository institutions that hold our cash and cash equivalents on a daily basis. Our emphasis is primarily safety of principal and secondarily maximizing yield of those funds. We diversify our cash and cash equivalents among counterparties to minimize exposure to any one of these entities. As of March 31, 2021 and December 31, 2020, we held \$12.7 billion and \$15.2 billion, respectively, of cash and cash equivalents, including our short-term investments.

BORROWINGS

Consolidated total borrowings were \$21.3 billion and \$22.4 billion as of March 31, 2021 and December 31, 2020. In response to COVID-19, the Company took several actions during 2020 to secure liquidity in light of the uncertainty in economic conditions and the credit markets. See Note 9 Long-term Debt and Credit Agreements of Notes to Consolidated Financial Statements for a summary of the actions taken by the Company to improve its short-term and long-term liquidity position in response to COVID-19.

	March 31, 2021		December 31, 2020	
Commercial paper and other short-term borrowings	\$	3,568	\$	3,597
Variable rate notes		1,122		1,122
Fixed rate notes		16,449		17,399
Other		188		266
Total borrowings	\$	21,327	\$	22,384

A source of liquidity is our ability to access the commercial paper market. Commercial paper notes are sold at a discount or premium and have a maturity of not more than 365 days from date of issuance. Borrowings under the commercial paper program are available for general corporate purposes as well as for financing acquisitions.

We also have the following revolving credit agreements, which can provide financing for general corporate purposes:

- A \$1.5 billion 364-Day Credit Agreement (the 364-Day Credit Agreement) with a syndicate of banks, dated March 31, 2021. Amounts borrowed under the 364-Day Credit Agreement are required to be repaid no later than March 30, 2022, unless (i) we elect to convert all then outstanding amounts into a term loan, upon which such amounts shall be repaid in full on March 30, 2023, or (ii) the 364-Day Credit Agreement is terminated earlier pursuant to its terms. The 364-Day Credit Agreement replaces the previously reported \$1.5 billion 364-day credit agreement dated as of April 10, 2020 (the Prior 364-Day Agreement), which was terminated in accordance with its terms effective March 31, 2021. As of March 31, 2021, there were no outstanding borrowings under our 364-Day Credit Agreement.
- A \$4.0 billion Five Year Credit Agreement (the 5-Year Credit Agreement) with a syndicate of banks, dated March 31, 2021. Commitments under the 5-Year Credit Agreement can be increased pursuant to the terms of the 5-Year Credit Agreement to an aggregate amount not to exceed \$4.5 billion. The 5-Year Credit Agreement amended and restated the previously reported \$4.0 billion amended and restated five year credit agreement dated as of April 26, 2019 (the Prior 5-Year Agreement). As of March 31, 2021, there were no outstanding borrowings under our 5-Year Credit Agreement.

We also have a current shelf registration statement with the SEC under which we may issue additional debt securities, common stock and preferred stock that may be offered in one or more offerings on terms to be determined at the time of the offering. We anticipate that net proceeds of any offering would be used for general corporate purposes, including repayment of existing indebtedness, share repurchases, capital expenditures and acquisitions.

CREDIT RATINGS

Our ability to access the global debt capital markets and the related cost of these borrowings, is affected by the strength of our credit rating and market conditions. Our credit ratings are periodically reviewed by the major independent debt-rating agencies. As of March 31, 2021, S&P, Fitch, and Moody's have ratings on our debt set forth in the table below:

	S&P	Fitch	Moody's
Outlook	Stable	Stable	Stable
Short-term	A-1	F1	P1
Long-term	A	A	A2

CASH FLOW SUMMARY

Our cash flows from operating, investing and financing activities, as reflected in the Consolidated Statement of Cash Flows, are summarized as follows:

	Three Months Ended March 31,	
	2021	2020
Cash provided by (used for):		
Operating activities	\$ 978	\$ 939
Investing activities	(1,304)	350
Financing activities	(2,217)	(2,446)
Effect of exchange rate changes on cash	(14)	(189)
Net increase (decrease) in cash and cash equivalents	\$ (2,557)	\$ (1,346)

Cash provided by operating activities increased by \$39 million primarily due to a favorable impact from working capital of \$218 million (favorable accounts payable, accounts receivable, and inventories), partially offset by a decrease in net income of \$154 million.

Cash used for investing activities increased by \$1,654 million primarily due to \$1,303 million in cash paid for an acquisition, a \$319 million increase in investments and a \$147 million decrease in receipts related to settlements of derivative contracts, partially offset by \$190 million in proceeds from the sale of the retail footwear business.

Cash used for financing activities decreased by \$229 million primarily due to a decrease in share repurchases of \$1,101 million, partially offset by an increase of \$796 million due to net repayments of long-term debt during the three months ended March 31, 2021.

CASH REQUIREMENTS AND ASSESSMENT OF CURRENT LIQUIDITY

In addition to our normal operating cash requirements, our principal future cash requirements will be to fund capital expenditures, share repurchases, dividends, strategic acquisitions and debt repayments. On February 12, 2021, the Board of Directors authorized the repurchase of up to a total of \$10 billion of Honeywell common stock, which included amounts remaining under, and replaced, the previously approved share repurchase program. During the three months ended March 31, 2021, the Company repurchased common stock of \$822 million. Please refer to the section titled Liquidity and Capital Resources of our 2020 Form 10-K for a discussion of our expected capital expenditures, share repurchases and dividends for 2021.

We continue to identify opportunities to improve our liquidity and working capital efficiency, which includes the extension of payment terms with our suppliers and sales of our trade receivables to unaffiliated financial institutions without recourse. The impact of these programs are not material to our overall liquidity.

We continue to assess the relative strength of each business in our portfolio as to strategic fit, market position, profit and cash flow contribution in order to identify target investment and acquisition opportunities in order to upgrade our combined portfolio. We identify acquisition candidates that will further our strategic plan and strengthen our existing core businesses. We also identify businesses that do not fit into our long-term strategic plan based on their market position, relative profitability or growth potential. These businesses are considered for potential divestiture, restructuring or other repositioning actions, subject to regulatory constraints.

Based on past performance and current expectations, we believe that our operating cash flows will be sufficient to meet our future operating cash needs. Our available cash, committed credit lines and access to the public debt and equity markets provide additional sources of short-term and long-term liquidity to fund current operations, debt maturities, and future investment opportunities.

See Note 9 Long-term Debt and Credit Agreements of Notes to Consolidated Financial Statements for additional discussion of items impacting our liquidity.

OTHER MATTERS

LITIGATION

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See Note 15 Commitments and Contingencies of Notes to Consolidated Financial Statements for further discussion of environmental, asbestos and other litigation matters.

CRITICAL ACCOUNTING ESTIMATES

The financial information as of March 31, 2021 should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2020 contained in our 2020 Annual Report on Form 10-K.

For a discussion of the Company's critical accounting estimates, see the section titled Critical Accounting Estimates in our 2020 Annual Report on Form 10-K.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for a discussion of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

For a discussion of the Company's quantitative and qualitative disclosures about market risks, see the section titled Quantitative and Qualitative Disclosures About Market Risks, in our 2020 Annual Report on Form 10-K. As of March 31, 2021, there has been no material change in this information.

ITEM 4. CONTROLS AND PROCEDURES

Honeywell management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that such disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to ensure information required to be disclosed in the reports that Honeywell files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer, our Chief Financial Officer, and our Controller, as appropriate, to allow timely decisions regarding required disclosure. There were no changes that materially affected, or are reasonably likely to materially affect, Honeywell's internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See [Note 15 Commitments and Contingencies of Notes to Consolidated Financial Statements](#) for a discussion of environmental, asbestos and other litigation matters.

There were no matters requiring disclosure pursuant to the requirement to disclose certain environmental matters involving potential monetary sanctions in excess of \$300,000.

ITEM 1A. RISK FACTORS

There have been no material changes to the disclosure presented in our 2020 Annual Report on Form 10-K under the section titled Risk Factors. For further discussion of our Risk Factors, refer to the section titled Risk Factors in our 2020 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Honeywell purchased 4,000,000 shares of its common stock, par value \$1 per share, in the quarter ended March 31, 2021. On February 12, 2021, the Board of Directors authorized the repurchase of up to a total of \$10 billion of Honeywell common stock, which included approximately \$2.8 billion remaining under, and replaced, the previously approved share repurchase program, which was approved in April 2019 and authorized repurchases of up to \$10 billion.

Repurchases may be made through a variety of methods, which could include open market purchases, accelerated share repurchase transactions, negotiated block transactions, 10b5-1 plans, other transactions that may be structured through investment banking institutions or privately negotiated, or a combination of the foregoing. Honeywell presently expects to repurchase outstanding shares from time to time (i) to offset the dilutive impact of employee stock-based compensation plans, including option exercises, restricted unit vesting and matching contributions under our savings plans, and (ii) to reduce share count via share repurchases as and when attractive opportunities arise. The amount and timing of future repurchases may vary depending on market conditions and the level of operating, financing and other investing activities.

As of March 31, 2021, \$9.7 billion remained available for additional share repurchases. The following table summarizes Honeywell's purchase of its common stock for the quarter ended March 31, 2021:

Period	Issuer Purchases of Equity Securities			
	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs (Dollars in millions)
January 1-31, 2021	2,305,713	\$ 203.99	2,305,713	\$ 2,804
February 1-28, 2021	464,368	\$ 204.23	464,368	\$ 9,920
March 1-31, 2021	1,229,919	\$ 208.44	1,229,919	\$ 9,664

ITEM 4. MINE SAFETY DISCLOSURES

One of our wholly-owned subsidiaries has a placer claim for and operates a chabazite ore surface mine in Arizona. Information concerning mine safety and other regulatory matters associated with this mine is required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K and is included in Exhibit 95 to this quarterly report.

ITEM 5. OTHER INFORMATION

On November 16, 2020 and February 12, 2021, the Company entered into amendments to the indemnification and reimbursement agreement with Resideo, which are filed herewith as Exhibits 10.2 and 10.3, respectively. The amendments modified the affirmative and negative covenants set forth in Exhibit G of the indemnification and reimbursement agreement, including to substantially conform the covenants with those contained in Resideo's credit agreement (as amended in connection with Resideo's debt refinancing).

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1*	Letter agreement dated July 20, 2016, between Honeywell International Inc. and John Waldron (filed herewith)
10.2	Third Amendment, dated November 16, 2020, to Indemnification and Reimbursement Agreement dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (filed herewith)
10.3	Fourth Amendment, dated February 12, 2021, to Indemnification and Reimbursement Agreement dated October 14, 2018 among Honeywell and Resideo Intermediate Holding Inc. (filed herewith)
10.4	364-Day Credit Agreement, dated as of March 31, 2021, among Honeywell International Inc., the banks, financial institutions, and other institutional lenders parties thereto, Bank of America, N.A., as administrative agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as syndication agents (incorporated by reference to Exhibit 10.1 to Honeywell's Form 8-K filed on April 2, 2021)
10.5	Amended and Restated Five Year Credit Agreement, dated as of March 31, 2021, among Honeywell International Inc., the banks, financial institutions, and other institutional lenders parties thereto, Bank of America, N.A., as administrative agent, Bank of America Europe Designated Activity Company, London Branch, as swing line agent and JPMorgan Chase Bank, N.A., and Wells Fargo Bank, National Association, as syndication agents (incorporated by reference to Exhibit 10.2 to Honeywell's Form 8-K filed on April 2, 2021)
10.6*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Unit Agreement (filed herewith)
10.7*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Unit Agreement, Form 2 (filed herewith)
10.8*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Stock Option Award Agreement (filed herewith)
10.9*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Performance Plan Grant Agreement (filed herewith)
10.10*	Honeywell Excess Benefit Plan and Honeywell Supplemental Savings Plan, as amended and restated (incorporated by reference to Exhibit 10.5 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.11*	Honeywell Deferred Incentive Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.7 to Honeywell's Form 10-K for the year ended December 31, 2020)
10.12*	Amendment to Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended and restated (incorporated by reference to Exhibit 10.69 to Honeywell's Form 10-K for the year ended December 31, 2020)
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
95	Mine Safety Disclosures (filed herewith)

Exhibit No.	Description
101.INS	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in Inline XBRL (iXBRL): (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheets, (v) Consolidated Statements of Shareowners' Equity and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags
101.SCH	iXBRL Taxonomy Extension Schema (filed herewith)
101.CAL	iXBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	iXBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	iXBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase (filed herewith)
104	Cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in Inline XBRL (and contained in Exhibit 101)

The Exhibits identified with an asterisk (*) are management contracts or compensatory plans or arrangements.



July 20, 2016

Mr. John Waldron
9680 Old Bales Road
Fort Mill, South Carolina 29707

Re: Offer Letter

Dear John:

I am pleased to confirm our offer to you to become President and CEO, Honeywell Safety & Productivity Solutions, located in Charlotte, North Carolina, and reporting to Darius Adamczyk. In this position, you will become an Executive Officer of Honeywell. The effective date of your promotion will be July 22, 2016 ("Effective Date"), subject to the terms and conditions of this letter agreement ("Agreement").

In connection with your new role, you will be entitled to the following compensation and benefits package, as approved by the Management Development and Compensation Committee ("MDCC") of the Company's Board of Directors at its meeting of July 19, 2016:

COMPENSATION

Base Salary: As of the Effective Date, your annual base salary will be increased to \$625,000. Base salary reviews occur annually and any adjustments are generally at the end of the first quarter of the calendar year. Adjustments are based on your performance and other relevant factors. You will next be eligible for a base salary review in March of 2017.

Annual Incentive Compensation: As of the Effective Date, your target incentive compensation opportunity will be increased to 100% of your annual cash base salary earnings during the year. For 2016, your incentive compensation award will be prorated based on the number of days your target incentive was 50%, and the number of days your target incentive will be 100%. Incentive compensation awards are paid in the first quarter of the following year.

Annual Long-Term Incentive Awards: You will be eligible for annual equity awards with the size and mix determined by the MDCC based on your performance and future career potential with Honeywell. The terms of all long-term incentive awards are governed by the terms of the applicable stock plan and the relevant award agreements.

Long-Term Incentive Awards: In addition to the annual long-term incentive awards already granted to you on February 25, 2016, you will receive the following additional long-term incentives awards for 2016 in connection with this promotion:

- Subject to approval by the MDCC at its next meeting, anticipated to on July 29, 2016, 5,000 performance stock units (“PSUs”), which represents the target number of shares, subject to such three-year relative total shareholder return performance metrics as may be established by the MDCC; and
- 5,000 Growth Plan Units (“GPUs”) for the 2016-2017 performance cycle (in addition to the GPUs previously granted to you on February 25, 2016).

These additional awards will be granted under the terms of the applicable Stock Incentive Plan of Honeywell International Inc. and its Affiliates (the “Stock Incentive Plan”) and governed by the relevant award agreements. The PSUs shall vest 33%/33%/34% on the third, fifth and seventh anniversaries of their grant date, provided you are still employed by the Company on such vesting dates.

OTHER EXECUTIVE BENEFITS

You will also be entitled to the following Executive Benefits:

- *Excess Liability Insurance:* Honeywell will pay the annual premium for an Excess Liability Insurance policy that provides \$10,000,000 of coverage per occurrence.
- *Executive Severance:* The Honeywell International Inc. Severance Plan for Designated Officers currently provides for 18 months of base salary continuation and target bonus if your employment is involuntary terminated for a reason other than Cause (as defined in the severance plan document in effect when you terminate employment). You will be required to execute a release of claims against Honeywell and its affiliates and related parties and you may be required to agree to certain non-solicitation, non-disclosure and non-competition covenants as a condition of receiving executive severance benefits. For additional information, please consult the actual plan document.

STOCK OWNERSHIP GUIDELINES FOR HONEYWELL OFFICERS

As an Executive Officer of the Corporation, you will be required to hold four (4) times your annual base salary in Honeywell shares in accordance with the Corporation’s Stock Ownership Guidelines. The following table provides an overview of the Ownership Guidelines. For more information regarding the Ownership Guidelines, or to request a copy of the Ownership Guidelines, please contact Glenn Stellingwerf, Director, Executive Compensation, at the following email address: Glenn.Stellingwerf@Honeywell.com.

Honeywell Shares Counted for Ownership Purposes:	<ul style="list-style-type: none"> • Unvested restricted stock units (RSUs) • Deferred restricted stock units • Shares in tax qualified and non-qualified savings plans • Private holdings
Ownership Threshold:	<ul style="list-style-type: none"> • 4X base salary
Retention Requirements:	<ul style="list-style-type: none"> • Indefinite holding requirement until ownership threshold is met for net gain shares from RSU vesting, payment of deferred RSUs and all stock option exercises • One year for net gain shares from RSU vesting and all stock option exercises (Note: payment of deferred RSUs are exempt from the one year minimum hold requirement)
Time Limit:	<ul style="list-style-type: none"> • No time requirement to meet ownership threshold • Must meet threshold in order to sell stock

The Ownership Guidelines are subject to change from time to time at the discretion of the MDCC.

INTELLECTUAL PROPERTY AND NON-COMPETITION AGREEMENTS

As a condition of this employment offer, you are required to execute, in the form attached hereto, (i) Honeywell’s “Employee Agreement Relating to Trade Secrets, Proprietary and Confidential Information” (“IP Agreement”), and (ii) the “Honeywell International Inc. Noncompete Agreement for Senior Executives” (“Noncompete Agreement”), both of which are attached hereto.

ACCEPTANCE OF OFFER

Please indicate your acceptance of this offer by signing this letter in the space provided and returning it, along with an executed copy of the IP Agreement and Noncompete Agreement, to me.

Honeywell has a long and distinguished history. But, more importantly, we are a company with a terrific future and a great place to work. Our performance culture drives growth for us and competitive advantage for our customers. We hire the best people; give them every possible opportunity to learn, grow, and develop; and reward them for their contributions. We offer career paths that span product lines, job types, businesses, and countries.

John, we are excited to be extending this offer to you and look forward to working with you in your expanded role. Your experience and background is an asset to our Company.

If you have any questions or need any further information about our offer, please contact me directly.

Congratulations,
/s/ Mark R. James
Mark R. James
Honeywell International Inc.
Senior Vice President
Human Resources, Procurement and Communications

Read and Accepted:

John Waldron July 21, 2016
JOHN WALDRON Date Page 3 of 4

All businesses experience changing conditions. Accordingly, we reserve the right to change work assignments, reporting relationships and staffing levels to meet business needs, and your employment with Honeywell will be on an "at will" basis. This means that there is no guarantee of employment for any specific period, and either you or Honeywell may terminate your employment at any time.

The descriptions of benefits and perquisites described in this offer letter are for general information purposes only and are not intended to modify any plan document, summary plan description ("SPD") or prospectus. For a complete description of any benefit or perquisite, you may request a copy of the applicable plan document, SPD or prospectus. The Company reserves the right to modify, amend or terminate any benefit plan or perquisite in its sole and absolute discretion.

HONEYWELL INTERNATIONAL INC.
Employee Agreement Relating to Trade Secrets,
Proprietary and Confidential Information

In consideration of my employment, continued employment, compensation, and the equipment, materials, facilities and Honeywell "Trade Secrets, Proprietary and Confidential Information" (as hereinafter defined) supplied to me, I understand and agree that:

1. **Records of Inventions.** I will keep complete and current written records of all Inventions I Make during the period of time I am employed by Honeywell and promptly disclose all such Inventions in writing to Honeywell for the purpose of adequately determining Honeywell's rights in each such Invention. I will supplement any such disclosures to the extent Honeywell may request that I do so. If I have any doubt as to whether or not to disclose an Invention to Honeywell, I will disclose it.
 2. **Disclosure of Inventions after Termination.** I will promptly and completely disclose in writing to Honeywell's Law Department all Inventions which I Make during the one year immediately following the end of my employment by Honeywell which relate either to my work assignment at Honeywell or to Honeywell's Trade Secrets, Proprietary and Confidential Information for the purpose of determining Honeywell's rights in each such Invention before filing any application for patents on such Inventions. I will not file any patent application relating to any such Invention without the prior written consent of Honeywell's Law Department. If I do not prove that I Made the Invention entirely after leaving Honeywell's employment, the Invention is presumed to have been Made during the period of time I was employed by Honeywell. I acknowledge that the conditions of this paragraph are no greater than is necessary for protecting Honeywell's interests in Honeywell's Trade Secrets, Proprietary and Confidential Information and in Inventions to which it is rightfully entitled.
 3. **Ownership of Inventions.** Each and every Invention I Make during the period of time I am employed by Honeywell (a) which relates directly to the business of Honeywell or to Honeywell's actual or demonstrably anticipated research or development, or (b) which results from any work I perform for Honeywell is the sole and exclusive property of Honeywell, and I agree to assign and hereby assign my entire right, title and interest in each such Invention to Honeywell. Each Invention I Make during the period of time I am employed by Honeywell for which no equipment, supplies, facilities or Honeywell Trade Secrets, Proprietary or Confidential Information was used and which was developed entirely on my own time is my property, unless (a) the Invention relates directly to the business of Honeywell or to Honeywell's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by me for Honeywell. If I assert any property right in an Invention I Make during the period of time I am employed by Honeywell, I will promptly notify Honeywell's Law Department in writing.
 4. **Cooperation with Honeywell.** I will assist and fully cooperate with Honeywell in obtaining, maintaining, and asserting the fullest measure of legal protection, which Honeywell elects to obtain, maintain or assert for Inventions in which it has a property right. I will also assist and fully cooperate with Honeywell in defending Honeywell against claims of violation of the intellectual property rights of others. I will be paid my reasonable expenses in assisting, and cooperating with, Honeywell. I will execute any lawful document Honeywell requests me to execute relating to obtaining, maintaining, or asserting legal protection for any said Invention or in defending against claims of the violation of the intellectual property rights of others (including, but not limited to, executing applications, assignments, oaths, declarations, and affidavits) and I will make myself available for interviews,
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depositions and testimony. In the event that Honeywell is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for or prosecute any patent, copyright, or other right or protection relating to an Invention, for any other reason whatsoever, I hereby irrevocably designate and appoint Honeywell and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and on my behalf to execute and file any such application or applications, and to do all other lawfully-permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by me.

5. **Pre-employment Inventions.** On Schedule A, which is an integral part of this agreement, I have completely identified (without disclosing any trade secret, proprietary or other confidential information) every Invention I Made before my employment by Honeywell in which I have an ownership interest and which is not the subject matter of an issued patent or a printed publication at the time I sign this agreement. If I become aware of any projected or actual use of any such Invention by Honeywell, I will promptly notify Honeywell in writing of said use. Except as to the Inventions listed on Schedule A or those which are the subject matter of an issued patent or a printed publication at the time I sign this agreement, I will not assert any rights against Honeywell with respect to any Invention Made before my employment by Honeywell.
 6. **Honeywell's Trade Secrets, Proprietary and Confidential Information.** I will never, directly or indirectly, during or after my employment with Honeywell misappropriate, use or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information except in furthering Honeywell's business nor will I disclose or disseminate at any time Honeywell's Trade Secrets, Proprietary and Confidential Information to anyone who is not an officer, director, employee, attorney or authorized agent of Honeywell without the prior written consent of Honeywell's Law Department unless the specific item of Honeywell's Trade Secrets, Proprietary and Confidential Information: (a) is now in, or hereafter, (through no breach of this agreement) becomes general public knowledge, or (b) prior to my disclosure, dissemination or use, was lawfully acquired by me without any obligation to retain the information in confidence. In this connection, I will not publish any of Honeywell's Trade Secrets, Proprietary and Confidential Information for dissemination outside Honeywell or file any patent application relating to any Invention I Make during the period of time I am employed by Honeywell without the prior written approval of Honeywell's Law Department. I will execute any agreement relating to the protection of Honeywell's Trade Secrets, Proprietary and Confidential Information or such information of any third party whose intellectual property Honeywell is under a legal obligation to protect if Honeywell requests that I do so. I will not engage without the prior written consent of Honeywell's Law Department, either during the period of time I am employed by Honeywell or for a period of two years following my Termination of Employment for any reason, in any activity or employment in the faithful performance of which it could be reasonably anticipated that I would use or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information. All documents and tangible things embodying or containing Honeywell's Trade Secrets, Proprietary and Confidential Information are Honeywell's exclusive property. I have access to them solely for performing the duties of my employment by Honeywell. I will protect the confidentiality of their content and comply with all security policies and procedures, which may, from time to time, be established by Honeywell. I will return all of them and all copies, facsimiles and specimens of them and any other tangible forms of Honeywell's Trade Secrets, Proprietary and Confidential Information in my possession, custody or control to Honeywell before leaving the employment of Honeywell.
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I understand that I have the right to use or practice any skill or expertise generally associated with my employment but not special or unique to Honeywell, but that I do not have the right to use, practice or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information for my own benefit or for the benefit of any third party.

7. **Trade Secrets, Proprietary or Confidential Information from Previous Employment.** I certify that I have not, and will not, disclose or use during my employment by Honeywell, any trade secrets, proprietary or confidential information which I acquired as a result of any previous employment or under a contractual obligation of confidentiality before my employment by Honeywell. I understand that Honeywell has no interest in and will not accept disclosure by me of any trade secrets, proprietary or confidential information, which belongs to a third party. If I am ever placed in a position where I will be required or am given an assignment that will require me to use, directly or indirectly, any trade secrets, proprietary or confidential information of any person, previous employer or any third party, I will promptly inform Honeywell's Law Department and my supervisor before I undertake any activity that would involve the use or disclosure of such information or present the appearance to any such third party that I have used or disclosed such information. If I fail to do so, Honeywell may elect not to indemnify me in the event of litigation and may take such other actions, as it deems appropriate, up to and including termination of my employment.
 8. **Prior Restrictive Obligation.** On Schedule B, which is an integral part of this agreement, I have completely identified all prior obligations (written and oral), which restrict my ability to perform the duties of my employment by Honeywell, including all confidentiality agreements and covenants restricting future employment.
 9. **Nonsolicitation of Honeywell Employees.** I acknowledge that Honeywell has invested, and will continue to invest, significant time and money to recruit and retain its employees. Therefore, recognizing that in the course of my employment I have obtained valuable information about Honeywell employees, their respective talents and areas of expertise, I agree that, during my employment and for a period of two years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, (i) solicit (or assist another in soliciting) for employment or for the performance of services, (ii) offer or cause to be offered employment or other service engagement, or (iii) participate in any manner in the employment or hiring for services of any current or former Honeywell employee with whom I had contact or of whom I became aware in my last two years of Honeywell employment, unless it has been more than 12 months since that individual left Honeywell. Nor will I, for my own account or for others, in any way induce or attempt to induce such individual to leave the employment of Honeywell.
 10. **Nonsolicitation of Honeywell Customers, Suppliers, Business Partners and Vendors.** I acknowledge that Honeywell has invested and will continue to invest significant time and money to develop valuable, continuing relationships with existing and prospective clients and customers of Honeywell. Therefore, recognizing that in the course of my employment I have obtained and/or will obtain valuable information about Honeywell customers, suppliers, business partners, and/or vendors, and their requirements, I agree that during my employment and for a period of two years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit), (i) any existing clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact, or of whom I became aware while employed by Honeywell during the two-year period prior to my Termination of Employment, or (ii)
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any prospective clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact and with whom Honeywell took significant steps to do business during the two-year period prior to my Termination of Employment, for the purpose or effect of inducing such existing or prospective clients, customers, suppliers, business partners, and/or vendors to cease doing business or reduce their business with Honeywell or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered by Honeywell.

11. **Notice to Future Employers.** For the period of two years immediately following the end of my employment by Honeywell, I will inform each new employer, prior to accepting employment, of the existence of this agreement and provide that employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this agreement and to provide any future employers with a copy of it.
12. **Copyright.** As to all works prepared by me which are: (i) within the scope of my employment, or (ii) based upon information I acquired from Honeywell which is not normally made available to the public, or (iii) commissioned by Honeywell, but not within my scope of employment, I hereby agree to:
- Submit to Honeywell's Law Department and to my supervisor for approval for publication or oral dissemination;
 - Assign all right, title and interest in and to the copyright in all such works to Honeywell; and
 - Waive any claim of moral rights, author's rights, droit moral, or any equivalent rights to the extent necessary or permitted by law.

I hereby release and allow Honeywell to use, for any lawful purpose, any voice reproduction, photograph, or other video likeness of me made in the course of my employment.

13. **Acknowledgement of Receipt.** I acknowledge that I have received a copy of this agreement prior to accepting employment, continued employment or other consideration as recited herein and that execution of this agreement was an express condition of my employment, continued employment or receipt of other consideration recited herein.
14. **Effectiveness of Agreement.** I acknowledge that the provisions of this agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing agreement with Honeywell. This agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection and the most effective and complete assignment of inventions provided by all agreements I have with Honeywell. The terms of this agreement are to be read consistent with the terms of any other intellectual property, trade secret or confidentiality agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be read in concert and construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given effect. This agreement shall be deemed effective as of the first day of my employment by Honeywell and shall continue throughout the entire period of time I am employed by Honeywell and my obligations will continue after, and survive, the end of my employment by Honeywell.
15. **Identity of Future Employer.** Upon termination of my employment for any reason, if reasonably requested by Honeywell, I shall advise Honeywell of the name and address of my intended future employer.
16. **Remedies.** I acknowledge that a remedy at law for any breach or threatened breach of the provisions of this Agreement would be inadequate and therefore agree that Honeywell shall be
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entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that I have breached or threatened to breach this agreement, I agree to reimburse Honeywell for all attorneys' fees and costs incurred in enforcing the terms of the agreement. However, nothing contained herein shall be construed as prohibiting Honeywell from pursuing any other remedies available for any such breach or threatened breach against me or my then-current employer which may also include but not be limited to contract damages, lost profits and punitive damages.

17. **Successors; Binding Agreement.** This agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns. Only a written amendment executed by both Honeywell and me can modify this agreement.
 18. **Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law.
 19. **Validity.** It is the desire and intent of the parties hereto that the provisions of this agreement shall be enforced to the fullest extent legally-permissible. Accordingly, if any particular provision(s) of this agreement shall be adjudicated to be invalid or unenforceable, the court may modify or sever such provision(s), such modification or deletion to apply only with respect to the operation of such provision(s) in the particular jurisdiction in which such adjudication is made. In addition, if any one or more of the provisions contained in this agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. The remaining provisions of this agreement shall remain in full force and effect.
 20. **Definitions**
 - a. "Honeywell" collectively identifies Honeywell International Inc. (a Delaware corporation having a place of business at Columbia Road and Park Avenue, Morris Township, Morris County, New Jersey), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of stock, merger or otherwise.
 - b. "Trade Secrets, Proprietary and Confidential Information" means information which is not generally known in the industry in which Honeywell is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, customer lists, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell or held by Honeywell in confidence.
 - c. "Invention" includes not only inventions (including, but not limited to, copyright works, trademarks, domain names, URLs, keywords, social media account or identification names, business networking/media account or identification names and mask works), but also innovations, improvements, discoveries, ideas and all other forms of intellectual property (including, but not limited to, copyright works and mask works) – whether or not any of the foregoing constitutes trade secret or other confidential information.
 - d. "Make" or "Made" when used in relation to Invention includes any one or any combination of (i) conception, (ii) reduction to practice, or (iii) development of an Invention and is without regard to whether I am a sole or joint inventor.
 - e. "Termination of Employment" shall be defined as any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for termination. The termination date for purposes of this Agreement shall be the last day I actively perform services for Honeywell.
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f. "Solicit" or "soliciting" includes contacting, communicating with, marketing to, engaging or otherwise interacting with (whether initiated by me or not).
21. **Headings Descriptive.** The headings of the several paragraphs of this agreement are inserted for convenience only and shall not in any way affect the meaning or construction of this agreement.

/s/ John Waldron July 21, 2016
JOHN WALDRON Date

SCHEDULE A

HAVE YOU MADE ANY INVENTIONS BEFORE THE TERM OF YOUR EMPLOYMENT WITH HONEYWELL, IN WHICH YOU HAVE AN OWNERSHIP INTEREST AND WHICH ARE NOT THE SUBJECT MATTER OF ISSUED PATENTS OR PRINTED PUBLICATIONS?

(If there are none, please enter the word "NONE")

NOTE: Please describe each such Invention without disclosing trade secrets, proprietary or confidential information.

[Attach additional sheets if more space is needed.]

SCHEDULE B

DO YOU HAVE ANY PRIOR OBLIGATIONS (WRITTEN OR ORAL) WHICH WOULD RESTRICT YOUR ABILITY TO PERFORM THE DUTIES OF YOUR EMPLOYMENT WITH HONEYWELL?

(If there are none, please enter the word "NONE")

NOTE: Please give date of, and parties to, obligations and the nature and substance of the restriction.

[Attach additional sheets if more space is needed.]

HONEYWELL INTERNATIONAL NONCOMPETE AGREEMENT FOR SENIOR EXECUTIVES

In consideration of my transfer, promotion, or hire into my role as a Senior Executive of the company, my employment, continued employment, compensation and the equipment, materials, facilities and the Trade Secrets, Proprietary and Confidential Information supplied to me, I agree to the following:

1. **Noncompetition.** I acknowledge that in the course of my employment with or provision of services to Honeywell, I have and will become familiar with Trade Secrets, Proprietary and Confidential Information concerning Honeywell, its businesses and employees, including but not limited to, Honeywell's business methods, business systems, strategic plans, plans for acquisition or disposition of products, expansion plans, financial status and plans, financial data, customer lists and data, and personnel information. I understand and agree that as part of my continued employment with Honeywell, I will continue to have access to and receive Trade Secrets, Proprietary and Confidential Information concerning Honeywell. I further acknowledge that Honeywell operates in a very competitive business environment and my services are and will be of special, unique and extraordinary value to Honeywell. I further acknowledge that I have been given and will continue to be given access to, and develop relationships with, customers of Honeywell at the time and expense of Honeywell and have and will continue to receive training, experience and expertise from Honeywell that make my services of special, unique and extraordinary value to Honeywell. I further acknowledge and agree that I will not, directly or indirectly, at any time during or after my employment with Honeywell, except in the course of performing my duties at Honeywell, disclose, disseminate, make available or use Honeywell's Trade Secrets, Proprietary and Confidential Information.

I agree that, during my employment and for a period of two (2) years following my Termination of Employment with Honeywell for any reason, I will not become employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) a Competing Business (as defined below). This restriction shall apply to any Competing Business that conducts business in the same or substantially similar geographic area in which any Honeywell business, for which I was employed or performed services in a job covered by this Program during the Look Back Period, conducts business or plans to conduct business as of my Termination of Employment. I acknowledge (i) that Honeywell's business is conducted throughout the United States and around the world, (ii) notwithstanding the state of incorporation or principal office of Honeywell, it is expected that Honeywell will have business activities and have valuable business relationships within its industry throughout the United States and around the world, and (iii) as part of my responsibilities, I may be conducting business throughout the United States and around the world in furtherance of Honeywell's business and its relationships.

A "Competing Business" shall mean any business, person, entity or group of business entities, regardless of whether organized as a corporation, partnership (general or limited), joint venture, association or other organization, that (i) conducts or is planning to conduct a business similar to and/or in competition with any business conducted or planned by any Honeywell business for which I (A) was employed or performed services in a job covered by this Program, or (B) had knowledge of operations over the Look Back Period, or (ii) designs, develops, produces, offers for sale or sells a product or service that can be used as a substitute for, or is generally intended to satisfy the same customer needs for, any one or more products or services designed, developed, manufactured, produced or offered for sale or sold by any Honeywell business for which I (X) was employed or performed services in a job covered by this Program, or (Y) had knowledge of operations during the Look Back Period. I acknowledge that I will be deemed to have knowledge of a business if I received, was in possession of or otherwise had access to Trade Secrets, Proprietary and Confidential Information regarding such business. For purposes of illustration only, I acknowledge and understand that each of the corporations or entities (and any related entities, subsidiaries, affiliates or successors) set forth on the Addendum attached hereto is a Competing Business as of the date hereof. I further acknowledge and agree that the Addendum attached hereto is not an exhaustive list and is not intended to include all of Honeywell's current or future competitors, which I acknowledge may include other persons or entities in the future. I further acknowledge and understand that if I have any questions about whether any prior Honeywell position which I have held over the last two years is subject to this Program and shall be used to identify Competing Businesses, I should contact my Human Resource representative.

Honeywell recognizes that some businesses, persons, entities, or group of businesses that are Competing Businesses as defined above may also have lines of business or parts of their business that do not compete with Honeywell as defined above, and the restrictions contained herein are not intended to include such lines of business or parts of their businesses. I understand and agree that if I intend to become employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) a Competing Business as defined above, it is presumed that the restriction contained herein applies. I further understand and agree that if I do not believe the restriction contained herein should apply, I must demonstrate to Honeywell that I will only be employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) a line of business in, or part of, a Competing Business that does not compete with Honeywell as defined above.

2. Reasonableness of Restrictions and Validity. I agree that the terms of this Agreement are reasonable and do not impose a greater restraint than necessary to protect Honeywell's legitimate protectable business interests, including the protection of its Trade Secrets, Proprietary and Confidential Information. It is the desire and intent of the parties hereto that the provisions of this Agreement shall be enforced to the fullest extent legally-permissible. Accordingly, if any particular provision(s) of this Agreement shall be adjudicated to be overbroad, invalid or unenforceable, the court may modify or sever such provision(s), such modification or deletion to apply only with respect to the operation of such provision(s) in the particular jurisdiction in which such adjudication is made. In addition, if any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it so as to be enforceable to the extent compatible with the

applicable law as it shall then appear. The remaining provisions of this Agreement shall remain in full force and effect. I also agree that the parties shall request that a court of competent jurisdiction not invalidate or ignore the terms of this Agreement, but instead honor this provision by reforming or modifying any overbroad or otherwise invalid terms to the extent necessary to render the terms valid and enforceable and then enforcing the Agreement as so reformed or modified.

3. **Remedies.** I acknowledge that a remedy at law for any breach or threatened breach of the provisions of this Agreement would be inadequate and therefore agree that Honeywell shall be entitled to injunctive relief in case of any such breach or threatened breach. I acknowledge and agree Honeywell may apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement, and that money damages would not be an adequate remedy for any breach of the provisions of this Agreement. I acknowledge and agree that a violation of this Agreement would cause irreparable harm to Honeywell, and I covenant that I will not assert in any proceeding that a violation or further violation of this Agreement: (i) will not result in irreparable harm to Honeywell; or (ii) could be remedied adequately at law. Honeywell's right to injunctive relief shall be cumulative and in addition to any other remedies available at law or equity. In the event that a court determines that I have breached or threatened to breach this Agreement, I agree to reimburse Honeywell for all attorneys' fees and costs incurred in enforcing the terms of this Agreement. However, nothing contained herein shall be construed as prohibiting Honeywell from pursuing any other remedies available for any such breach or threatened breach against me or my new employer, which may also include, but not be limited to, contract damages, lost profits and punitive damages.

4. **Harm and Injunctive Relief.** I agree and acknowledge that the restrictions contained in this Agreement do not preclude me from earning a livelihood, nor do they unreasonably impose limitations on my ability to earn a living. I further agree and acknowledge that the potential harm to Honeywell of the non-enforcement of this Agreement outweighs any potential harm to me from its enforcement by injunction or otherwise. I acknowledge that I have carefully read this Agreement and have given careful consideration to the restraints imposed upon me by this Agreement, and am in full accord as to their necessity for the reasonable and proper protection of Honeywell's legitimate protectable business interests, including the protection of its Trade Secrets, Proprietary and Confidential Information. I agree and acknowledge that I have been provided adequate and reasonable consideration in exchange for the obligations under this Agreement, including employment or continued employment by Honeywell, goodwill, access or continued access to Honeywell's Trade Secrets, Proprietary and Confidential Information, access or continued access to customers, and additional good and valuable consideration. I expressly acknowledge and agree that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, duration and geographical scope.

5. **Binding Agreement, Amendment, Successors.** I acknowledge that the provisions of this Agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing employment or other agreement with Honeywell. This Agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection provided by all agreements I have with Honeywell. The terms of the restriction in Paragraph 1 and the other terms in this Agreement are to be read consistent with

the terms of any other noncompete or other agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given effect. No waiver of this Agreement will be effective unless it is in writing and signed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement may not be superseded or amended by any other agreement between myself and Honeywell unless such agreement specifically and expressly states that it is intended to supersede this Agreement and is executed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns.

6. Acknowledgement of Receipt. I acknowledge that I received a copy of this Agreement prior to accepting my transfer, promotion, or hire into my new role and that execution of this Agreement was an express condition of such transfer, promotion, or hire.

7. Effectiveness of Agreement. This Agreement becomes effective when I sign it, the obligations under it continue throughout the entire period of time I am employed by Honeywell, without regard to the business within Honeywell with which I am associated and these obligations will continue after, and survive, the end of my employment with Honeywell.

8. Notice to Future Employers. For the period of two (2) years immediately following the end of my employment with Honeywell, I will inform each new employer, prior to accepting employment, of the existence of this Agreement and provide that employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this Agreement and to provide any future employers with a copy of it.

9. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law. I hereby consent to the exclusive jurisdiction and venue in the federal and state courts of the State of New Jersey, Morris County, for the resolution of all disputes arising under, or relating to, this Agreement.

10. Additional Definitions.

"Honeywell" collectively identifies Honeywell International Inc. (a Delaware corporation having a place of business at Columbia Road and Park Avenue, Morris Township, Morris County, New Jersey), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of assets, stock, merger or otherwise.

"Look Back Period" means the two (2) year period ending on the date of my Termination of Employment.

“Program” refers to the noncompete initiative implemented by Honeywell requiring that employees occupying certain Executive Level and Officer positions (Senior Executives) execute this noncompete Agreement.

“Trade Secrets, Proprietary and Confidential Information” means information which is not generally known in the industry in which Honeywell International is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, business systems, strategic plans, plans for acquisition or disposition of products, expansion plans, financial status and plans, financial data, personnel information, customer lists or data, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell International or held by Honeywell International in confidence.

“Termination of Employment” means any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for termination. The termination date for purposes of this Agreement shall be the last day I actively perform services for Honeywell.

11. **Headings.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of this Agreement.

I have carefully read this Agreement. I understand and accept its terms. I understand and agree that I will continue to be bound by the provisions of this Agreement after my employment with Honeywell has ended.

/s/ John Waldron
JOHN WALDRON

Date: July 21, 2016

**ADDENDUM TO
HONEYWELL INTERNATIONAL
NONCOMPETE AGREEMENT FOR SENIOR EXECUTIVES**

**JOHN WALDRON
EMPLOYED AS
PRESIDENT AND CEO
HONEYWELL SAFETY & PRODUCTIVITY SOLUTIONS**

Pursuant to Paragraph 1 of your Honeywell International Noncompete Agreement for Senior Executives ("Noncompete Agreement"), this Addendum contains a list, for illustration purposes only, of specific competitors that are considered a "Competing Business," as that term is used in your Noncompete Agreement, and are therefore covered by the restrictions contained in Paragraph 1 of your Noncompete Agreement. This list is not an exhaustive list and is not intended to include all of Honeywell's, or your specific business' or unit's, current or future competitors, which you acknowledge in Paragraph 1 of your Noncompete Agreement may include other persons or entities now or in the future.

Based on your current role and responsibilities with Honeywell as President and CEO, Honeywell Safety & Productivity Solutions, the following companies are considered key competitors to Honeywell's Safety & Productivity Solutions business, and therefore, fall within the definition of a Competing Business as that term is used in your Noncompete Agreement:

**Mine Safety Appliances, Yamatake, Yokogawa, Philips, Zebra, Google, 3M,
BOSCH, Danaher, Fortive (Danaher spin-off)**

As previously noted, this is not an exhaustive list and there may be other current and future persons or entities that would meet the definition of a Competing Business, as set forth in your Noncompete Agreement. In addition, pursuant to Paragraph 1 of your Noncompete Agreement, please note that the term Competing Business, as defined in your Noncompete Agreement, will include competitors of any Honeywell business in which you have worked in a job subject to the Program (as defined in your Noncompete Agreement) during the Look Back Period (as defined in your Noncompete Agreement). Accordingly, if you worked in multiple Honeywell businesses in covered positions during your tenure, it is very likely that the list of Competing Businesses subject to restriction under the terms of your Noncompete Agreement will be broader than the above illustrative list. If you have questions about whether any prior Honeywell position which you have held during the Look Back Period subjects you to similar restrictions, and will be used to identify Competing Business(es), you should contact your Human Resource representative.

**THIRD AMENDMENT
TO
INDEMNIFICATION AND REIMBURSEMENT AGREEMENT**

This Third Amendment to INDEMNIFICATION AND REIMBURSEMENT AGREEMENT (this "**Amendment**"), dated as of November 16th, 2020, by and between (i) Honeywell International Inc., a corporation organized under the Laws of the State of Delaware ("**Indemnitee**" or "**Honeywell**"), and (ii) Resideo Intermediate Holding Inc., a corporation organized under the Laws of the State of Delaware ("**Indemnitor**"), amends that certain Indemnification and Reimbursement Agreement, dated October 14, 2018, by and between Honeywell and New HAPI Inc., a corporation organized under the Laws of the State of Delaware (subsequently assigned to Indemnitor) (as amended, the "**Indemnification and Reimbursement Agreement**"). Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Indemnification and Reimbursement Agreement or, if not defined therein, in the Current Credit Agreement (as amended by an amendment of the Current Credit Agreement, publicly filed by Resideo Technologies, Inc. on a Current Report on Form 8-K, dated November 26, 2019 (the "First Amendment to the Credit Agreement") and the Second Amendment to the Credit Agreement (as defined below)).

WITNESSETH:

WHEREAS, pursuant to Section 4.13 of the Indemnification and Reimbursement Agreement, the Indemnification and Reimbursement Agreement may be amended, supplemented or modified only by an instrument in writing specifically designated as an amendment signed on behalf of each Party; provided that such amendment does not result in the increase of the late payment fee set forth in Section 2.5(b) of the Indemnification and Reimbursement Agreement;

WHEREAS, the amendments to the Indemnification and Reimbursement Agreement contemplated herein do not include any such amendment of the late payment fee set forth in Section 2.5(b) of the Indemnification and Reimbursement Agreement;

WHEREAS, the Parties desire to amend the Indemnification and Reimbursement Agreement in the manner set forth herein; and

WHEREAS, concurrently with the effectiveness of this Amendment, that certain Second Amendment (the "**Second Amendment to the Credit Agreement**") to the Credit Agreement dated as of October 25, 2018 (as amended by the First Amendment to the Credit Agreement), substantially in the form previously provided to Indemnitee on November 11, 2020, shall become effective.

NOW, THEREFORE, in accordance with Section 4.13 of the Indemnification and Reimbursement Agreement, the Parties agree as follows:

ARTICLE I

AMENDMENTS

1.1 Section 3.05 of Exhibit G of the Indemnification and Reimbursement Agreement is hereby amended by adding a new clause (o) thereto which shall read as follows:

“(o) sales, transfers or other dispositions pursuant to any sale and leaseback transactions permitted under Section 3.06(b);”

1.2 Section 3.06 of Exhibit G of the Indemnification and Reimbursement Agreement is hereby amended and restated to read in its entirety as follows:

“SECTION 3.06 Sale and Leaseback Transactions. Neither Indemnitee nor the Borrower will, nor will they permit any Indemnitee Group Restricted Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for:

- a. any such sale of any fixed or capital assets by Indemnitee, the Borrower or any Indemnitee Group Restricted Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 270 days after Indemnitee, the Borrower or such Indemnitee Group Restricted Subsidiary acquires or completes the construction of such fixed or capital asset; and
- b. from and after the effective date of the Third Amendment to Indemnification and Reimbursement Agreement, sale and leaseback transactions consummated by the Indemnitee, the Borrower or any Indemnitee Group Restricted Subsidiary in an aggregate amount not to exceed \$150,000,000 for all such sale and leaseback transactions, provided that, each sale and leaseback transaction is (x) undertaken on arm’s length commercial terms and (y) no Credit Default has occurred and is continuing or would result therefrom;

provided that, in each of clauses (a) and (b) above, if such sale and leaseback results in a Capital Lease Obligation, such Capital Lease Obligation is permitted by Section 3.01(a)(vi) and any Lien made the subject of such Capital Lease Obligation is permitted by Section 3.02(a)(v).”

1.3 Notwithstanding anything contained in this Amendment to the contrary, neither the execution of this Amendment nor anything herein contained (including in any exhibit, annex or schedule hereto) is intended to be, nor shall it be deemed to be, nor shall any Party assert it to be (or allow any Affiliate or Representative thereof to assert it to be) or use it for the purpose of (including in any litigation, arbitration, proceeding or other dispute related to the Indemnification and Reimbursement Agreement, any other contract or agreement between any of the Parties or any Affiliates thereof (collectively, the “**Other Agreements**”) or otherwise): (A) an admission or concession of any Default, breach or non-compliance under the Indemnification and Reimbursement Agreement or any Other Agreement, (B) an admission or concession as to any matters relating to the Indemnification and Reimbursement Agreement, any Other Agreement or any terms or provisions thereof, or (C) a waiver of any claims, rights, remedies, defenses,

arguments, interpretations or obligations of the Parties or any of their Affiliates under or related to the Indemnification and Reimbursement Agreement or any Other Agreement; provided, that, any Party may use this Amendment to seek to enforce the terms of the Indemnification and Reimbursement Agreement (as amended herein).

ARTICLE II
MISCELLANEOUS

2.1 References. Each reference in the Indemnification and Reimbursement Agreement shall, unless the context otherwise requires, mean the Indemnification and Reimbursement Agreement as amended by this Amendment.

2.2 No Other Amendments; Continuing Effect. The amendments set forth herein are limited precisely as written and will not be deemed to be an amendment to any other term or condition of the Indemnification and Reimbursement Agreement or any of the documents referred to therein or be deemed to consent to any amendment of any other term or condition of the Current Credit Agreement (as amended by the First Amendment to the Credit Agreement and Second Amendment to the Credit Agreement) or any other Principal Credit Agreement or any of the documents referred to therein. Except as expressly amended hereby and subject to the terms set forth in Section 1.3 hereof, the terms and conditions of the Indemnification and Reimbursement Agreement shall continue in full force and effect.

2.3 Representations and Warranties; No Defaults; No Waivers. The representations and warranties contained in Sections 4.2 (a), (b) and (c) of the Indemnification and Reimbursement Agreement are hereby restated by each Party and incorporated herein by reference. Indemnitor represents and warrants that as of the date hereof, after giving effect to this Amendment, no default or event of default has occurred and is continuing under any of the Indemnification and Reimbursement Agreement, the Current Credit Agreement (as amended by the First Amendment to the Credit Agreement and the Second Amendment to the Credit Agreement) or any other Loan Document, or any other Indebtedness of the Indemnitor or any of its subsidiaries. This Amendment is not a waiver of, or consent to, any default or event of default now existing or hereafter arising under the Indemnification and Reimbursement Agreement (as amended by this Amendment), the Current Credit Agreement (as amended by the First Amendment to the Credit Agreement and the Second Amendment to the Credit Agreement), any other Loan Document or any other Indebtedness of the Indemnitor or any of its subsidiaries.

2.4 Dispute Resolution; Governing Law; Jurisdiction; WAIVER OF JURY TRIAL; Interpretation, Etc. The provisions of Section 4.3 (“Dispute Resolution”), Section 4.4 (“Governing Law; Jurisdiction”), Section 4.5 (“Waiver of Jury Trial”), Section 4.6 (“Court-Ordered Interim Relief”) and Section 4.14 (“Interpretation”) of the Indemnification and Reimbursement Agreement are hereby incorporated herein by reference and shall apply *mutatis mutandis*.

2.5 Successors. This Amendment shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

2.6 Counterparts. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

2.7 Effectiveness. This Amendment shall become effective automatically upon the effectiveness of the Second Amendment to the Credit Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

HONEYWELL INTERNATIONAL INC.

By: /s/ Anne T. Madden
Name: Anne T. Madden
Title: Senior Vice President and General Counsel

RESIDEO INTERMEDIATE HOLDING INC.

By: /s/ Jeannine Lane
Name: Jeannine Lane
Title: Secretary

[Signature Page Third Amendment to Indemnification and Reimbursement Agreement]

**FOURTH AMENDMENT
TO
INDEMNIFICATION AND REIMBURSEMENT AGREEMENT**

This Fourth Amendment to INDEMNIFICATION AND REIMBURSEMENT AGREEMENT (this "**Amendment**"), dated as of February 12, 2021, by and between (i) Honeywell International Inc., a corporation organized under the Laws of the State of Delaware ("**Indemnitee**" or "**Honeywell**"), and (ii) Resideo Intermediate Holding Inc., a corporation organized under the Laws of the State of Delaware ("**Indemnitor**"), amends that certain Indemnification and Reimbursement Agreement, dated October 14, 2018, by and between (A) Honeywell and (B) New HAPI Inc., a corporation organized under the Laws of the State of Delaware (subsequently assigned to Indemnitor), as amended from time to time prior to the date hereof (as so amended, the "**Indemnification and Reimbursement Agreement**"). Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned to such terms in the Indemnification and Reimbursement Agreement.

WITNESSETH:

WHEREAS, concurrently with the execution of this Amendment, Indemnitor and certain Affiliates thereof are entering into that certain Amended and Restated Credit Agreement, among Indemnitor, Homes Borrower, Homes, certain other subsidiaries of Homes named therein, the lenders and issuing banks party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent (as amended, amended and restated, modified or waived from time to time in accordance with the terms of the Indemnification and Reimbursement Agreement, including Section 2.11 thereof, the "**Amended and Restated Credit Agreement**") and the other Loan Documents (as defined in the Amended and Restated Credit Agreement), and a final copy of the Amended and Restated Credit Agreement has been provided to Indemnitee prior to the date hereof;

WHEREAS, pursuant to Section 4.13 of the Indemnification and Reimbursement Agreement, the Indemnification and Reimbursement Agreement may be amended, supplemented or modified only by an instrument in writing specifically designated as an amendment signed on behalf of each Party; provided that such amendment does not result in the increase of the late payment fee set forth in Section 2.5(b) of the Indemnification and Reimbursement Agreement;

WHEREAS, the amendments to the Indemnification and Reimbursement Agreement contemplated herein do not include any such amendment of the late payment fee set forth in Section 2.5(b) of the Indemnification and Reimbursement Agreement; and

WHEREAS, the Parties desire to amend the Indemnification and Reimbursement Agreement in the manner set forth herein.

NOW, THEREFORE, in accordance with Section 4.13 of the Indemnification and Reimbursement Agreement, the Parties agree as follows:

ARTICLE I

AMENDMENTS

1.1 **Amendment and Restatement of Exhibit G.** Exhibit G to the Indemnification and Reimbursement Agreement is amended and restated in its entirety to read as set forth on Exhibit A hereto.

1.2 **Amendment to Section 2.9.** Section 2.9 of the Indemnification and Reimbursement Agreement is amended and restated in its entirety to read as follows:

“The covenants set forth in Exhibit G hereto are incorporated herein by reference.”

ARTICLE II

MISCELLANEOUS

2.1 **References.** Each reference in the Indemnification and Reimbursement Agreement shall, unless the context otherwise requires, mean the Indemnification and Reimbursement Agreement as amended by this Amendment. Without limiting the foregoing, the Parties acknowledge that on the date hereof the Indemnitor and other parties thereto are entering into and consummating the transactions contemplated by the Amended and Restated Credit Agreement and other Loan Documents (as defined in the Amended and Restated Credit Agreement) and that, in accordance with the terms set forth in Section 4.14 of the Indemnification and Reimbursement Agreement, following the date hereof and subject to the terms of the Indemnification and Reimbursement Agreement (including Section 4.14 thereof), references to the “Current Credit Agreement” in the Indemnification and Reimbursement Agreement and the Guarantee shall mean the Amended and Restated Credit Agreement.

2.2 **No Other Amendments; Continuing Effect.** The amendments set forth herein are limited precisely as written and will not be deemed to be an amendment to any other term or condition of the Indemnification and Reimbursement Agreement or any of the documents referred to therein. Except as expressly amended hereby, the terms and conditions of the Indemnification and Reimbursement Agreement shall continue in full force and effect.

2.3 **Representations and Warranties; No Defaults; No Waivers.** The representations and warranties contained in Sections 4.2 (a), (b) and (c) of the Indemnification and Reimbursement Agreement are hereby restated by each Party and incorporated herein by reference. Indemnitor represents and warrants that as of the date hereof, before and after giving effect to this Amendment and the consummation of the transactions contemplated by the Amended and Restated Credit Agreement, no default or event of default has occurred and is continuing under any of the Indemnification and Reimbursement Agreement, the Current Credit Agreement (which, as provided above, shall be deemed to be the Amended and Restated Credit Agreement for all purposes of this Article II) or any other Loan Document (as defined in the Current Credit Agreement), or any other Indebtedness (as defined in the Current Credit Agreement) of the

Indemnitor or any of its subsidiaries. This Amendment is not a waiver of, or consent to, any default or event of default now existing or hereafter arising under the Indemnification and Reimbursement Agreement (as amended by this Amendment), the Current Credit Agreement, any other Loan Document (as defined in the Current Credit Agreement) or any other Indebtedness (as defined in the Current Credit Agreement) of the Indemnitor or any of its subsidiaries.

2.4 Dispute Resolution; Governing Law; Jurisdiction; WAIVER OF JURY TRIAL; Interpretation, Etc. The provisions of Section 4.3 (“Dispute Resolution”), Section 4.4 (“Governing Law; Jurisdiction”), Section 4.5 (“Waiver of Jury Trial”), Section 4.6 (“Court-Ordered Interim Relief”) and Section 4.14 (“Interpretation”) of the Indemnification and Reimbursement Agreement are hereby incorporated herein by reference and shall apply *mutatis mutandis*.

2.5 Successors. This Amendment shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

2.6 Counterparts. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the date first written above by their respective officers thereunto duly authorized.

HONEYWELL INTERNATIONAL INC.

By: /s/ Anne T. Madden
Name: Anne T. Madden
Title: Senior Vice President and General Counsel

RESIDEO INTERMEDIATE HOLDING INC.

By: /s/ John Heskett
Name: John Heskett Title: President and Treasurer

2016 STOCK INCENTIVE PLAN
OF HONEYWELL INTERNATIONAL INC. AND ITS AFFILIATES
RESTRICTED STOCK UNIT AGREEMENT

RESTRICTED STOCK UNIT AGREEMENT made in Charlotte, North Carolina, as of [DATE] (the "Grant Date"), between Honeywell International Inc. (the "Company") and [EMPLOYEE NAME] ("Participant").

1. **Grant of Award.** The Company has granted you [NUMBER] Restricted Stock Units, subject to the provisions of this Agreement and the 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (the "Plan"). The Company will hold the Restricted Stock Units [and Additional Restricted Stock Units (as defined in Section 2)] in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.

The Restricted Stock Unit Plan Details for this grant can be found on the Morgan Stanley StockPlan Connect website at www.stockplanconnect.com. The Company reserves the right to change or correct any information contained on the Morgan Stanley StockPlan Connect website to reflect the terms of the grant actually made by the Company on the Grant Date or the Plan.

2. **[FOLLOWING INCLUDED AT COMPANY'S DISCRETION: Dividend Equivalents.** Except as otherwise determined by the Management Development and Compensation Committee (the "Committee"), in its sole discretion, you will earn Dividend Equivalents in an amount equal to the value of any cash or stock dividends paid by the Company upon one Share of Common Stock for each unvested Restricted Stock Unit or Additional Restricted Stock Unit (as defined below) credited to your bookkeeping account on a dividend record date. In the case of cash dividends, the Company shall credit to your bookkeeping account, on each dividend payment date, an additional number of Restricted Stock Units ("Additional Restricted Stock Units") equal to (a) divided by (b), where (a) equals the total number of unvested Restricted Stock Units and Additional Restricted Stock Units, if any, subject to this Agreement on such date multiplied by the dollar amount of the cash dividend paid per Share of Common Stock on such date, and (b) equals the Fair Market Value of a Share on such date. If a dividend is paid to holders of Common Stock in Shares, the Company shall credit to you, on each dividend payment date, Additional Restricted Stock Units equal to the total number of unvested Restricted Stock Units and Additional Restricted Stock Units subject to this Agreement on such date multiplied by the Share dividend paid per Share of Common Stock on such date. Additional Restricted Stock Units are subject to the same restrictions, including but not limited to vesting, transferability and payment restrictions, that apply to the Restricted Stock Units to which they relate.]

3. **Payment Amount.** Each Restricted Stock Unit [and Additional Restricted Stock Unit] represents one (1) Share of Common Stock.

4. **Vesting.** Except in the event of your Termination of Employment due to death or Disability, or as otherwise provided in Section 8 of this Agreement relating to a Change in Control, the Restricted Stock Units [and Additional Restricted Stock Units] will vest as provided on the attached Vesting Schedule Table, which is incorporated into, and made a part of, this Agreement.

5. **Form and Timing of Payment.** Vested Restricted Stock Units will be redeemed solely for Shares. [FOLLOWING INCLUDED AT COMPANY'S DISCRETION: Except as otherwise determined by the Company, in its sole discretion, vested Additional Restricted Stock Units will be redeemed solely for Shares.] [Subject to a deferral election made pursuant to Section 12, and] except as otherwise provided in Section 7(b) below, payment of vested Restricted Stock Units [and Additional Restricted Stock Units] will be made as soon as practicable following the applicable vesting date but in no event later than two and one-half (2-1/2) months following the end of the calendar year in which the vesting date occurs. As

determined by the Company in its sole discretion prior to the vesting date, any fractional Shares may be paid in cash or rounded up or down to the nearest whole Share. [You cannot defer payment of the Restricted Stock Units [or the Additional Restricted Stock Units].]

6. **Termination of Employment.** Except as otherwise provided in Sections 7(a) and 8 of this Agreement, any Restricted Stock Units [and Additional Restricted Stock Units] that have not vested as of your Termination of Employment will immediately be forfeited, and your rights with respect to these Restricted Stock Units [and Additional Restricted Stock Units] will end.

7. **Retirement, Death or Disability.**

a. **Vesting.** If your Termination of Employment occurs due to death or Disability before the vesting date described in Section 4 of this Agreement, all of your unvested Restricted Stock Units [and Additional Restricted Stock Units] will vest as of your Termination of Employment. If you are deceased, the Company will make a payment to your estate only after the Company has determined that the payee is the duly appointed executor or administrator of your estate, subject to Section 7.14 of the Plan.

If your Termination of Employment due to Retirement occurs before the vesting date described in Section 4 of this Agreement, all unvested Restricted Stock Units [and Additional Restricted Stock Units] will be forfeited and your rights with respect to any award under this Agreement will terminate.

b. **Payment.** If your Termination of Employment occurs due to death or Disability before the vesting date described in Section 4 of this Agreement, payment for vested Restricted Stock Units [and Additional Restricted Stock Units] will be made as soon as practicable following your Termination of Employment, but in no event later than the last day of the calendar year in which your Termination of Employment occurs.

8. **Change in Control.** In the event of a Change in Control, the following provisions apply:

a. Unless adjusted or exchanged pursuant to Section 5.3(c) or 5.3(d) of the Plan, Restricted Stock Units [and Additional Restricted Stock Units] that have not vested or terminated as of the date of the Change in Control will immediately vest. No later than the earlier of 90 days after the date of the Change in Control or two and one-half months after the end of the calendar year in which the Change in Control occurs, you will receive for the Restricted Stock Units [and Additional Restricted Stock Units] a single payment in cash equal to the product of the number of outstanding Restricted Stock Units [and Additional Restricted Stock Units] as of the date of the Change in Control (including any Restricted Stock Units [and Additional Restricted Stock Units] that vest pursuant to this Section 8) and an amount equal to the greater of (i) the highest price per Share paid by the Successor, as determined by the Committee, and (ii) the highest Fair Market Value during the period of 90 days that ends on the date of the Change in Control. Any securities or other property that is part or all of the consideration paid for Shares pursuant to the Change in Control will be valued at the higher of (x) the valuation placed on the securities or property by any entity that is a party with the Company to the Change in Control, or (y) the valuation placed on the securities or property by the Committee.

b. If adjusted or exchanged pursuant to Section 5.3(c) or 5.3(d) of the Plan, Restricted Stock Units [and Additional Restricted Stock Units] that have not vested or terminated as of the date of the Change in Control will continue to vest in accordance with the schedule described in Section 4 of this Agreement (or as adjusted if more favorable); provided, however, that if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntarily Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) on or before the second anniversary of the date of the Change in Control, Restricted Stock Units [and Additional Restricted Stock Units] that have not vested or terminated as of your Termination of Employment will immediately vest in full and be settled no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs.

9. **Withholdings.** The Company or your local employer shall have the power and the right to deduct or withhold, or require you to remit to the Company or to your local employer, prior to any issuance or delivery of Shares or Restricted Stock Units [or Additional Restricted Stock Units], an amount sufficient to satisfy taxes imposed under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gain taxes, transfer taxes, and social security contributions, and National Insurance Contributions, that are required by law to be withheld as determined by the Company or your local employer.

10. **Transfer of Award.** You may not transfer the Restricted Stock Units[, Additional Restricted Stock Units] or any interest in such Units except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan. Any other attempt to dispose of your interest will be null and void.

11. **Requirements for and Forfeiture of Award.**

a. **General.** The Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 11 and in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information. For purposes of this Section 11, the term "Honeywell" is defined as Honeywell International Inc. (a Delaware corporation having a place of business in Charlotte, North Carolina), its predecessors, designees and successors, as well as its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of assets, stock, merger or otherwise.

b. **Remedies.**

1. You expressly agree and acknowledge that the forfeiture provisions of subsection 11.b.2. of this Agreement shall apply if: (A) you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE: or you voluntarily terminate your employment with less than a 45-day notice period], or (B) from the Grant Date until the date that is twenty-four (24) months after your Termination of Employment for any reason, you (i) enter into an employment, consultation or similar agreement or arrangement (including any arrangement for service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business in which Honeywell is engaged if the business is competitive (in the sole judgment of the Honeywell International Inc. Chief Executive Officer ("CEO")) with Honeywell and the CEO has not approved the agreement or arrangement in writing, or (ii) make any statement, publicly or privately (other than to your spouse and legal advisors), which would be disparaging (as defined below) to Honeywell or its businesses, products, strategies, prospects, condition, or reputation or that of its directors, employees, officers or members; provided, however, that nothing shall preclude you from making any statement in good faith which is required by any applicable law or regulation or the order of a court or other governmental body, or (iii) write or contribute to a book, article or other media publication, whether in written or electronic format, that is in any way descriptive of Honeywell or your career with Honeywell without first submitting a draft thereof, at least thirty (30) days in advance, to the Honeywell International Inc. Senior Vice President and General Counsel, whose judgment about whether such book, article or other media publication is disparaging shall be determinative; or such a book, article or other media publication is published after a determination that it is disparaging; provided, however, that nothing herein shall preclude you from reporting (in good faith) possible violations of federal law or regulation to any governmental agency or entity, including but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and/or any agency Inspector General, or making any other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, or from otherwise making any statement (in good faith) which is required by any applicable law or regulation or the order of a court or other governmental body.

For purposes of this subsection 11.b.1, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation.

2. In addition to the relief described in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information, if the CEO determines, in his sole judgment, that you have violated the terms of any such agreement or you have engaged in an act that violates subsection 11.b.1. of this Agreement, or you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE or you voluntarily terminate your employment with less than a 45-day notice period], (i) any Restricted Stock Units [and Additional Restricted Stock Units] that have not vested under this Agreement shall immediately be cancelled, and you shall forfeit any rights you have with respect to such Units as of the date of the CEO's determination or the date of your Termination of Employment for Cause [INCLUDE AS APPLICABLE or voluntary Termination of Employment, as applicable], and (ii) you shall immediately deliver to the Company Shares equal in value to the Restricted Stock Units [and Additional Restricted Stock Units] you received during the period beginning twelve (12) months prior to your Termination of Employment and ending on (x) the date of the CEO's determination in the case of a violation other than for a Termination of Employment for Cause [or voluntary termination without sufficient notice], or (y) the date of your Termination of Employment in the case of a Termination of Employment for Cause [or voluntary termination without sufficient notice, as applicable].

3. Notwithstanding anything in the Plan or this Agreement to the contrary, you acknowledge that the Company may be entitled or required by law, Company policy or the requirements of an exchange on which the Shares are listed for trading, to recoup compensation paid to you pursuant to the Plan, and you agree to comply with any Company request or demand for recoupment.

12. **Restrictions on Payment of Shares.** Payment of Shares for your Restricted Stock Units [and Additional Restricted Stock Units] is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares underlying the Restricted Stock Units [and Additional Restricted Stock Units] will be duly listed, upon official notice of redemption, upon the New York Stock Exchange, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares will be effective. The Company will not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel for the Company.

13. **Adjustments.** Any adjustments to the Restricted Stock Units [and Additional Restricted Stock Units] will be governed by Section 5.3 of the Plan.

14. **Disposition of Securities.** By accepting the Award, you acknowledge that you have read and understand the Company's policy, and are aware of and understand your obligations under applicable securities laws in respect of trading in the Company's securities. The Company will have the right to recover, or receive reimbursement for, any compensation or profit you realize on the disposition of Shares received for Restricted Stock Units [or Additional Restricted Stock Units] to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

15. **Plan Terms Govern.** The vesting and redemption of Restricted Stock Units [or Additional Restricted Stock Units], the disposition of any Shares received for Restricted Stock Units [or Additional Restricted Stock Units], the treatment of gain on the disposition of these Shares, and the treatment of Dividend Equivalents are subject to the provisions of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the

terms of this Agreement, the Plan will control. By accepting the Award, you acknowledge that the Plan and the Plan prospectus, as in effect on the date of this Agreement, have been made available to you for your review.

16. Personal Data.

- a. By entering into this Agreement, and as a condition of the grant of the Restricted Stock Units, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.
- b. You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all Restricted Stock Units or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan ("Data").
- c. You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of Restricted Stock Units or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.
- d. You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan ("Data Recipients").
- e. You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.
- f. You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You further understand that withdrawing consent may affect your ability to participate in the Plan.

17. Discretionary Nature and Acceptance of Award. By accepting this Award, you agree to be bound by the terms of this Agreement and acknowledge that:

- a. The Company (and not your local employer) is granting your Restricted Stock Units [and Additional Restricted Stock Units]. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
 - b. The Company may administer the Plan from outside your country of residence and United States law will govern all Restricted Stock Units [and Additional Restricted Stock Units] granted under the Plan.
 - c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
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d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.

e. The grant of Restricted Stock Units [and Additional Restricted Stock Units] hereunder, and any future grant of Restricted Stock Units [or Additional Restricted Stock Units] under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Restricted Stock Units, [the Additional Restricted Stock Units] nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.

f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.

g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

18. **Limitations.** Nothing in this Agreement or the Plan gives you any right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of your Restricted Stock Units [and Additional Restricted Stock Units] is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of this Award or the account established on your behalf. You have no rights as a shareowner of the Company pursuant to the Restricted Stock Units [or Additional Restricted Stock Units] until Shares are actually delivered to you.

19. **Incorporation of Other Agreements.** This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Restricted Stock Units. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Restricted Stock Units [and the Additional Restricted Stock Units].

20. **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the other provisions of the Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.

21. **Governing Law.** The Plan, this Agreement, and all determinations made and actions taken under the Plan or this Agreement shall be governed by the internal substantive laws, and not the choice of law rules, of the State of Delaware and construed accordingly, to the extent not superseded by applicable federal law.

22. **Agreement Changes.** The Company reserves the right to change the terms of this Agreement and the Plan without your consent to the extent necessary or desirable to comply with the requirements of Code section 409A, the Treasury regulations and other guidance thereunder.

23. **Acknowledgements and Acceptance.** By accepting this Agreement, you agree that: (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Agreement, the Plan, the Plan's prospectus and all accompanying documentation; and (ii) you understand and agree that this Agreement and the Plan constitute the entire understanding between you and the Company regarding the Award, and that any prior agreements, commitments, or negotiations concerning the Award are replaced and superseded.

To retain this Award, you must accept it by printing the Agreement and signing and dating below. **Return the signed Agreement to Honeywell International Inc., Executive Compensation/4B, 115 Tabor Road, Morris Plains, New Jersey 07950.**

I Accept:

Print Name _____ EID _____

Signature _____ Date _____

VESTING SCHEDULE TABLE

[VESTING PROVISIONS CONSISTENT WITH THE PLAN]

2016 STOCK INCENTIVE PLAN
OF HONEYWELL INTERNATIONAL INC. AND ITS AFFILIATES
RESTRICTED UNIT AGREEMENT, FORM 2

This RESTRICTED UNIT AGREEMENT made in Charlotte, North Carolina, as of [DATE] (the "Grant Date"), between Honeywell International Inc. (the "Company") and [EMPLOYEE NAME] ("Participant").

1. **Grant of Award.** The Company has granted you [NUMBER] Restricted Stock Units, subject to the provisions of this Agreement and the 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (the "Plan"). The Company will hold the Restricted Stock Units [and Additional Restricted Stock Units (as defined in Section 4)] in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.

The Restricted Stock Unit Plan Details for this grant can be found on the Morgan Stanley StockPlan Connect website at www.stockplanconnect.com. The Company reserves the right to change or correct any information contained on the Morgan Stanley StockPlan Connect website to reflect the terms of the Award actually made by the Company on the Grant Date or the Plan.

2. **Definitions.** For purposes of this Agreement, the following definitions apply:

- a. "Actual Award" means the product of (i) the Plan Payout Percentage (as determined under Section 3), and (ii) your Target Award.
- b. "Compensation Peer Group" means [INSERT COMPANY NAMES]. If there is any change in the corporate capitalization of a company in the Compensation Peer Group during a Measurement Period (such as a stock split, corporate transaction or any partial or complete liquidation), the Committee, in its sole discretion, may take such change into account in determining the Total Shareholder Return of that company. If any company included in the Compensation Peer Group ceases to exist or to be publicly traded during the Measurement Period, or undergoes any other similar change, the Committee shall determine the consequences of such event for purposes of this Agreement, including without limitation, the replacement of such company in the Compensation Peer Group.
- c. "Measurement Period" means [DESCRIBE MEASUREMENT PERIOD].
- d. "Performance Cycle" means the period beginning on [DATE] and ending on [DATE].
- e. "Target Award" means the number of Restricted Stock Units awarded to you for the Performance Cycle under Section 1 of this Agreement.
- f. "Total Shareholder Return" means the ratio of (A) a company's share price as of the last trading day of a Measurement Period (determined using the average closing share price over the 30 preceding trading days) plus earned dividends per share during the Measurement Period, over (B) the company's share price as of the first trading day of a Measurement Period (determined using the average closing share price over the 30 preceding trading days). Dividends are assumed earned and reinvested on the ex-dividend date.
- g. [INSERT ADDITIONAL BUSINESS-RELATED DEFINITIONS AS APPLICABLE].

3. **Performance Measures.** For each Measurement Period, the Company's Total Shareholder Return will be compared to the Total Shareholder Return of each company in the Compensation Peer

Group, and the Total Shareholder Return of the Compensation Peer Group and the Company shall be ranked. [DESCRIBE OTHER BUSINESS-RELATED PERFORMANCE MEASURES AS APPLICABLE].

The Plan Payout Percentage shall be determined based on the following for the Performance Cycle: [DESCRIBE HOW PLAN PAYOUT PERCENTAGE IS DETERMINED].

4. **[FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: Dividend Equivalents.** Except as otherwise determined by the Management Development and Compensation Committee (the "Committee"), in its sole discretion, you will earn Dividend Equivalents in an amount equal to the value of any cash or stock dividends paid by the Company upon one Share of Common Stock for each unvested Restricted Stock Unit or Additional Restricted Stock Unit (as defined below) credited to your bookkeeping account on a dividend record date. At the vesting date(s) specified in Section 6, such Dividend Equivalents shall be adjusted up or down based on your Actual Award. In the case of cash dividends, the Company shall credit to your bookkeeping account, on each dividend payment date, an additional number of Restricted Stock Units ("Additional Restricted Stock Units") equal to (a) divided by (b), where (a) equals the total number of unvested Restricted Stock Units and Additional Restricted Stock Units, if any, subject to this Agreement on such date multiplied by the dollar amount of the cash dividend paid per Share of Common Stock on such date, and (b) equals the Fair Market Value of a Share on such date. If a dividend is paid to holders of Common Stock in Shares, the Company shall credit to you, on each dividend payment date, Additional Restricted Stock Units equal to the total number of unvested Restricted Stock Units and Additional Restricted Stock Units subject to this Agreement on such date multiplied by the Share dividend paid per Share of Common Stock on such date. Additional Restricted Stock Units are subject to the same restrictions, including but not limited to vesting, transferability and payment restrictions, that apply to the Restricted Stock Units to which they relate, with any fractional Shares rounded up to the nearest whole Share. You will continue to earn Additional Restricted Stock Units on unpaid Restricted Stock Units and Additional Restricted Stock Units that are held in your bookkeeping account pursuant to a deferral election until the vested Shares are paid to you.]

5. **Payment Amount.** Each Restricted Stock Unit [and Additional Restricted Stock Unit] represents one (1) Share of Common Stock.

6. **Vesting and Payment.** Except as otherwise provided in Sections 8, 9, and 10 and a deferral election, the vesting and payment of Restricted Stock Units [and related Additional Restricted Stock Units] is/are contingent upon you remaining actively employed by the Company on the applicable vesting date(s) specified below: [DESCRIBE VESTING DATE(S)].

Except as otherwise provided in Sections 8, 9, and 10 and a deferral election, payment will be made as soon as practicable following the vesting date, but in no event later than 2-1/2 months after the end of the calendar year in which vesting occurs.

The Actual Award [and related Additional Restricted Stock Units] will be paid solely in Shares. [In no event will Additional Restricted Stock Units be paid if the related Restricted Stock Units have not vested.]

7. **Termination of Employment.** Except as otherwise provided in this Agreement, if your Termination of Employment occurs for any reason before the vesting date(s) specified above, any unvested Restricted Stock Units [and Additional Restricted Stock Units] will immediately be forfeited, and your rights with respect to these Restricted Stock Units [and Additional Restricted Stock Units] will end.

8. **Death or Disability.** If your Termination of Employment occurs because of your death or Disability before the last day of the Performance Cycle, you or your estate will receive your Target Award as your Actual Award for the Performance Cycle. [No Additional Restricted Stock Units will be paid in this case. OR Additional Restricted Stock Units will be calculated as provided in Section 4.]

If your Termination of Employment occurs because of your death or Disability after the last day of the Performance Cycle but before the Actual Award is fully paid, you or your estate will receive the remainder of your unpaid Actual Award for the Performance Cycle. [No Additional Restricted Stock Units will be paid in this case. OR Additional Restricted Stock Units will be calculated as provided in Section 4.]

9. **[INCLUDE AS APPLICABLE: Retirement.** For the avoidance of doubt, if your Termination of Employment occurs solely because of your Retirement at any age before the last day of the Performance Cycle, all unvested Restricted Stock Units [and Additional Restricted Stock Units] will be forfeited and your rights with respect to any award under this Agreement will end.

OR

If your Termination of Employment occurs solely because of your Retirement on or after age [AGE] before the last day of the Performance Cycle, you will receive a pro-rata payment of your Target Award as your Actual Award equal to the product of (a) times (b), minus (c), where (a) equals the total number of Restricted Stock Units set forth in Section 1 above [plus the total number of Additional Restricted Stock Units credited to you as of your Termination of Employment], (b) equals the ratio of your complete years of service as an employee of the Company or its Affiliates between the Award Date and your Termination of Employment, and the number of complete years of service required under this Agreement to be fully vested in all Restricted Stock Units [and Additional Restricted Stock Units], and (c) equals the number of Restricted Stock Units [and Additional Restricted Stock Units] that vested before your Termination of Employment.

OR

If your Termination of Employment occurs solely because of your Retirement on or after age [AGE] before the last day of the Performance Cycle, you will be vested in an additional number of Restricted Stock Units [and related Additional Restricted Stock Units] equal to [INSERT VESTING PROVISION ON RETIREMENT AT OR AFTER THE SPECIFIED AGE.]

[INCLUDE AS APPLICABLE: If your Termination of Employment occurs solely because of your Retirement on or after age [AGE] after the last day of the Performance Cycle but before the Actual Award is fully paid, you will receive the remainder of your unpaid Actual Award for the Performance Cycle.

OR

If your Termination of Employment occurs solely because of your Retirement on or after age [AGE] after the last day of the Performance Cycle but before the Actual Award is fully paid, any unpaid Actual Award will be forfeited and your rights with respect to any such Actual Award under this Agreement will terminate.

OR

If your Termination of Employment occurs solely because of your Retirement on or after age [AGE] after the last day of the Performance Cycle but before the Actual Award is fully paid, any unpaid Actual Award will be paid as follows: [INSERT VESTING PROVISION ON RETIREMENT ON OR AFTER AGE [AGE]].]

[No Additional Restricted Stock Units will be paid in this case. OR Additional Restricted Stock Units will be calculated as provided in Section 4.]

[INCLUDE AS APPLICABLE: Notwithstanding the preceding sentence, if you are a "specified employee" under Section 409A of the Code as of the date your Termination of Employment occurs due to Retirement, payment for vested Restricted Stock Units [and Additional Restricted Stock Units] will be made on the first business day of the first calendar month that begins after the six-month anniversary of your Termination of Employment, or, if earlier, your death.

Subject to a deferral election, if (i) you are eligible for Retirement on or after age [AGE] on the Award Date or you become eligible for Retirement on or after age [AGE] before the last vesting date described in Section 6 of this Agreement and (ii) your Termination of Employment does not occur before the last vesting date described in Section 6 of this Agreement, payment for vested Restricted Stock Units [and Additional Restricted Stock Units] will be made as soon as practicable following the applicable vesting date described in Section 6 of this Agreement but in no event later than the last day of the calendar year in which each such vesting date occurs.]

10. **Change in Control.** Notwithstanding anything in Sections 2 through 9 above to the contrary, in the event of a Change in Control (as defined in the Plan), the following provisions apply:

a. **Rollover of Awards.** If adjusted or exchanged pursuant to Section 5.3(c), 5.3(d), 5.3(e) or 5.3(f) of the Plan, Restricted Stock Units [and Additional Restricted Stock Units] that have not vested or terminated as of the date of the Change in Control will continue to vest in accordance with the schedule described in Section 6 of this Agreement (or as adjusted if more favorable); provided, however, that (x) if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntary Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) on or before the second anniversary of the date of the Change in Control and after the Performance Cycle has ended, [subject to the terms of a deferral election,] the unpaid portion of your Actual Award will immediately vest in full and be settled no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs, or (y) if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntary Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) during the two-year period following the Change in Control and before the Performance Cycle has ended, [subject to the terms of a deferral election,] an amount equal to the Target Award, pro-rated to reflect the portion of the Performance Cycle that elapsed prior to such Termination of Employment, will be paid in Shares no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs.

b. **Cashout of Awards.** Unless adjusted or exchanged pursuant to Section 5.3(c), 5.3(d)(ii), 5.3(e) or 5.3(f) of the Plan (concerning rollover of outstanding awards in certain circumstances), Restricted Stock Units [and Additional Restricted Stock Units] that have not vested or terminated as of the date of the Change in Control will immediately vest. If the Change in Control occurs after the Performance Cycle has ended, [subject to the terms of a deferral election,] you will receive the portion of your unpaid Actual Award. If the Change in Control occurs before the Performance Cycle has ended, [subject to the terms of a deferral election,] the Actual Award will be based on the Target Award or other level of substantially achieved performance, as determined by the Committee prior to the Change in Control. No later than the earlier of 90 days after the date of the Change in Control or two and one-half months after the end of the calendar year in which the Change in Control occurs, you will receive for the Restricted Stock Units [and Additional Restricted Stock Units] a single payment in cash equal to the product of the number of vested and outstanding Restricted Stock Units [and Additional Restricted Stock Units] as of the date of the Change in Control (including any Restricted Stock Units [and Additional Restricted Stock Units] that vest pursuant to this Section 10) and an amount equal to the greater of (i) the highest price per Share paid by the successor, as determined by the Committee, and (ii) the highest Fair Market Value during the period of 90 days that ends on the date of the Change in Control. Any securities or other property that is part or all of the consideration paid for Shares pursuant to the Change in Control will be valued at the higher of (x) the valuation placed on the securities or property by any entity that is a party with the Company to the Change in Control, or (y) the valuation placed on the securities or property by the Committee.

11. **[FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: Deferral of Payment.** If you would like to defer payment on the Restricted Stock Units and related Additional Restricted Stock Units, you may do so in writing on the deferral form provided with this grant setting forth your desired payment schedule.

The deferral shall not be permitted if, within the determination of the Company, such deferral would result in a violation of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder. If the deferral is not permitted, then payment shall be made as provided in this Agreement. All Additional Restricted Stock Units shall be subject to the same deferral restrictions as the Restricted Stock Units to which they relate.]

12. **Withholdings.** The Company or your local employer shall have the power and the right to deduct or withhold, or require you to remit to the Company or to your local employer, prior to any issuance or delivery of Shares on Restricted Stock Units [or Additional Restricted Stock Units], an amount sufficient to satisfy taxes imposed under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gain taxes, transfer taxes, and social security contributions, and National Insurance Contributions, that are required by law to be withheld as determined by the Company or your local employer.

13. **Transfer of Award.** You may not transfer the Restricted Stock Units [, Additional Restricted Stock Units] or any interest in such Units except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan. Any other attempt to dispose of your interest will be null and void.

14. **Requirements for and Forfeiture of Award.**

a. **General.** The Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 14 and in any other agreement (including but not limited to the Stock Option Agreement for the Option granted on February 25, 2011, if applicable) that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information. For purposes of this Section 14, the term "Honeywell" is defined as Honeywell International Inc. (a Delaware corporation having a place of business in Charlotte, North Carolina), its predecessors, designees and successors, as well as its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of assets, stock, merger or otherwise.

b. **Remedies.**

1. You expressly agree and acknowledge that the forfeiture provisions of subsection 14.b.2. of this Agreement shall apply if: (A) you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE: or you voluntarily terminate your employment with less than a 45-day notice period], or (B) from the Grant Date until the date that is twenty-four (24) months after your Termination of Employment for any reason, you (i) enter into an employment, consultation or similar agreement or arrangement (including any arrangement for service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business in which Honeywell is engaged if the business is competitive (in the sole judgment of the Chief Executive Officer ("CEO")) with Honeywell and the CEO has not approved the agreement or arrangement in writing, or (ii) make any statement, publicly or privately (other than to your spouse and legal advisors), which would be disparaging (as defined below) to Honeywell or its businesses, products, strategies, prospects, condition, or reputation or that of its directors, employees, officers or members; provided, however, that nothing shall preclude you from making any statement in good faith which is required by any applicable law or regulation or the order of a court or other governmental body, or (iii) write or contribute to a book, article or other media publication, whether in written or electronic format, that is in any way descriptive of Honeywell or your career with Honeywell without first submitting a draft thereof, at least thirty (30) days in advance, to the Honeywell International Inc. Senior Vice President and General Counsel, whose judgment about whether such book, article or other media publication is disparaging shall be determinative; or such a book, article or other media publication is published after a determination that it is disparaging; provided, however, that nothing herein shall preclude you from reporting (in good faith) possible violations of federal law or regulation to

any governmental agency or entity, including but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and/or any agency Inspector General, or making any other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, or from otherwise making any statement (in good faith) which is required by any applicable law or regulation or the order of a court or other governmental body.

For purposes of this subsection 14.b.1, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation.

2. In addition to the relief described in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information, if the CEO determines, in his sole judgment, that you have violated the terms of any such agreement or you have engaged in an act that violates subsection 14.b.1. of this Agreement or you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE or you voluntarily terminate your employment with less than a 45-day notice period], (i) any Restricted Stock Units [and Additional Restricted Stock Units] that have not vested under this Agreement shall immediately be cancelled, and you shall forfeit any rights you have with respect to such Units as of the date of the CEO's determination or the date of your Termination of Employment for Cause [INCLUDE AS APPLICABLE or voluntary Termination of Employment, as applicable], and (ii) you shall immediately deliver to the Company Shares equal in value to the Restricted Stock Units [and Additional Restricted Stock Units] you received during the period beginning twelve (12) months prior to your Termination of Employment and ending on (x) the date of the CEO's determination in the case of a violation other than for a Termination of Employment for Cause [or voluntary termination without sufficient notice], or (y) the date of your Termination of Employment in the case of a Termination of Employment for Cause [or voluntary termination without sufficient notice, as applicable].

3. Notwithstanding anything in the Plan or this Agreement to the contrary, you acknowledge that the Company may be entitled or required by law, Company policy or the requirements of an exchange on which the Shares are listed for trading, to recoup compensation paid to you pursuant to the Plan, and you agree to comply with any Company request or demand for recoupment.

15. **Restrictions on Payment of Shares.** Payment of Shares for your Restricted Stock Units [and Additional Restricted Stock Units] is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares underlying the Restricted Stock Units [and Additional Restricted Stock Units] shall be duly listed, upon official notice of redemption, upon the New York Stock Exchange, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares shall be effective. The Company shall not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel for the Company.

16. **Adjustments.** Any adjustments to the Restricted Stock Units [and Additional Restricted Stock Units] will be governed by Section 5.3 of the Plan.

17. **Disposition of Securities.** By accepting the Award, you acknowledge that you have read and understand (i) the Company's policy, and are aware of and understand your obligations under applicable securities laws in respect of trading in the Company's securities, and (ii) the Company's stock ownership guidelines as they apply to this Award. The Company shall have the right to recover, or receive reimbursement for, any compensation or profit you realize on the disposition of Shares received for Restricted Stock Units [or Additional Restricted Stock Units] to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

18. **Plan Terms Govern.** The vesting and redemption of Restricted Stock Units [or Additional Restricted Stock Units], the disposition of any Shares received for Restricted Stock Units [or Additional Restricted Stock Units], the treatment of gain on the disposition of these Shares, and the treatment of Dividend Equivalents are subject to the provisions of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan shall control. By accepting the Award, you acknowledge that the Plan and the Plan prospectus, as in effect on the date of this Agreement, have been made available to you for your review. Without limiting the generality of the foregoing, you agree that all determinations made by the Committee of Total Shareholder Return and the Company's ranking within the Compensation Peer Group shall be final, binding and conclusive on you in accordance with Article III of the Plan.

19. **Personal Data.**

a. By entering into this Agreement, and as a condition of the grant of the Restricted Stock Units, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.

b. You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all Restricted Stock Units or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan ("Data").

c. You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of Restricted Stock Units or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.

d. You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan ("Data Recipients").

e. You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.

f. You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You further understand that withdrawing consent may affect your ability to participate in the Plan.

20. **Discretionary Nature and Acceptance of Award.** By accepting this Award, you agree to be bound by the terms of this Agreement and acknowledge that:

- a. The Company (and not your local employer) is granting your Restricted Stock Units [and Additional Restricted Stock Units]. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
- b. The Company may administer the Plan from outside your country of residence and United States law will govern all Restricted Stock Units [and Additional Restricted Stock Units] granted under the Plan.
- c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
- d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- e. The grant of Restricted Stock Units [and Additional Restricted Stock Units] hereunder, and any future grant of Restricted Stock Units [or Additional Restricted Stock Units] under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Restricted Stock Units, [the Additional Restricted Stock Units] nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.
- f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.
21. **Limitations.** Nothing in this Agreement or the Plan gives you any right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of your Restricted Stock Units [and Additional Restricted Stock Units] is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of this Award or the account established on your behalf. You have no rights as a shareowner of the Company pursuant to the Restricted Stock Units [and Additional Restricted Stock Units] until Shares are actually delivered to you.
22. **Incorporation of Other Agreements.** This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Restricted Stock Units. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Restricted Stock Units [and Additional Restricted Stock Units].
23. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the other provisions of the Agreement, which shall remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity,
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the provision shall be construed so as to be enforceable to the maximum extent compatible with applicable law.

24. **Governing Law.** The Plan, this Agreement, and all determinations made and actions taken under the Plan or this Agreement shall be governed by the internal substantive laws, and not the choice of law rules, of the State of Delaware and construed accordingly, to the extent not superseded by applicable federal law.

25. **Agreement Changes.** The Company reserves the right to change the terms of this Agreement and the Plan without your consent to the extent necessary or desirable to comply with the requirements of Code section 409A, the Treasury regulations and other guidance thereunder.

26. **Acknowledgements and Acceptance.** By accepting this Agreement, you agree that: (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Agreement, the Plan, the Plan's prospectus and all accompanying documentation; and (ii) you understand and agree that this Agreement and the Plan constitute the entire understanding between you and the Company regarding the Award, and that any prior agreements, commitments, or negotiations concerning the Award are replaced and superseded.

To retain this Award, you must accept it by printing the Agreement and signing and dating below. **Return the signed Agreement to Honeywell International Inc., Executive Compensation/4B, 115 Tabor Road, Morris Plains, New Jersey 07950.**

I Accept:

Print Name EID _____

Signature Date _____

**2016 STOCK INCENTIVE PLAN
OF HONEYWELL INTERNATIONAL INC. AND ITS AFFILIATES
STOCK OPTION AWARD AGREEMENT**

STOCK OPTION AWARD AGREEMENT made in Charlotte, North Carolina, as of [DATE] (the "Grant Date"), between Honeywell International Inc. (the "Company") and [EMPLOYEE NAME] ("Participant").

1. **Grant of Option.** The Company has granted you an Option to purchase [NUMBER] Shares of Common Stock, subject to the provisions of this Agreement and the 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (the "Plan"). This Option is a nonqualified Option.

The Stock Option Plan Details for this grant can be found on the Morgan Stanley StockPlan Connect website at www.stockplanconnect.com. The Company reserves the right to change or correct any information contained on the Morgan Stanley StockPlan Connect website to reflect the terms of the Award actually made by the Company on the Grant Date or the Plan.
 2. **Exercise Price.** The purchase price of the Shares covered by the Option will be [DOLLAR AMOUNT] per Share ("Exercise Price" or "Grant Price").
 3. **Vesting.** Except in the event of a Termination of Employment due to death or Disability or as otherwise provided in Section 8 of this Agreement relating to a Change in Control, the Option will become exercisable as provided on the attached Vesting Schedule Table, which is incorporated into, and made a part of, this Agreement.
 4. **Term of Option.** The Option must be exercised prior to the close of the New York Stock Exchange ("NYSE") on the day before the tenth anniversary of the Grant Date (the "Expiration Date"), subject to earlier termination or cancellation as provided below. If the NYSE is not open for business on the Expiration Date, the Option will expire at the close of the NYSE on the business day immediately preceding the Expiration Date.
 5. **Payment of Exercise Price.** You may pay the Exercise Price by cash, certified check, bank draft, wire transfer, postal or express money order, or any other alternative method specified in the Plan and expressly approved by the Committee. Notwithstanding the foregoing, you may not tender any form of payment that the Committee determines, in its sole and absolute discretion, could violate any law or regulation.
 6. **Exercise of Option.** Subject to the terms and conditions of this Agreement, the Option may be exercised by contacting the Honeywell Stock Option Service Center, managed by Morgan Stanley, by telephone at 1-888-723-3391 or 1-801-617-7414, or on the internet at www.stockplanconnect.com. If the Option is exercised after your death, the Company will deliver Shares only after the Company has determined that the person exercising the Option is the duly appointed executor or administrator of your estate or the person to whom the Option has been transferred by your will or by the applicable laws of descent and distribution.
 7. **Termination, Retirement, Disability or Death.** The Option will vest and remain exercisable as follows:
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Event	Vesting	Exercise
Death	Immediate vesting as of Termination of Employment due to death.	Expires earlier of (i) original expiration date, or (ii) 3 years after Termination of Employment.
Disability	Immediate vesting as of Termination of Employment due to Disability.	Expires earlier of (i) original expiration date, or (ii) 3 years after Termination of Employment.
Retirement (Termination of Employment because of retirement from active employment on or after age 55 and 10 Years of Service)	Unvested Awards forfeited as of Retirement.	Expires earlier of (i) original expiration date, or (ii) 3 years after Retirement.
Voluntary termination [with notice period of 45 days or more]	Unvested Awards forfeited as of Termination of Employment.	Expires earlier of (i) original expiration date, or (ii) 30 days after termination.
[Voluntary termination with notice period of less than 45 days]	[Unvested Awards forfeited as of Termination of Employment.]	[Vested Awards immediately cancelled.]
Involuntary termination not for Cause	Unvested Awards forfeited as of Termination of Employment.	Expires earlier of (i) original expiration date, or (ii) 1 year after termination.
Involuntary termination for Cause	Unvested Awards forfeited as of Termination of Employment.	Vested Awards immediately cancelled.

Except as expressly provided herein, all rights hereunder shall cease to accrue as of the date of your Termination of Employment with the Company and its Affiliates. You will forfeit the unvested portion of any award and all rights to continue vesting in awards shall cease as of the date of Termination of Employment. Further, you will not be entitled to receive additional awards hereunder after Termination of Employment.

8. **Change in Control.** If you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntary Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) on or before the second anniversary of the date of a Change in Control, any portion of the Option that has not vested or terminated as of your Termination of Employment shall vest as of your Termination of Employment and become exercisable in full as of the date of such Termination of Employment. Such a termination shall be considered an Involuntary Termination not for Cause or, if applicable, a Retirement, under Section 7 of this Agreement.

9. **Withholdings.** The Company or your local employer shall have the power and the right to deduct or withhold, or require you to remit to the Company or your local employer, an amount sufficient to satisfy taxes imposed under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gain taxes, transfer taxes, and social security contributions, and National Insurance Contributions, that are required by law to be withheld with respect to the grant of the Option, any exercise of the your rights under this Agreement, the sale of Shares acquired from the exercise of the Option, and/or payment of dividends on Shares acquired pursuant to the Option.

10. **Transfer of Option.** You may not transfer the Option or any interest in the Option except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan. Any other attempt to dispose of your interest will be null and void.

11. **Requirements for and Forfeiture of Award.**

a. **General.** The Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 11 and in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information. For purposes of this Section 11, the term "Honeywell" is defined as Honeywell International Inc. (a Delaware corporation having a place of business in Charlotte, North Carolina), its predecessors, designees and successors, as well as its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of assets, stock, merger or otherwise.

b. **Remedies.**

1. You expressly agree and acknowledge that the forfeiture provisions of subsection 11.b.2. of this Agreement shall apply if: (A) you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE: or you voluntarily terminate your employment with less than a 45-day notice period], or (B) from the Grant Date until the date that is twenty-four (24) months after your Termination of Employment for any reason, you (i) enter into an employment, consultation or similar agreement or arrangement (including any arrangement for service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business in which Honeywell is engaged if the business is competitive (in the sole judgment of the Honeywell International Inc. Chief Executive Officer ("CEO")) with Honeywell and the CEO has not approved the agreement or arrangement in writing, or (ii) make any statement, publicly or privately (other than to your spouse and legal advisors), which would be disparaging (as defined below) to Honeywell or its businesses, products, strategies, prospects, condition, or reputation or that of its directors, employees, officers or members; provided, however, that nothing shall preclude you from making any statement in good faith which is required by any applicable law or regulation or the order of a court or other governmental body, or (iii) write or contribute to a book, article or other media publication, whether in written or electronic format, that is in any way descriptive of Honeywell or your career with Honeywell without first submitting a draft thereof, at least thirty (30) days in advance, to the Honeywell International Inc. Senior Vice President and General Counsel, whose judgment about whether such book, article or other media publication is disparaging shall be determinative; or such a book, article or other media publication is published after a determination that it is disparaging; provided, however, that nothing herein shall preclude you from reporting (in good faith) possible violations of federal law or regulation to any governmental agency or entity, including but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and/or any agency Inspector General, or making any other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, or from otherwise making any statement (in good faith) which is required by any applicable law or regulation or the order of a court or other governmental body.

For purposes of this subsection 11.b.1, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation.

2. In addition to the relief described in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information, if the CEO determines, in its sole judgment, that you have violated the terms of any such agreement or you have engaged in an act that violates subsection 11.b.1. of this Agreement, or you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE or you voluntarily terminate your employment with less than a 45-day notice period], (i) any portion of the Option you have not exercised (whether vested or unvested) shall immediately be cancelled, and you shall forfeit any rights you have with respect to the Option as of the date of the CEO's determination or the date of your Termination of Employment, as applicable, and (ii) you shall immediately deliver to the

Company Shares equal in value to the amount of any profit you realized upon an exercise of the Option during the period beginning twelve (12) months prior to your Termination of Employment and ending on (x) the date of the CEO's determination in the case of a violation other than for a Termination of Employment for Cause [or voluntary termination without sufficient notice], or (y) the date of your Termination of Employment in the case of a Termination of Employment for Cause [or voluntary termination without sufficient notice, as applicable].

3. Notwithstanding anything in the Plan or this Agreement to the contrary, you acknowledge that the Company may be entitled or required by law, Company policy or the requirements of an exchange on which the Shares are listed for trading, to recoup compensation paid to you pursuant to the Plan, and you agree to comply with any Company request or demand for recoupment.

12. **Adjustments.** Any adjustments to the Option will be governed by Section 5.3 of the Plan.

13. **Restrictions on Exercise.** Exercise of the Option is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares covered by the Option will be duly listed, upon official notice of issuance, upon the NYSE, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares will be effective. The Company will not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel of the Company.

14. **Disposition of Securities.** By accepting the Award, you acknowledge that you have read and understand the Company's policy, and are aware of and understand your obligations under U.S. federal securities laws in respect of trading in the Company's securities, and you agree not to use the Company's "cashless exercise" program (or any successor program) at any time when you possess material nonpublic information with respect to the Company or when using the program would otherwise result in a violation of securities law. The Company will have the right to recover, or receive reimbursement for, any compensation or profit realized on the exercise of the Option or by the disposition of Shares received upon exercise of the Option to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

15. **Plan Terms Govern.** The exercise of the Option, the disposition of any Shares received upon exercise of the Option, and the treatment of any gain on the disposition of these Shares are subject to the terms of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan will control unless otherwise stated in this Agreement. By accepting the Award, you acknowledge receipt of the Plan and the prospectus, as in effect on the date of this Agreement.

16. **Personal Data.**

a. By entering into this Agreement, and as a condition of the grant of the Option, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.

b. You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all options or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan ("Data").

c. You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of options or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.

d. You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan ("Data Recipients").

e. You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.

f. You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You further understand that withdrawing consent may affect your ability to participate in the Plan.

17. **Discretionary Nature and Acceptance of Award.** By accepting this Award, you agree to be bound by the terms of this Agreement and acknowledge that:

a. The Company (and not your local employer) is granting your Option. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.

b. The Company may administer the Plan from outside your country of residence and United States law will govern all options granted under the Plan.

c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.

d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.

e. The grant of the Option hereunder, and any future grant of an option under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Option nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.

f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur

any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.

g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

18. **Limitations.** Nothing in this Agreement or the Plan gives you any right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of Shares is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of the Option. You have no rights as a shareowner of the Company pursuant to the Option until Shares are actually delivered you.

19. **Incorporation of Other Agreements.** This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Option. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Option.

20. **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the other provisions of the Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.

21. **Governing Law.** The Plan, this Agreement, and all determinations made and actions taken under the Plan or this Agreement shall be governed by the internal substantive laws, and not the choice of law rules, of the State of Delaware and construed accordingly, to the extent not superseded by applicable federal law.

22. **Acknowledgements and Acceptance.** By accepting this Agreement, you agree that: (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Agreement, the Plan, the Plan's prospectus and all accompanying documentation; and (ii) you understand and agree that this Agreement and the Plan constitute the entire understanding between you and the Company regarding the Option, and that any prior agreements, commitments, or negotiations concerning the Option are replaced and superseded.

To retain this Award, you must accept it by printing the Agreement and signing and dating below. **Return the signed Agreement to Honeywell International Inc., Executive Compensation/4B, 115 Tabor Road, Morris Plains, New Jersey 07950.**

I Accept:

Print Name EID

Signature Date

VESTING SCHEDULE TABLE

[VESTING PROVISIONS CONSISTENT WITH THE PLAN]

2016 STOCK INCENTIVE PLAN
OF HONEYWELL INTERNATIONAL INC. AND ITS AFFILIATES
PERFORMANCE PLAN GRANT AGREEMENT

EID:
Employee Name:
of Performance Stock Units Granted:

This PERFORMANCE STOCK UNIT AGREEMENT made in Charlotte, North Carolina, United States of America, as of the [GRANT DATE] (the "Grant Date"), between Honeywell International Inc. (the "Company") and the Company senior executive named above (the "Participant").

1. **Grant of Performance Award.** The Company has granted you a target number ("Target Award") of Restricted Stock Units as a Performance Award ("Performance Stock Units"), subject to the terms of this Agreement and the terms of the 2016 Stock Incentive Plan of Honeywell International Inc. and Its Affiliates (the "Plan").

The Company will hold the Performance Stock Units and [Additional Performance Stock Units (as defined in Section 4)] in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.

The details for this grant can be found on the Morgan Stanley StockPlan Connect website at www.stockplanconnect.com. The Company reserves the right to change or correct any information contained on the Morgan Stanley website to reflect the terms of the Performance Award actually made by the Company on the Grant Date or the Plan.

2. **Definitions.** For purposes of this Agreement, the following definitions apply:

a. "Actual Award" means (A) the product of (i) the Plan Payout Percentage (as determined under Section 3), and (ii) your Target Award; plus (B) any Additional Performance Stock Units (as determined under Section 4). Notwithstanding anything in this Agreement to the contrary, the Committee may reduce the amount of your Actual Award in its sole discretion.

b. "Performance Cycle" means the [INSERT PERFORMANCE CYCLE DATES].

3. **Performance Measures.** The Plan Payout Percentage shall be determined based on [DESCRIBE PERFORMANCE MEASURES: actual performance against pre-set goals of (a) total revenue, (b) average return on investment, (c) average segment margin rate, and (d) Total Shareholder Return (collectively the "Performance Measures") for the Performance Cycle, with each Performance Measure equally weighted (25% each). The Plan Payout for each Performance Measure other than Total Shareholder Return shall be determined at the Company level ("Corporate") for eligible employees not assigned to one of the Company's strategic business groups or the Honeywell Connected Enterprise business unit (collectively, an "SBG"), and 50% at the Company level and 50% at the SBG level for other eligible employees; provided, however, that the average return on investment Performance Measure for eligible employees assigned to the Honeywell Connected Enterprise business unit shall be determined 100% at the Company level.] For purposes of this determination, if an eligible employee transfers from one of the Company's business units (i.e., an SBG or Corporate) to another during the Performance Cycle, their Actual Award will be prorated for the number of days actively employed in each business unit during the Performance Cycle.

[DESCRIBE ADDITIONAL PERFORMANCE MEASURES]

4. **[INCLUDE IF DIVIDEND EQUIVALENTS ARE PROVIDED UNDER GRANT: Dividend Equivalents.** Except as otherwise determined by the Committee, in its sole discretion, you will earn Dividend Equivalents in an amount equal to the value of any cash or stock dividends paid by the Company upon one Share of Common Stock for each unvested Performance Stock Unit or Additional Performance Stock Unit (as defined below) credited to your bookkeeping account on a dividend payment date. At the vesting date(s) specified in Section 6, such Dividend Equivalents shall be adjusted up or down based on your Actual Award. In the case of cash dividends, the Company shall credit to your bookkeeping account, on each dividend payment date, an additional number of Performance Stock Units ("Additional Performance Stock Units") equal to (a) divided by (b), where (a) equals the total number of unvested Performance Stock Units and Additional Performance Stock Units, if any, subject to this Agreement on such date multiplied by the dollar amount of the cash dividend paid per Share of Common Stock on such date, and (b) equals the Fair Market Value of a Share on such date. If a dividend is paid to holders of Common Stock in Shares, the Company shall credit to you, on such dividend payment date, Additional Performance Stock Units equal to the total number of unvested Performance Stock Units and Additional Performance Stock Units subject to this Agreement on such date multiplied by the Share dividend paid per Share of Common Stock on such date. Additional Performance Stock Units are subject to the same restrictions, including but not limited to vesting, transferability and payment restrictions, that apply to the Performance Stock Units to which they relate. You will continue to earn Additional Performance Stock Units on unpaid Performance Stock Units and Additional Performance Stock Units that are held in your bookkeeping account until the vested Shares are paid to you.]

5. **Payment Amount.** Each Performance Stock Unit [and Additional Performance Stock Unit] represents one (1) Share of Common Stock. Your Actual Award will not exceed 200% of your Target Award.

6. **Vesting and Payment.** Except as otherwise provided in this Agreement, the vesting and payment of an Actual Award is contingent upon (i) the achievement of a Plan Payout Percentage based on performance as described in Section 3 and Attachment A, and (ii) you remaining actively employed by the Company on [DESCRIBE VESTING PROVISIONS] ("Vesting Date"). [In no event will Additional Performance Stock Units be paid if the related Performance Stock Units have not vested.]

[INCLUDE IF PAYMENT PROVISIONS ARE THE SAME, OTHERWISE DESCRIBE PAYMENT PROVISIONS Except as otherwise provided in Sections 8 and 10, if earned, the Actual Award will be paid 50% in Shares rounded up to the nearest whole Share, with the net Shares held by you for at least one year from the Vesting Date. The remaining Actual Award will be converted and paid in cash, calculated by multiplying 50% of the Actual Award, stated in Shares, by the Fair Market Value of the Shares on the last trading day of the Performance Cycle.

If an Actual Award is due, payment in cash and Shares will be made as soon as practicable following the Vesting Date, but in no event later than two and one-half months following the end of the year in which vesting occurs.

The cash portion of your Actual Award shall be expressed in U.S. dollars. Cash payment shall be made in the same currency as your pay ("Local Currency"). In the event you receive pay in more than one Local Currency, the currency used for payment will be at the discretion of the Company or your employer. The Company will convert the cash portion of your Actual Award from U.S. dollars to your Local Currency using the exchange rate in effect for the compensation planning cycle in the year of payment (i.e., the same rate used for converting annual bonuses to local currency in the first quarter of the year of payment). No payments will be credited with interest, and you may not defer any portion of the Actual Award hereunder.]

7. **Termination of Employment.** Except as otherwise provided in this Agreement, if your Termination of Employment occurs for any reason other than death or Disability before the Vesting Date,

any unvested Performance Stock Units [and Additional Performance Stock Units] will immediately be forfeited and your rights with respect to future payments under this Agreement will end.

8. **Death or Disability.** If your Termination of Employment occurs because of your death or Disability before the Vesting Date, you or your estate will receive the prorated value of your Actual Award. The prorated value of the Actual Award shall be determined by multiplying the Actual Award by a fraction, the numerator of which is the number of days you were actively employed before your Termination of Employment from your first eligibility date to the last day of the Performance Cycle, and the denominator of which is the total number of days from your first eligibility date to the last day of the Performance Cycle. Such prorated Actual Award, stated in Shares, shall be multiplied by the Fair Market Value of the Shares on the last trading day of the Performance Cycle and paid in cash as soon as practicable, but in no event later than two and one-half months following the end of the Performance Cycle. [Additional Performance Stock Units will be calculated on the prorated Actual Award as provided in Section 4.]

9. **Retirement.** For the avoidance of doubt, if your Termination of Employment occurs solely because of your Retirement at any age before the Vesting Date specified above, any unvested Performance Stock Units [and Additional Performance Stock Units] or unpaid Actual Award, as applicable, will immediately be forfeited and your rights with respect to future payments under this Agreement will end.

10. **Change in Control.** Notwithstanding anything in Sections 2 through 9 to the contrary, in the event of a Change in Control (as defined in the Plan), the following provisions apply:

a. **Rollover of Performance Awards.** If adjusted or exchanged pursuant to Section 5.3(c) – (f) of the Plan, Performance Stock Units [and Additional Performance Stock Units] that have not vested or terminated as of the date of the Change in Control will continue to vest in accordance with the schedule described in Section 6 of this Agreement (or as adjusted if more favorable); provided, however, that (x) if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntary Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) on or before the second anniversary of the date of the Change in Control and after the Performance Cycle has ended, your unpaid Actual Award will immediately vest in full and be paid in cash no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs, or (y) if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntary Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) during the two-year period following the Change in Control and before the Performance Cycle has ended, an amount equal to the Target Award, pro-rated to reflect the portion of the Performance Cycle that elapsed before such Termination of Employment, will be paid in cash no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs.

b. **Cashout of Performance Awards.** Unless adjusted or exchanged pursuant to Section 5.3(a) or 5.3(b) of the Plan (concerning rollover of outstanding awards in certain circumstances), Performance Stock Units [and Additional Performance Stock Units] that have not vested or terminated as of the date of the Change in Control will immediately vest. If the Change in Control occurs after the Performance Cycle has ended, you will receive your unpaid Actual Award. If the Change in Control occurs before the Performance Cycle has ended, the Actual Award will be based on the Target Award or other level of substantially achieved performance, as determined by the Committee prior to the Change in Control. No later than the earlier of 90 days after the date of the Change in Control or two and one-half months after the end of the calendar year in which the Change in Control occurs, you will receive for the Performance Stock Units [and Additional Performance Stock Units] a single cash payment equal to the product of the number of vested and outstanding Performance Stock Units [and Additional Performance Stock Units] as of the date of the Change in Control (including any Performance Stock Units [and Additional Performance Stock Units] that vest pursuant to this Section 10) and an amount equal to the

greater of (i) the highest price per Share paid by the successor, as determined by the Committee, and (ii) the highest Fair Market Value during the period of 90 days that ends on the date of the Change in Control. Any securities or other property that is part or all of the consideration paid for Shares pursuant to the Change in Control will be valued at the higher of (x) the valuation placed on the securities or property by any entity that is a party with the Company to the Change in Control, or (y) the valuation placed on the securities or property by the Committee.

11. **Withholdings.** The Company or your local employer shall have the power and the right to deduct or withhold, or require you to remit to the Company or to your local employer, prior to any issuance or delivery of Shares, an amount sufficient to satisfy taxes imposed under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gain taxes, transfer taxes, and social security contributions, and National Insurance Contributions, that are required by law to be withheld as determined by the Company or your local employer.

12. **Transfer of Performance Award.** You may not transfer the Performance Stock Units[Additional Performance Stock Units] or any interest in such Units or any portion of your Actual Award except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan. Any other attempt to dispose of your interest will be null and void.

13. **Requirements for and Forfeiture of Award.**

a. **General.** This Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 13 and in any other agreement (including but not limited to the Stock Option Agreement for the Option granted on February 25, 2011, if applicable) that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information. For purposes of this Section 13, the term "Honeywell" is defined as Honeywell International Inc. (a Delaware corporation having a place of business in Charlotte, North Carolina), its predecessors, designees and successors, as well as its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of assets, stock, merger or otherwise.

b. **Remedies.**

1. You expressly agree and acknowledge that the forfeiture provisions of subsection 13.b.2. of this Agreement shall apply if: (A) you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE: or you voluntarily terminate your employment with less than a 45-day notice period], or (B) from the Grant Date until the date that is twenty-four (24) months after your Termination of Employment for any reason, you (i) enter into an employment, consultation or similar agreement or arrangement (including any arrangement for service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business in which Honeywell is engaged if the business is competitive (in the sole judgment of the Honeywell International Inc. Chief Executive Officer ("CEO")) with Honeywell and the CEO has not approved the agreement or arrangement in writing, or (ii) make any statement, publicly or privately (other than to your spouse and legal advisors), which would be disparaging (as defined below) to Honeywell or its businesses, products, strategies, prospects, condition, or reputation or that of its directors, employees, officers or members; provided, however, that nothing shall preclude you from making any statement in good faith which is required by any applicable law or regulation or the order of a court or other governmental body, or (iii) write or contribute to a book, article or other media publication, whether in written or electronic format, that is in any way descriptive of Honeywell or your career with Honeywell without first submitting a draft thereof, at least thirty (30) days in advance, to the Honeywell International Inc. Senior Vice President and General Counsel, whose judgment about whether such book, article or other media publication is disparaging shall be determinative; or such a book, article or other media publication is published after a determination that it is disparaging; provided, however, that nothing herein shall preclude you from reporting (in good faith)

possible violations of federal law or regulation to any governmental agency or entity, including but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and/or any agency Inspector General, or making any other disclosures that are protected under the whistleblower provisions of federal or state law or regulation, or from otherwise making any statement (in good faith) which is required by any applicable law or regulation or the order of a court or other governmental body. For purposes of this subsection 13.b.1, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation.

2. In addition to the relief described in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information, if the CEO determines, in their sole judgment, that you have violated the terms of any such agreement or you have engaged in an act that violates subsection 13.b.1. of this Agreement, or you are terminated for Cause (as defined in the Plan) [INCLUDE AS APPLICABLE or you voluntarily terminate your employment with less than a 45-day notice period], (i) any Performance Stock Units [and Additional Performance Stock Units] that have not vested under this Agreement shall immediately be cancelled, and you shall forfeit any rights you have with respect to such Units as of the date of the CEO's determination or the date of your Termination of Employment for Cause [INCLUDE AS APPLICABLE or voluntary Termination of Employment, as applicable], and (ii) you shall immediately deliver to the Company Shares and cash equal in value to the Actual Award you received during the period beginning twelve (12) months prior to your Termination of Employment and ending on (x) the date of the CEO's determination in the case of a violation other than for a Termination of Employment for Cause [or voluntary termination without sufficient notice], or (y) the date of your Termination of Employment in the case of a Termination of Employment for Cause [or voluntary termination without sufficient notice, as applicable].

3. Notwithstanding anything in the Plan or this Agreement to the contrary, you acknowledge that the Company may be entitled or required by law, Company policy or the requirements of an exchange on which the Shares are listed for trading, to recoup compensation paid to you pursuant to the Plan, and you agree to comply with any Company request or demand for recoupment.

14. **Restrictions on Payment of Shares.** Payment of Shares is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares underlying the Award and/or Actual Award shall be duly listed, upon official notice of redemption, upon the New York Stock Exchange, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares shall be effective. The Company shall not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel for the Company.

15. **Adjustments.** Any adjustments to this Performance Award will be governed by Section 5.3 of the Plan.

16. **Disposition of Securities.** By accepting the Performance Award, you acknowledge that you have read and understand (i) the Company's policy, and are aware of and understand your obligations under applicable securities laws in respect of trading in the Company's securities, and (ii) the Company's stock ownership guidelines as they apply to this Performance Award. The Company shall have the right to recover, or receive reimbursement for, any compensation or profit you realize on the disposition of Shares received to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

17. **Plan Terms Govern.** This Award (including the vesting and redemption of Performance Stock Units [or Additional Performance Stock Units], the disposition of any Shares received, the treatment of

gain on the disposition of these Shares, and the treatment of Dividend Equivalents) are subject to the provisions of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan shall control. By accepting the Performance Award, you acknowledge that the Plan and the Plan prospectus, as in effect on the date of this Agreement, have been made available to you for your review. Without limiting the generality of the foregoing, you agree that all determinations made by the Committee of the Performance Measures described in Section 3 (including but not limited to, Total Shareholder Return and the Company's ranking within the Compensation Peer Group) shall be final, binding and conclusive on you in accordance with Article III of the Plan.

18. Personal Data.

- a. By entering into this Agreement, and as a condition of the grant of this Performance Award, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.
- b. You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all Performance Stock Units or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan ("Data").
- c. You understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of Performance Stock Units or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.
- d. You understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan ("Data Recipients").
- e. You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.
- f. You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You understand that withdrawing consent may affect your ability to participate in the Plan.

19. Discretionary Nature and Acceptance of Performance Award. By accepting this Performance Award, you agree to be bound by the terms of this Agreement and acknowledge that:

- a. The Company (and not your local employer) is granting these Performance Stock Units [and Additional Performance Stock Units]. This Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
- b. The Company may administer the Plan from outside your country of residence and United States law will govern all Performance Stock Units [and Additional Performance Stock Units] granted under the Plan.
- c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
- d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- e. The grant of this Performance Award, and any future grant of Performance Stock Units [or Additional Performance Stock Units] under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Performance Stock Units[, the Additional Performance Stock Units] nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.
- f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither The Company Inc. nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.
20. **Limitations.** Nothing in this Agreement or the Plan gives you any right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of your Performance Stock Units [and Additional Performance Stock Units] is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of this Performance Award or the account established on your behalf. You have no rights as a shareowner of the Company pursuant to the Performance Stock Units [and Additional Performance Stock Units] until Shares are actually delivered to you.
21. **Incorporation of Other Agreements.** This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Performance Stock Units. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Performance Stock Units [and Additional Performance Stock Units].
22. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the other provisions of the Agreement, which shall remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity,
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the provision shall be construed so as to be enforceable to the maximum extent compatible with applicable law.

23. **Governing Law.** The Plan, this Agreement, and all determinations made and actions taken under the Plan or this Agreement shall be governed by the internal substantive laws, and not the choice of law rules, of the State of Delaware and construed accordingly, to the extent not superseded by applicable federal law.

24. **Agreement Changes.** The Company reserves the right to change the terms of this Agreement and the Plan without your consent to the extent necessary or desirable to comply with the requirements of Code section 409A, the Treasury regulations and other guidance thereunder.

25. **Acknowledgements and Acceptance.** By signing this Agreement (including via electronic signature), you agree that: (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Agreement, the Plan, the Plan's prospectus and all accompanying documentation; and (ii) you understand and agree that this Agreement and the Plan constitute the entire understanding between you and the Company regarding the Performance Award, and that any prior agreements, commitments, or negotiations concerning the Performance Award are replaced and superseded.

To retain this Award, you must accept it by printing the Agreement and signing and dating below. **Return the signed Agreement to Honeywell International Inc., Executive Compensation/4B, 115 Tabor Road, Morris Plains, New Jersey 07950.**

I Accept:

Print Name _____ EID _____

Signature _____ Date _____

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Gregory P. Lewis, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2021

By: /s/ Gregory P. Lewis
Gregory P. Lewis
Senior Vice President and Chief Financial Officer

Mine Safety Disclosures

The following disclosures are provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, which require certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the "Mine Safety Act"). One of the subsidiaries of Honeywell International Inc. (the "Company") has placer claims for and operates a surface mine for chabazite ore in Arizona.

During the quarter ended March 31, 2021, the Company did not receive any of the following: (a) a citation from the U.S. Mine Safety and Health Administration ("MSHA") for a violation of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Safety Act; (b) an order issued under section 104(b) of the Mine Safety Act; (c) a citation or order for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Safety Act; (d) a flagrant violation under section 110(b)(2) of the Mine Safety Act; (e) an imminent danger order under section 107(a) of the Mine Safety Act; or (f) a proposed assessment from the MSHA.

In addition, during the quarter ended March 31, 2021, the Company had no mining-related fatalities, had no pending legal actions before the Federal Mine Safety and Health Review Commission involving a coal or other mine, and did not receive any written notice from the MSHA involving a pattern of violations, or the potential to have such a pattern, of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Safety Act.