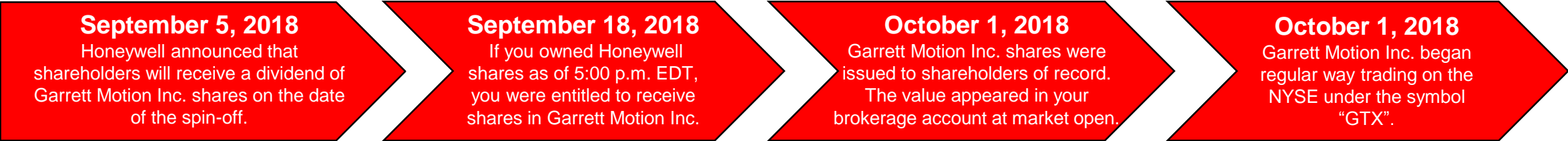


# Understanding the Garrett Motion Inc. share distribution



## How will the share distribution work?

- Honeywell shareholders received **one Garrett Motion Inc.** (NYSE: GTX) **share** for every **10 shares of Honeywell** (NYSE: HON) they owned as of September 18, 2018 at 5:00 p.m. EDT. For example, if you owned 50 Honeywell shares:

$$\frac{50 \text{ Honeywell Shares}}{10} = 5 \text{ Garrett Motion Inc. Shares}$$

- Honeywell shareholders will keep their existing 50 Honeywell shares and were entitled to receive 5 Garrett Motion Inc. shares on October 1, 2018.
- If you sold your Honeywell shares between September 18 – October 1, you should discuss with your broker whether or not you were entitled to receive the dividend.

## How are fractional shares treated?

- Shareholders that were entitled to fractional shares of Garrett Motion Inc. will automatically have those fractional shares sold in the open market, and receive cash or a check for the value of those shares.
- For example, 49 HON shares = 4.9 GTX shares, 0.9 is a fractional share.
- Honeywell expects that the distribution of shares of Garrett Motion Inc. will be tax-free<sup>1</sup> to Honeywell shareholders for U.S. federal income tax purposes, except for cash that shareholders may receive (if any) in lieu of fractional shares.
- Shareholders in this example will own **4 shares of Garrett Motion Inc.** to be reflected in their brokerage account and receive **cash for the market value of the .9 fractional shares** on ~ October 1.

## What do I own when the spin is effective?

- A shareholder who owned 49 Honeywell shares in this example will own the following:
  - Value of 49 Honeywell shares
  - +
  - Value of 4 Garrett Motion Inc. shares
  - +
  - Cash equal to the value of fractional Garrett Motion Inc. shares
- Honeywell and Garrett will make publicly available a **Form 8937** following the effective spin on October 1. This will provide shareholders a method for determining the cost basis of their shares.
- Honeywell intends to file for tax-deferred treatment of the spin-off with the Canadian Revenue Agency.

*Illustrative scenario for what happens to a shareowner with 49 or 50 shares of Honeywell at close of Garrett Motion Inc. spin-off*

<sup>1</sup>For U.S. based shareowners