

United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 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 NASDAQ Stock Market LLC
1.300% Senior Notes due 2023	HON 23A	The NASDAQ Stock Market LLC
0.000% Senior Notes due 2024	HON 24A	The NASDAQ Stock Market LLC
2.250% Senior Notes due 2028	HON 28A	The NASDAQ Stock Market LLC
0.750% Senior Notes due 2032	HON 32	The NASDAQ Stock Market LLC

* 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 x No o

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 x No o

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 Accelerated filer
Non-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 x

There were 690,399,265 shares of Common Stock outstanding at June 30, 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 notes as of June 30, 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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in millions, except per share amounts)			
Product sales	\$ 6,639	\$ 5,743	\$ 13,048	\$ 12,048
Service sales	2,169	1,734	4,214	3,892
Net sales	8,808	7,477	17,262	15,940
Costs, expenses and other				
Cost of products sold	4,734	4,163	9,285	8,537
Cost of services sold	1,269	1,113	2,427	2,273
	6,003	5,276	11,712	10,810
Selling, general and administrative expenses	1,207	1,183	2,443	2,421
Other (income) expense	(366)	(291)	(808)	(608)
Interest and other financial charges	83	90	173	163
	6,927	6,258	13,520	12,786
Income before taxes	1,881	1,219	3,742	3,154
Tax expense (benefit)	434	120	847	449
Net income	1,447	1,099	2,895	2,705
Less: Net income attributable to the noncontrolling interest	17	18	38	43
Net income attributable to Honeywell	\$ 1,430	\$ 1,081	\$ 2,857	\$ 2,662
Earnings per share of common stock - basic	\$ 2.06	\$ 1.54	\$ 4.11	\$ 3.77
Earnings per share of common stock - assuming dilution	\$ 2.04	\$ 1.53	\$ 4.06	\$ 3.74

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

1 Honeywell International Inc.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(Dollars in millions)			
Net income	\$ 1,447	\$ 1,099	\$ 2,895	\$ 2,705
Other comprehensive income (loss), net of tax				
Foreign exchange translation adjustment	129	121	343	(155)
Pension and other postretirement benefit adjustments	(21)	(20)	(43)	(40)
Changes in fair value of available for sale investments	—	—	(3)	—
Cash flow hedges recognized in other comprehensive income (loss)	7	(91)	15	104
Less: Reclassification adjustment for gains (losses) included in net income	6	(33)	9	22
Changes in fair value of cash flow hedges	1	(58)	6	82
Other comprehensive income (loss), net of tax	109	43	303	(113)
Comprehensive income	1,556	1,142	3,198	2,592
Less: Comprehensive income attributable to the noncontrolling interest	17	21	39	39
Comprehensive income attributable to Honeywell	<u>\$ 1,539</u>	<u>\$ 1,121</u>	<u>\$ 3,159</u>	<u>\$ 2,553</u>

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

HONEYWELL INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEET
(Unaudited)

	June 30, 2021	December 31, 2020
(Dollars in millions)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,427	\$ 14,275
Short-term investments	891	945
Accounts receivable - net	6,947	6,827
Inventories	4,723	4,489
Other current assets	1,664	1,639
Total current assets	25,652	28,175
Investments and long-term receivables	1,358	685
Property, plant and equipment - net	5,520	5,570
Goodwill	17,135	16,058
Other intangible assets - net	3,748	3,560
Insurance recoveries for asbestos related liabilities	342	366
Deferred income taxes	762	760
Other assets	9,428	9,412
Total assets	\$ 63,945	\$ 64,586
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 6,139	\$ 5,750
Commercial paper and other short-term borrowings	3,573	3,597
Current maturities of long-term debt	1,645	2,445
Accrued liabilities	6,786	7,405
Total current liabilities	18,143	19,197
Long-term debt	16,138	16,342
Deferred income taxes	2,302	2,113
Postretirement benefit obligations other than pensions	225	242
Asbestos-related liabilities	1,819	1,920
Other liabilities	7,109	6,975
Redeemable noncontrolling interest	7	7
SHAREOWNERS' EQUITY		
Capital - common stock issued	958	958
- additional paid-in capital	7,566	7,292
Common stock held in treasury, at cost	(28,978)	(27,229)
Accumulated other comprehensive loss	(3,075)	(3,377)
Retained earnings	41,467	39,905
Total Honeywell shareowners' equity	17,938	17,549
Noncontrolling interest	264	241
Total shareowners' equity	18,202	17,790
Total liabilities, redeemable noncontrolling interest and shareowners' equity	\$ 63,945	\$ 64,586

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

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

	Six Months Ended June 30,	
	2021	2020
(Dollars in millions)		
Cash flows from operating activities:		
Net income	\$ 2,895	\$ 2,705
Less: Net income attributable to the noncontrolling interest	38	43
Net income attributable to Honeywell	2,857	2,662
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:		
Depreciation	335	314
Amortization	290	179
Gain on sale of non-strategic businesses and assets	(90)	—
Repositioning and other charges	242	342
Net payments for repositioning and other charges	(358)	(309)
Pension and other postretirement income	(583)	(423)
Pension and other postretirement benefit payments	(27)	(23)
Stock compensation expense	116	78
Deferred income taxes	101	(277)
Other	(277)	(285)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts receivable	(127)	776
Inventories	(271)	(331)
Other current assets	(98)	106
Accounts payable	402	(364)
Accrued liabilities	(256)	(26)
Net cash provided by (used for) operating activities	2,256	2,419
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(406)	(366)
Proceeds from disposals of property, plant and equipment	14	7
Increase in investments	(1,397)	(1,671)
Decrease in investments	1,331	1,589
Receipts from Garrett Motion Inc.	375	—
Receipts (payments) from settlements of derivative contracts	(23)	83
Cash paid for acquisitions, net of cash acquired	(1,327)	—
Proceeds from sales of businesses, net of fees paid	190	—
Net cash provided by (used for) investing activities	(1,243)	(358)
Cash flows from financing activities:		
Proceeds from issuance of commercial paper and other short-term borrowings	2,358	7,165
Payments of commercial paper and other short-term borrowings	(2,355)	(7,094)
Proceeds from issuance of common stock	114	97
Proceeds from issuance of long-term debt	27	7,101
Payments of long-term debt	(835)	(1,218)
Repurchases of common stock	(1,849)	(1,985)
Cash dividends paid	(1,304)	(1,285)
Other	(33)	(40)
Net cash provided by (used for) financing activities	(3,877)	2,741
Effect of foreign exchange rate changes on cash and cash equivalents	16	(91)
Net increase (decrease) in cash and cash equivalents	(2,848)	4,711
Cash and cash equivalents at beginning of period	14,275	9,067
Cash and cash equivalents at end of period	\$ 11,427	\$ 13,778

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 June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
	Shares	\$	Shares	\$	Shares	\$	Shares	\$
	(In millions, except per share amounts)							
Common stock, par value	957.6	958	957.6	958	957.6	958	957.6	958
Additional paid-in capital								
Beginning balance		7,505		7,047		7,292		6,876
Issued for employee savings and option plans		22		23		158		150
Stock-based compensation expense		39		34		116		78
Ending balance		7,566		7,104		7,566		7,104
Treasury stock								
Beginning balance	(263.0)	(27,975)	(255.8)	(25,643)	(260.8)	(27,229)	(246.5)	(23,836)
Reacquired stock or repurchases of common stock	(4.6)	(1,027)	(0.4)	(62)	(8.6)	(1,849)	(12.1)	(1,985)
Issued for employee savings and option plans	0.4	24	0.4	20	2.2	100	2.8	136
Ending balance	(267.2)	(28,978)	(255.8)	(25,685)	(267.2)	(28,978)	(255.8)	(25,685)
Retained earnings								
Beginning balance		40,682		38,635		39,905		37,693
Net income attributable to Honeywell		1,430		1,081		2,857		2,662
Dividends on common stock		(645)		(636)		(1,295)		(1,275)
Ending balance		41,467		39,080		41,467		39,080
Accumulated other comprehensive income (loss)								
Beginning balance		(3,184)		(3,353)		(3,377)		(3,197)
Foreign exchange translation adjustment		129		121		342		(155)
Pension and other postretirement benefit adjustments		(21)		(20)		(43)		(40)
Changes in fair value of available for sale investments		—		—		(3)		—
Changes in fair value of cash flow hedges		1		(58)		6		82
Ending balance		(3,075)		(3,310)		(3,075)		(3,310)
Noncontrolling interest								
Beginning balance		266		221		241		212
Acquisitions, divestitures, and other		5		—		5		(6)
Net income attributable to noncontrolling interest		17		18		38		43
Foreign exchange translation adjustment		—		3		1		(4)
Dividends paid		(24)		(23)		(25)		(26)
Contributions from noncontrolling interest holders		—		—		4		—
Ending balance		264		219		264		219
Total shareowners' equity	690.4	18,202	701.8	18,366	690.4	18,202	701.8	18,366
Cash dividends per share of common stock		\$ 0.930		\$ 0.900		\$ 1.860		\$ 1.800

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 June 30, 2021, and December 31, 2020, the cash flows for the six months ended June 30, 2021 and 2020, the results of operations for the three and six months ended June 30, 2021 and 2020, and the shareowners' equity for the three and six months ended June 30, 2021 and 2020. The results of operations for the three and six months ended June 30, 2021, and cash flows for the six months ended June 30, 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 and six months ended June 30, 2021, and June 30, 2020, were July 3, 2021, and June 27, 2020, respectively.

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 June 30, 2021, including \$383 million of intangible assets and \$1,029 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.

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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Aerospace				
Commercial Aviation Original Equipment	\$ 436	\$ 446	\$ 867	\$ 1,121
Commercial Aviation Aftermarket	1,015	661	1,925	2,046
Defense and Space	1,315	1,436	2,606	2,737
	2,766	2,543	5,398	5,904
Honeywell Building Technologies				
Products	830	659	1,628	1,400
Building Solutions	577	518	1,137	1,058
	1,407	1,177	2,765	2,458
Performance Materials and Technologies				
UOP	571	517	1,098	1,111
Process Solutions	1,166	1,093	2,262	2,244
Advanced Materials	815	608	1,538	1,260
	2,552	2,218	4,898	4,615
Safety and Productivity Solutions				
Safety and Retail	616	511	1,359	1,013
Productivity Solutions and Services	383	268	726	555
Warehouse and Workflow Solutions	880	554	1,724	1,012
Advanced Sensing Technologies	204	206	392	383
	2,083	1,539	4,201	2,963
Net sales	\$ 8,808	\$ 7,477	\$ 17,262	\$ 15,940

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 aircraft 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 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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Products, transferred point in time	58 %	61 %	58 %	61 %
Products, transferred over time	17	16	18	15
Net product sales	75	77	76	76
Services, transferred point in time	7	7	7	8
Services, transferred over time	18	16	17	16
Net service sales	25	23	24	24
Net sales	100 %	100 %	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 - June 30	1,868	1,760
Change in contract assets - increase (decrease)	<u>\$ 250</u>	<u>\$ 158</u>
Contract liabilities - January 1	\$ (4,033)	\$ (3,501)
Contract liabilities - June 30	(3,740)	(3,574)
Change in contract liabilities - decrease (increase)	<u>\$ 293</u>	<u>\$ (73)</u>
Net change	<u>\$ 543</u>	<u>\$ 85</u>

For the three and six months ended June 30, 2021, the Company recognized revenue of \$441 million and \$1,561 million that was previously included in the beginning balance of contract liabilities. For the three and six months ended June 30, 2020, the Company recognized revenue of \$315 million and \$1,203 million that was previously included in the beginning balance of contract liabilities.

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

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 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>June 30, 2021</u>
Aerospace	\$ 8,930
Honeywell Building Technologies	6,776
Performance Materials and Technologies	7,579
Safety and Productivity Solutions	3,741
	<u>\$ 27,026</u>

Performance obligations recognized as of June 30, 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)
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NOTE 5. REPOSITIONING AND OTHER CHARGES

A summary of repositioning and other charges follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Severance	\$ 32	\$ 254	\$ 60	\$ 320
Asset impairments	45	4	87	6
Exit costs	15	15	64	30
Reserve adjustments	(22)	(18)	(21)	(31)
Total net repositioning charge	70	255	190	325
Asbestos related litigation charges, net of insurance and reimbursements	23	9	44	20
Probable and reasonably estimable environmental liabilities, net of reimbursements	6	6	11	14
Other	2	10	(3)	(17)
Total net repositioning and other charges	\$ 101	\$ 280	\$ 242	\$ 342

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Cost of products and services sold	\$ 87	\$ 175	\$ 185	\$ 195
Selling, general and administrative expenses	14	105	57	147
	\$ 101	\$ 280	\$ 242	\$ 342

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Aerospace	\$ 9	\$ 107	\$ 57	\$ 118
Honeywell Building Technologies	(1)	33	4	58
Performance Materials and Technologies	2	84	7	105
Safety and Productivity Solutions	59	11	96	17
Corporate	32	45	78	44
	\$ 101	\$ 280	\$ 242	\$ 342

In the three months ended June 30, 2021, we recognized gross repositioning charges totaling \$92 million including severance costs of \$32 million related to workforce reductions of 3,628 manufacturing and administrative positions mainly in our Safety and Productivity Solutions segment. The workforce reductions were primarily related to the re-alignment of a product line in our Safety and Productivity Solutions segment and to our productivity and ongoing functional transformation initiatives. The repositioning charge included asset impairments of \$45 million primarily related to the write-down of certain manufacturing equipment. The repositioning charge also included exit costs of \$15 million primarily for current period exit costs incurred for previously approved repositioning projects. Also, \$22 million of previously established reserves, primarily for severance, were returned to income due to adjustments to the scope of previously announced repositioning actions.

In the three months ended June 30, 2020, we recognized gross repositioning charges totaling \$273 million including severance costs of \$254 million related to workforce reductions of 7,805 manufacturing and administrative positions across all of our segments, with a majority of the workforce reductions in Aerospace and Performance Materials and Technologies. The workforce reductions primarily related to the Company aligning its cost structure with the current and anticipated slowdown in demand for many of our products and services due to the global recession, and our productivity and ongoing functional transformation initiatives.

HONEYWELL INTERNATIONAL INC.
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In the six months ended June 30, 2021, we recognized gross repositioning charges totaling \$211 million including severance costs of \$60 million related to workforce reductions of 4,649 manufacturing and administrative positions mainly in our Safety and Productivity Solutions and Aerospace segments. The workforce reductions were primarily related to the re-alignment of a product line in our Safety and Productivity Solutions segment, site transitions, mainly in Aerospace, to more cost-effective locations, and our productivity and ongoing functional transformation initiatives. The repositioning charge included asset impairments of \$87 million primarily related to the write-down of certain manufacturing and other equipment. The repositioning charge included exit costs of \$64 million primarily for current period exit costs incurred for previously approved repositioning projects, closure obligations associated with site transitions, and lease obligations for equipment. Also, \$21 million of previously established reserves, primarily for severance, were returned to income due to adjustments to the scope of previously announced repositioning actions.

In the six months ended June 30, 2020, we recognized gross repositioning charges totaling \$356 million including severance costs of \$320 million related to workforce reductions of 9,929 manufacturing and administrative positions across our segments, with a majority of the reductions in Aerospace and Performance Materials and Technologies. The workforce reductions primarily related to the Company aligning its cost structure with the current and anticipated slowdown in demand for many of our products and services due to the global recession, and our productivity and ongoing functional transformation initiatives. Also, \$31 million of previously established reserves, primarily for severance, were returned to income mainly as a result of higher attrition than anticipated in prior severance programs resulting in lower severance payments.

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	60	87	64	211
Usage - cash	(162)	—	(40)	(202)
Usage - noncash	—	(89)	—	(89)
Foreign currency translation	(1)	—	(2)	(3)
Adjustments	(19)	2	(4)	(21)
Balance at June 30, 2021	<u>\$ 405</u>	<u>\$ —</u>	<u>\$ 92</u>	<u>\$ 497</u>

Certain repositioning projects will recognize exit costs in future periods when the actual liability is incurred. Such exit costs incurred in the six months ended June 30, 2021 and 2020, were \$20 million and \$19 million, respectively.

NOTE 6. INCOME TAXES

The effective tax rate was higher than the U.S. federal statutory rate of 21% and increased during 2021 compared to 2020 primarily from the absence of tax benefits realized in the prior year as a result of the favorable resolution of a foreign tax matter related to the spin-off transactions, tax law changes in India and the resolution of certain U.S. tax matters, partially offset by increased tax benefits for employee share-based compensation and the resolution of certain foreign tax matters in the current year.

NOTE 7. ACCOUNTS RECEIVABLE - NET

	June 30, 2021	December 31, 2020
Trade	\$ 7,150	\$ 7,029
Less - Allowance for doubtful accounts	(203)	(202)
	<u>\$ 6,947</u>	<u>\$ 6,827</u>

Trade receivables include \$1,830 million and \$1,589 million of unbilled balances under long-term contracts as of June 30, 2021, and December 31, 2020. These amounts are billed in accordance with the terms of the customer contracts to which they relate.

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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NOTE 8. INVENTORIES

	June 30, 2021	December 31, 2020
Raw materials	\$ 1,211	\$ 1,079
Work in process	801	798
Finished products	2,711	2,612
	<u>\$ 4,723</u>	<u>\$ 4,489</u>

NOTE 9. LONG-TERM DEBT AND CREDIT AGREEMENTS

	June 30, 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	1,478	1,534
3.35% notes due 2023	300	300
0.00% Euro notes due 2024	591	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	887	920
2.70% notes due 2029	750	750
1.95% notes due 2030	1,000	1,000
0.75% Euro notes due 2032	591	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), 8.1% weighted average interest rate maturing at various dates through 2025	197	266
	<u>17,783</u>	<u>18,787</u>
Less-current portion	<u>(1,645)</u>	<u>(2,445)</u>
	<u>\$ 16,138</u>	<u>\$ 16,342</u>

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

On March 31, 2021, the Company entered into a \$4.0 billion Amended and Restated Five Year Credit Agreement (the 5-Year Credit Agreement) and a \$1.5 billion 364-Day Credit Agreement (the 364-Day Credit Agreement). 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. 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 364-Day Credit Agreement replaced the \$1.5 billion 364-day credit agreement dated as of April 10, 2020, which was terminated in accordance with its terms effective March 31, 2021. 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 5-Year Credit Agreement and the 364-Day Credit Agreement are maintained for general corporate purposes.

As of June 30, 2021, there were no outstanding borrowings under the 5-Year Credit Agreement or the 364-Day Credit Agreement.

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:

	Six Months Ended June 30,	
	2021	2020
Net right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 243	\$ 100
Finance leases	8	17

Supplemental balance sheet information related to leases was as follows:

	June 30, 2021	December 31, 2020
Operating leases		
Other assets	\$ 923	\$ 773
Accrued liabilities	186	187
Other liabilities	815	641
Total operating lease liabilities	\$ 1,001	\$ 828
Financing leases		
Property, plant and equipment	\$ 341	\$ 357
Accumulated depreciation	(186)	(180)
Property, plant and equipment - net	\$ 155	\$ 177
Current maturities of long-term debt	57	60
Long-term debt	105	124
Total financing lease liabilities	\$ 162	\$ 184

HONEYWELL INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)
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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 June 30, 2021, and December 31, 2020:

	Notional		Fair Value Asset		Fair Value (Liability)	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Derivatives in Fair Value Hedging Relationships:						
Interest rate swap agreements	\$ 3,150	\$ 3,950	\$ 115	\$ 194	\$ —	\$ —
Derivatives in Cash Flow Hedging Relationships:						
Foreign currency exchange contracts	411	488	18	65	—	(58)
Derivatives in Net Investment Hedging Relationships:						
Foreign currency exchange contracts	772	806	63	45	—	(1)
Cross currency swap agreements	1,200	1,200	—	—	(15)	(50)
Total Derivatives Designated as Hedging Instruments	5,533	6,444	196	304	(15)	(109)
Derivatives Not Designated as Hedging Instruments:						
Foreign currency exchange contracts	13,196	14,829	192	92	(193)	(91)
Total Derivatives at Fair Value	\$ 18,729	\$ 21,273	\$ 388	\$ 396	\$ (208)	\$ (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 \$4,252 million and \$4,414 million as of June 30, 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	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Long-term debt	\$ 3,265	\$ 4,144	\$ 115

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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 June 30, 2021				
	Revenue	Cost of Products and Services Sold	SG&A	Other (Income) Expense	Interest and Other Financial Charges
	\$ 8,808	\$ 6,003	\$ 1,207	\$ (366)	\$ 83
Gain or (loss) on cash flow hedges:					
Foreign Currency Exchange Contracts:					
Amount reclassified from accumulated other comprehensive income into income	1	3	2	—	—
Gain or (loss) on fair value hedges:					
Interest Rate Swap Agreements:					
Hedged items	—	—	—	—	(14)
Derivatives designated as hedges	—	—	—	—	14
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	—	—	—	(71)	—

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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Three Months Ended June 30, 2020					
	Revenue	Cost of Products and Services Sold	SG&A	Other (Income) Expense	Interest and Other Financial Charges
	\$ 7,477	\$ 5,276	\$ 1,183	\$ (291)	\$ 90
Gain or (loss) on cash flow hedges:					
Foreign Currency Exchange Contracts:					
Amount reclassified from accumulated other comprehensive income into income	(1)	3	(3)	(42)	—
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	4	—	9	—
Gain or (loss) on fair value hedges:					
Interest Rate Swap Agreements:					
Hedged items	—	—	—	—	(14)
Derivatives designated as hedges	—	—	—	—	14
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	—	—	—	(217)	—

Six Months Ended June 30, 2021					
	Revenue	Cost of Products and Services Sold	SG&A	Other (Income) Expense	Interest and Other Financial Charges
	\$ 17,262	\$ 11,712	\$ 2,443	\$ (808)	\$ 173
Gain or (loss) on cash flow hedges:					
Foreign currency exchange contracts:					
Amount reclassified from accumulated other comprehensive income into income	2	4	4	—	—
Gain or (loss) on fair value hedges:					
Interest rate swap agreements:					
Hedged items	—	—	—	—	80
Derivatives designated as hedges	—	—	—	—	(80)
Gain or (loss) on net investment hedges:					
Foreign Currency Exchange Contracts:					
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	—	—	—	8
Gain or (loss) on derivatives not designated as hedging instruments:					
Foreign currency exchange contracts	—	—	—	(11)	—

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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	Six Months Ended June 30, 2020				
	Revenue	Cost of Products and Services Sold	SG&A	Other (Income) Expense	Interest and Other Financial Charges
	\$ 15,940	\$ 10,810	\$ 2,421	\$ (608)	\$ 163
Gain or (loss) on cash flow hedges:					
Foreign currency exchange contracts:					
Amount reclassified from accumulated other comprehensive income into income	(1)	30	(3)	(2)	—
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	8	—	17	—
Gain or (loss) on fair value hedges:					
Interest rate swap agreements:					
Hedged items	—	—	—	—	(219)
Derivatives designated as hedges	—	—	—	—	219
Gain or (loss) on net investment hedges:					
Foreign Currency Exchange Contracts:					
Amount excluded from effectiveness testing recognized in earnings using an amortization approach	—	—	—	—	9
Gain or (loss) on derivatives not designated as hedging instruments:					
Foreign currency exchange contracts	—	—	—	67	—

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

Derivatives Net Investment Hedging Relationships	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Euro-denominated long-term debt	\$ (15)	\$ (62)	\$ 135	\$ 62
Euro-denominated commercial paper	(3)	(15)	27	55
Cross currency swap	(16)	7	28	(19)
Foreign currency exchange contracts	14	(102)	12	(18)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
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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:

	June 30, 2021	December 31, 2020
Assets:		
Foreign currency exchange contracts	\$ 273	\$ 202
Available for sale investments	1,026	1,118
Interest rate swap agreements	115	194
Investments in equity securities	54	11
Liabilities:		
Foreign currency exchange contracts	\$ 193	\$ 150
Cross currency swap agreements	15	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, as well as investments in equity securities, which are valued using published prices based off observable market data. As such, these investments are classified within level 2.

The Company holds certain available for sale investments in U.S. government and corporate debt securities, as well as investments in equity securities, which are 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:

	June 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Long-term receivables	\$ 186	\$ 178	\$ 137	\$ 132
Long-term investment	584	584	—	—
Liabilities				
Long-term debt and related current maturities	\$ 17,783	\$ 19,044	\$ 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 values of these receivables are considered level 2.

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The fair value of the long-term investment is based on the present value of the mandatory redemptions as reflected within Garrett Motion Inc.'s (Garrett) Series B Preferred Stock (Series B Preferred Stock) Certificate of Designation. The investment is designated as held to maturity and was initially recognized at fair value. The fair value of Garrett's Series B Preferred Stock was determined using observable market data and is considered level 2. Refer to Note 15 Commitments and Contingencies for further discussion of the Company's investment in Garrett's Series B Preferred Stock.

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.

NOTE 13. EARNINGS PER SHARE

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Basic				
Net income attributable to Honeywell	\$ 1,430	\$ 1,081	\$ 2,857	\$ 2,662
Weighted average shares outstanding	693.8	702.3	695.0	705.9
Earnings per share of common stock - basic	\$ 2.06	\$ 1.54	\$ 4.11	\$ 3.77
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Assuming Dilution				
Net income attributable to Honeywell	\$ 1,430	\$ 1,081	\$ 2,857	\$ 2,662
Average Shares				
Weighted average shares outstanding	693.8	702.3	695.0	705.9
Dilutive securities issuable - stock plans	8.7	5.8	8.5	6.7
Total weighted average diluted shares outstanding	702.5	708.1	703.5	712.6
Earnings per share of common stock - assuming dilution	\$ 2.04	\$ 1.53	\$ 4.06	\$ 3.74

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 and six months ended June 30, 2021, the weighted average number of stock options excluded from the computations were 1.9 million and 1.4 million, respectively. These stock options were outstanding at the end of each of the respective periods. For the three and six months ended June 30, 2020, the weighted average number of stock options excluded from the computations were 7.8 million and 6.1 million, respectively.

As of June 30, 2021 and 2020, total shares outstanding were 690.4 million and 701.8 million, respectively, and as of June 30, 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	345	—	(3)	15	357
Amounts reclassified from accumulated other comprehensive income	(3)	(43)	—	(9)	(55)
Net current period other comprehensive income (loss)	342	(43)	(3)	6	302
Balance at June 30, 2021	<u>\$ (2,438)</u>	<u>\$ (644)</u>	<u>\$ 1</u>	<u>\$ 6</u>	<u>\$ (3,075)</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	(148)	—	—	104	(44)
Amounts reclassified from accumulated other comprehensive income	(7)	(40)	—	(22)	(69)
Net current period other comprehensive income (loss)	(155)	(40)	—	82	(113)
Balance at June 30, 2020	<u>\$ (2,721)</u>	<u>\$ (715)</u>	<u>\$ —</u>	<u>\$ 126</u>	<u>\$ (3,310)</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	83
Environmental liability payments	(112)
Other	1
Balance at June 30, 2021	<u>\$ 632</u>

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Environmental liabilities are included in the following balance sheet accounts:

	June 30, 2021	December 31, 2020
Accrued liabilities	\$ 225	\$ 225
Other liabilities	407	435
	<u>\$ 632</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 and \$70 million in the three and six months ended June 30, 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 six months ended June 30, 2021, was \$72 million. As of June 30, 2021, Other current assets and Other assets included \$140 million and \$453 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	24	14	38
Asbestos-related liability payments	(71)	(68)	(139)
June 30, 2021	<u>\$ 1,394</u>	<u>\$ 725</u>	<u>\$ 2,119</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	(8)	(17)	(25)
Insurance receivables settlements	—	—	—
June 30, 2021	<u>\$ 140</u>	<u>\$ 237</u>	<u>\$ 377</u>

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

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

	June 30, 2021	December 31, 2020
Other current assets	\$ 35	\$ 36
Insurance recoveries for asbestos-related liabilities	342	366
	<u>\$ 377</u>	<u>\$ 402</u>
Accrued liabilities	\$ 300	\$ 300
Asbestos-related liabilities	1,819	1,920
	<u>\$ 2,119</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 is triggered. Honeywell's funding obligation, together with any HWI dividends used to pay claims, is subject to an annual cap of \$145 million. In July 2021, HWI paid a dividend of \$47 million to the NARCO Trust. 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.

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 of its NARCO asbestos-related liability, and the Company continued to update its original estimate, 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)

In 2020, with three years of sufficiently reliable claims data, the Company updated its estimate of the NARCO asbestos-related 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-related 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 NARCO asbestos-related 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	Six Months Ended June 30,	Years Ended December 31,	
	2021	2020	2019
Claims unresolved at the beginning of period	6,242	6,480	6,209
Claims filed	1,205	2,233	2,659
Claims resolved	(921)	(2,471)	(2,388)
Claims unresolved at the end of period	6,526	6,242	6,480

Disease Distribution of Unresolved Claims	June 30,	December 31,	
	2021	2020	2019
Mesothelioma and other cancer claims	3,735	3,422	3,399
Nonmalignant claims	2,791	2,820	3,081
Total claims	6,526	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 LITIGATION AND BANKRUPTCY PROCEEDINGS

In conjunction with the Garrett spin-off, the Company entered into a binding indemnification and reimbursement agreement (Garrett Indemnity) and a binding tax matters agreement (Tax Matters Agreement) with Garrett and a Garrett subsidiary. 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 July 17, 2020, the Company received a notice from Garrett asserting that the Company had caused material breaches of the Tax Matters Agreement and that the Tax Matters Agreement was 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. On April 26, 2021, the Bankruptcy Court confirmed Garrett's amended Chapter 11 plan of reorganization (the Confirmed Plan), and on April 30, 2021 (the Effective Date), Garrett emerged from bankruptcy. On the Effective Date, and in accordance with the Confirmed Plan, (i) the Company received from Garrett an initial payment of \$375 million and 834.8 million shares of Garrett's Series B Preferred Stock in full and final satisfaction of the Garrett Indemnity and Tax Matters Agreement, (ii) the Garrett Indemnity and Tax Matters Agreement were terminated, (iii) the Company and Garrett mutually released each other from the claims asserted in all pending legal actions related to the Garrett Indemnity and Tax Matters Agreement, and (iv) all pending litigation between the Company and Garrett in connection with those agreements was resolved.

The Series B Preferred Stock Certificate of Designation provides for mandatory redemptions by Garrett of \$35 million in 2022 and \$100 million per year from 2023 to 2030 (inclusive) at the anniversary of the Effective Date, unless (i) Garrett's consolidated EBITDA as of the end of the most recently completed fiscal year is less than \$425 million, or (ii) Garrett does not have sufficient funds available to pay the redemption, at which point the redemption amounts past due will accrue interest. The Series B Preferred Stock Certificate of Designation also includes rights which allow (a) the Company to put the Series B Preferred Stock to Garrett if certain EBITDA conditions are met, and (b) Garrett to call the Series B Preferred Stock in whole or in part if certain EBITDA conditions are met.

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

We recorded the Series B Preferred Stock at fair value at the Effective Date. We believe the present value of the mandatory redemptions is an appropriate basis for determining the fair value of the Series B Preferred Stock. Our present value reflects amortized cost determined by the present value of the mandatory redemptions discounted at 7.25%, which is the rate reflected in the Series B Preferred Stock Certificate of Designation. The discount amount will accrete into interest income over the mandatory redemption period. In addition to the Series B Preferred Stock, the Company subscribed for 4.2 million shares of Garrett's Series A Preferred Stock (Series A Preferred Stock), which are convertible into Garrett's Common Stock if certain conditions are met. Prior to and following Garrett's emergence from bankruptcy, the Company also held 2.9 million shares of Garrett's Common Stock. As of June 30, 2021, Short-term investments included \$35 million and Investments and long-term receivables included \$604 million, respectively, for the short-term and long-term portion of the Company's investment in Garrett's Series B Preferred Stock, Series A Preferred Stock and Common Stock investments.

The Garrett matter and bankruptcy proceedings are described in further detail in Note 20 Commitments and Contingencies of Notes to Consolidated Financial Statements in our 2020 Annual Report on Form 10-K.

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 (including the matter described below). 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 such 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.

Given the uncertainty inherent in litigation and investigations, we do not believe it is possible to develop estimates of reasonably possible losses in excess of current accruals for such matters. Considering our past experience and existing accruals, we do not expect the outcome of such 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.

Petrobras and Unaoil – We have been 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 have begun discussions with the authorities with respect to a potential resolution of these matters. As the discussions are ongoing, there can be no assurance as to whether we will reach a resolution with such authorities or as to the potential timing, terms, or collateral consequences of any such resolution. As a result, we cannot predict the outcome of these matters, the potential impact on the Company, or a reasonable estimate of losses or range of losses at this time.

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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Service cost	\$ 27	\$ 24	\$ 53	\$ 49
Interest cost	76	115	153	230
Expected return on plan assets	(305)	(283)	(610)	(567)
Amortization of prior service (credit)	(11)	(10)	(22)	(21)
	<u>\$ (213)</u>	<u>\$ (154)</u>	<u>\$ (426)</u>	<u>\$ (309)</u>

	Non-U.S. Plans			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Service cost	\$ 6	\$ 5	\$ 13	\$ 11
Interest cost	21	26	40	52
Expected return on plan assets	(89)	(81)	(176)	(165)
Amortization of prior service (credit)	—	—	—	—
	<u>\$ (62)</u>	<u>\$ (50)</u>	<u>\$ (123)</u>	<u>\$ (102)</u>

NOTE 17. OTHER (INCOME) EXPENSE

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	Interest income	\$ (23)	\$ (22)	\$ (42)
Pension ongoing income – non-service	(309)	(236)	(619)	(473)
Other postretirement income – non-service	(18)	(14)	(35)	(27)
Equity income of affiliated companies	(18)	(15)	(32)	(27)
(Gain) loss on sale of non-strategic businesses and assets	1	—	(89)	—
Foreign exchange	13	(3)	18	(15)
Other (net)	(12)	(1)	(9)	—
	<u>\$ (366)</u>	<u>\$ (291)</u>	<u>\$ (808)</u>	<u>\$ (608)</u>

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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net sales				
Aerospace				
Products	\$ 1,571	\$ 1,633	\$ 3,086	\$ 3,712
Services	1,195	910	2,312	2,192
Total	2,766	2,543	5,398	5,904
Honeywell Building Technologies				
Products	1,042	865	2,051	1,835
Services	365	312	714	623
Total	1,407	1,177	2,765	2,458
Performance Materials and Technologies				
Products	2,055	1,793	3,924	3,707
Services	497	425	974	908
Total	2,552	2,218	4,898	4,615
Safety and Productivity Solutions				
Products	1,971	1,452	3,987	2,794
Services	112	87	214	169
Total	2,083	1,539	4,201	2,963
	<u>\$ 8,808</u>	<u>\$ 7,477</u>	<u>\$ 17,262</u>	<u>\$ 15,940</u>
Segment profit				
Aerospace	\$ 710	\$ 528	\$ 1,472	\$ 1,465
Honeywell Building Technologies	315	250	620	512
Performance Materials and Technologies	530	419	964	931
Safety and Productivity Solutions	292	213	595	391
Corporate	(54)	(25)	(83)	(66)
Total segment profit	1,793	1,385	3,568	3,233
Interest and other financial charges	(83)	(90)	(173)	(163)
Stock compensation expense ^(a)	(39)	(34)	(116)	(78)
Pension ongoing income ^(b)	272	198	548	396
Other postretirement income ^(b)	18	14	35	27
Repositioning and other charges ^(c)	(101)	(280)	(242)	(342)
Other ^(d)	21	26	122	81
Income before taxes	<u>\$ 1,881</u>	<u>\$ 1,219</u>	<u>\$ 3,742</u>	<u>\$ 3,154</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 and six months ended June 30, 2021. The financial information as of June 30, 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 3 Acquisitions and Divestitures of Notes to Consolidated Financial Statements for a discussion of acquisition and divestiture activity during the six months ended June 30, 2021.

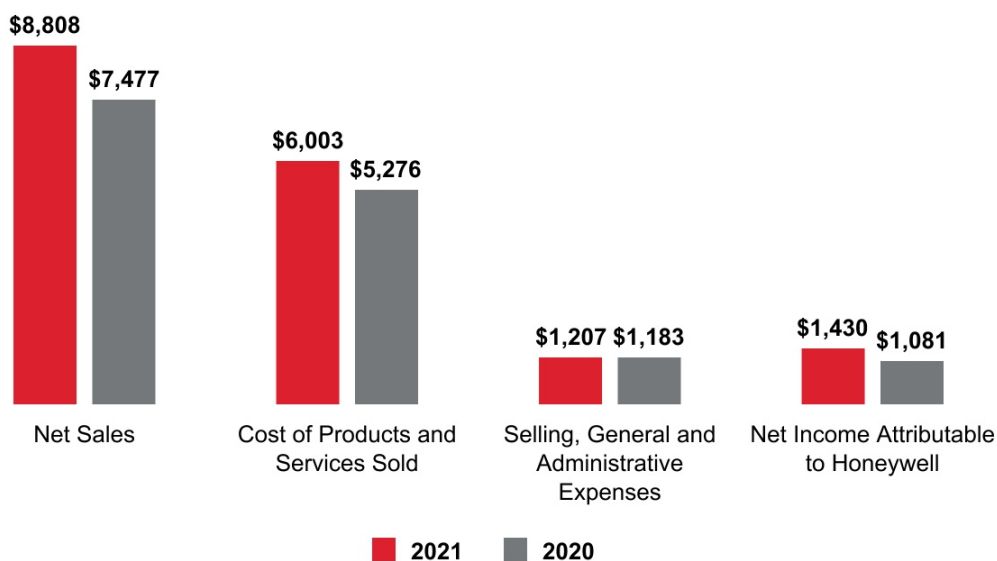
COVID-19 UPDATE

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 use of vaccines as a method to limit and control infections, new variants of the virus continue to emerge. 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. We continue to monitor COVID-19 infection rates globally and respond to the risk of new surges in COVID-19 infections. 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 Results of Operations section of this Management Discussion and Analysis.

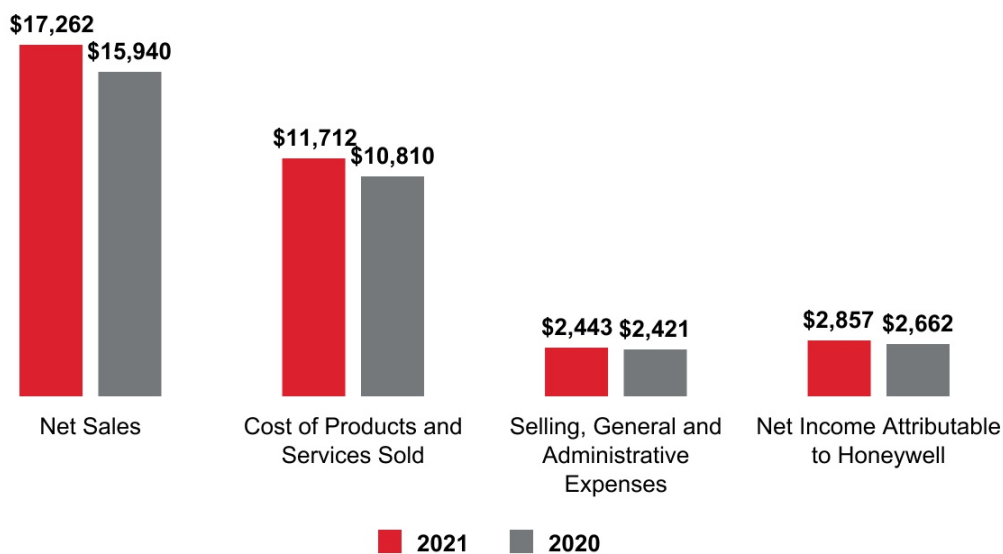
RESULTS OF OPERATIONS

Consolidated Financial Results

Three Months Ended June 30

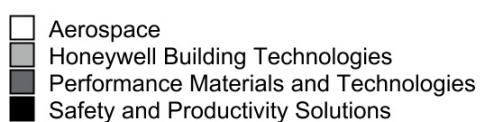
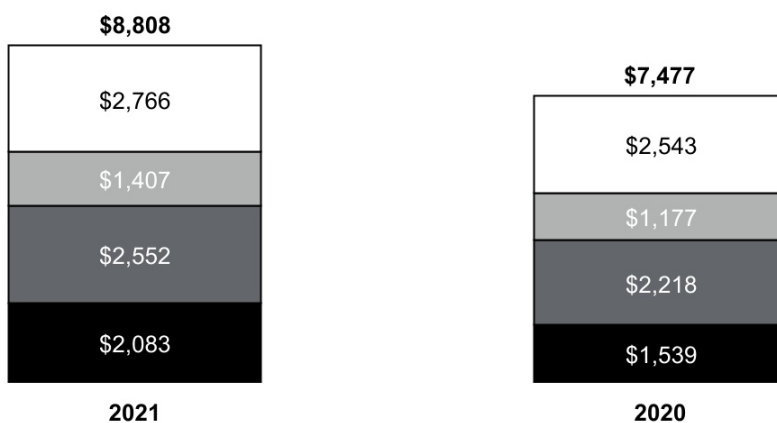


Six Months Ended June 30

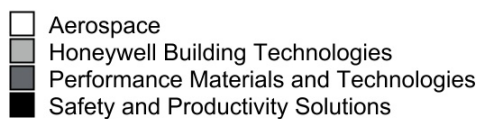
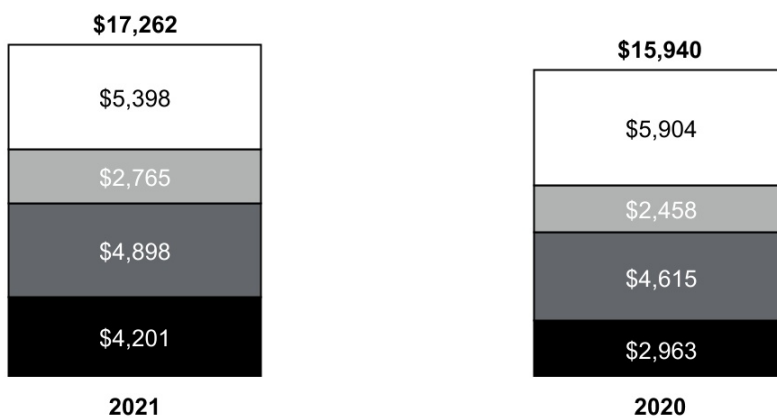


Net Sales by Segment

Three Months Ended June 30

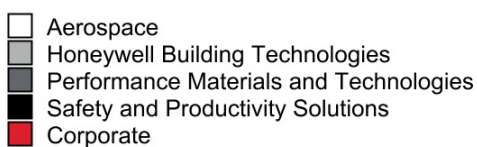
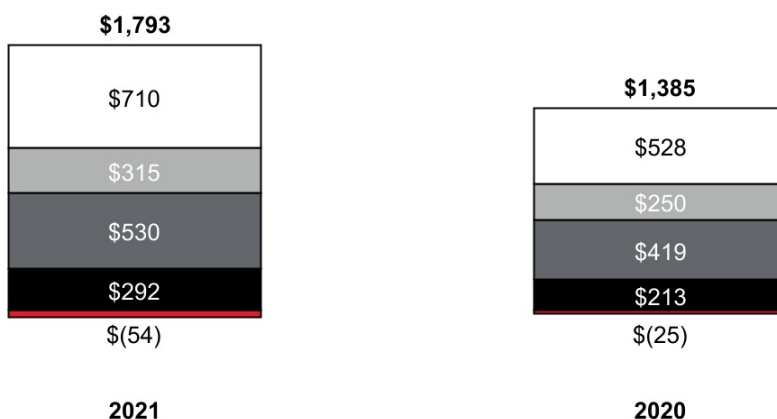


Six Months Ended June 30

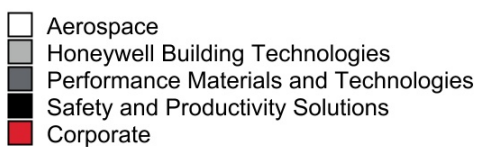
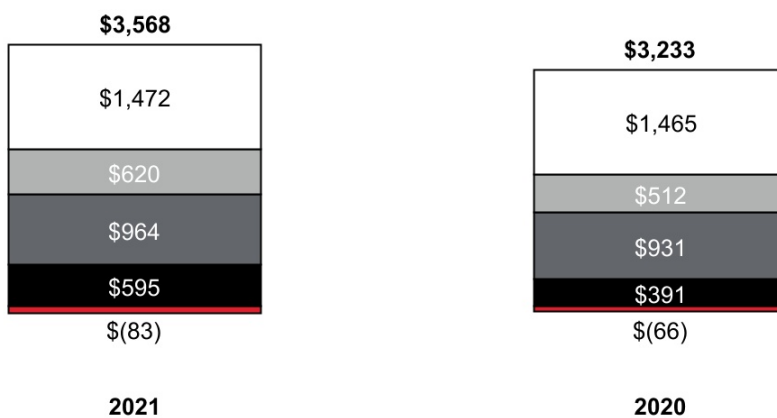


Segment Profit by Segment

Three Months Ended June 30

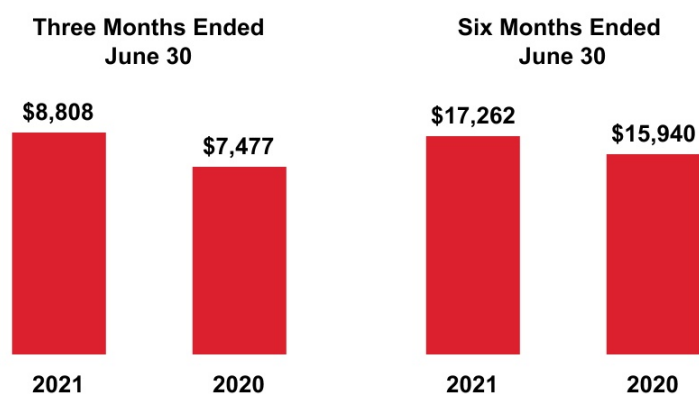


Six Months Ended June 30



CONSOLIDATED OPERATING RESULTS

Net Sales



The change in net sales was attributable to the following:

	Q2 2021 vs. Q2 2020	Year to Date 2021 vs. 2020
Volume	12 %	4 %
Price	3 %	2 %
Foreign Currency Translation	3 %	2 %
	<u>18 %</u>	<u>8 %</u>

Q2 2021 compared to Q2 2020

Net sales increased due to the following:

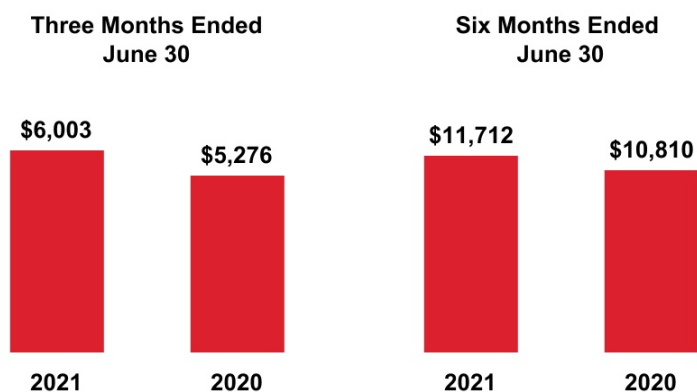
- Higher sales volumes due to an increase in demand for certain products and services as the global economy showed signs of recovery from the COVID-19 pandemic,
- The favorable impact of foreign currency translation, driven by the weakening of the U.S. Dollar against the currencies of the majority of our international markets, primarily the Euro, Canadian Dollar, Chinese Renminbi, British Pound, and Australian Dollar, and
- Favorable pricing.

YTD 2021 compared to YTD 2020

Net sales increased due to the following:

- Higher sales volumes due to an increase in demand for certain products and services as the global economy showed signs of recovery from the COVID-19 pandemic,
- The favorable impact of foreign currency translation, 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, Canadian Dollar, and Australian Dollar, and
- Favorable pricing,
- Partially offset by lower sales volumes in Aerospace due to weakness in global travel and lower flight hours due to the COVID-19 pandemic.

Cost of Products and Services Sold



Q2 2021 compared to Q2 2020

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

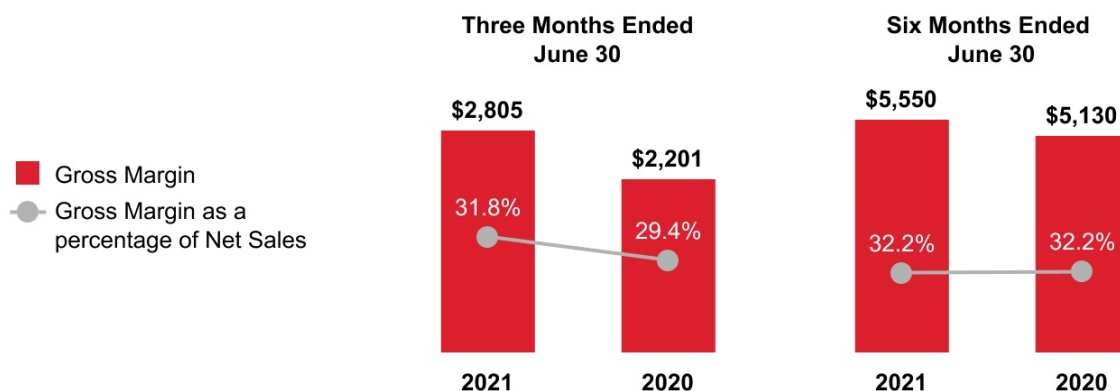
- Higher direct and indirect material costs of approximately \$690 million and higher labor costs of approximately \$90 million driven by higher volumes due to an increase in demand in certain of our products and services and the unfavorable impact of foreign currency translation,
- Partially offset by lower repositioning and other charges of approximately \$90 million.

YTD 2021 compared to YTD 2020

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

- Higher direct and indirect material costs of approximately \$860 million driven by higher volumes due to an increase in demand in certain of our products and services and the unfavorable impact of foreign currency translation.

Gross Margin



Q2 2021 compared to Q2 2020

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

- Higher gross margins due to an increase in demand for certain products and services as the global economy showed signs of recovery from the COVID-19 pandemic,

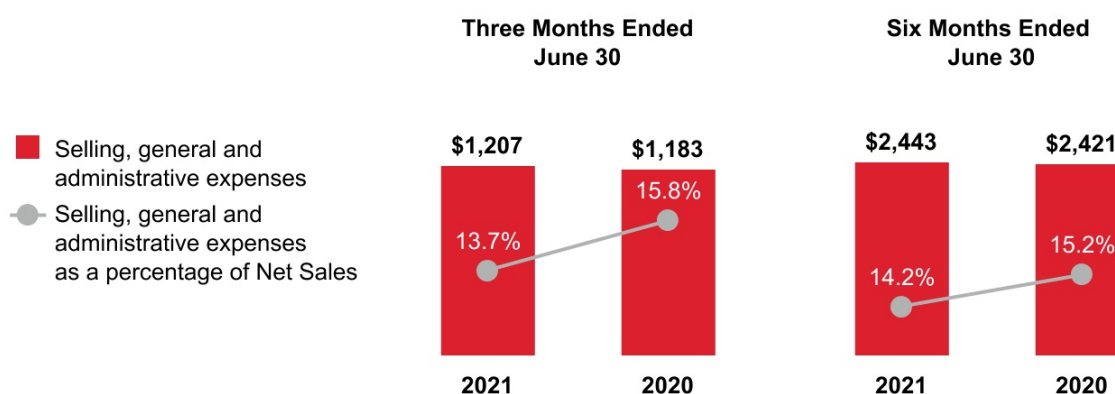
- Lower repositioning and other charges of approximately \$90 million, and
- Favorable pricing,
- Partially offset by a larger portion of our sales being driven by our Safety and Productivity Solutions segment.

YTD 2021 compared to YTD 2020

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

- Higher gross margins due to an increase in demand for certain products and services as the global economy showed signs of recovery from the COVID-19 pandemic, and
- Favorable pricing,
- Partially offset by a larger portion of our sales being driven by our Safety and Productivity Solutions segment.

Selling, General and Administrative Expenses



Q2 2021 compared to Q2 2020

Selling, general and administrative expenses and Selling, general and administrative expenses as a percentage of net sales changed due to the following:

- Cost savings from repositioning actions resulted in lower expenses,
- Partially offset by higher expenses due to increased sales volumes and the unfavorable impact of foreign currency translation.

YTD 2021 compared to YTD 2020

Selling, general and administrative expenses and Selling, general and administrative expenses as a percentage of net sales changed due to the following:

- Cost savings from repositioning actions resulted in lower expenses,
- Partially offset by higher expenses due to increased sales volumes and the unfavorable impact of foreign currency translation.

Other (Income) Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Other (income) expense	\$ (366)	\$ (291)	\$ (808)	\$ (608)

Q2 2021 compared to Q2 2020

Other income increased due to the following:

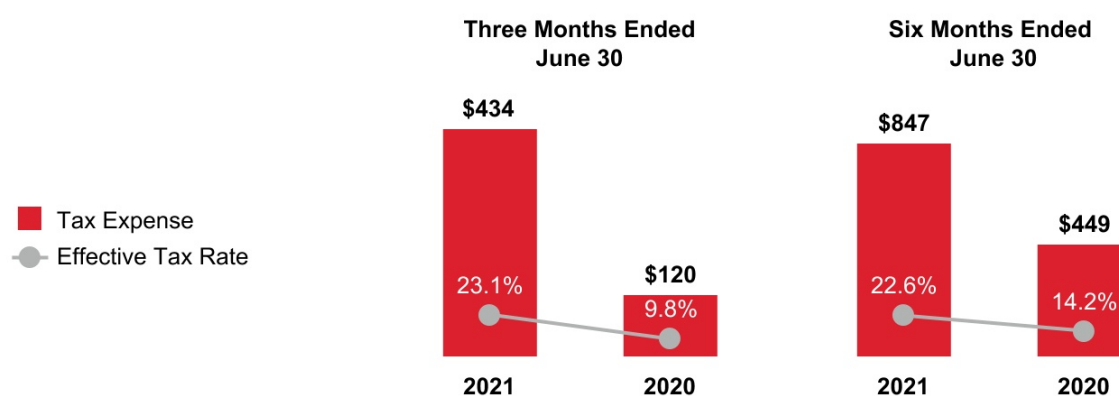
- Higher pension income,
- Partially offset by foreign exchange expense.

YTD 2021 compared to YTD 2020

Other income increased due to the following:

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

Tax Expense



Q2 2021 compared to Q2 2020

The effective tax rate increased due to the absence of tax benefits realized in the prior year as a result of the favorable resolution of a foreign tax matter related to the spin-off transactions partially offset by increased 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 June 30, 2021, was higher than the U.S. federal statutory rate of 21% primarily due to incremental tax reserves and state 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 June 30, 2020, was lower than the U.S. federal statutory rate of 21% primarily from foreign earnings taxed at lower foreign tax rates and the favorable resolution of a foreign tax matter related to the spin-off transactions, partially offset by incremental tax reserves and state taxes.

YTD 2021 compared to YTD 2020

The effective tax rate increased due to the absence of tax benefits realized in the prior year as a result of the favorable resolution of a foreign tax matter related to the spin-off transactions, tax law changes in India and the resolution of certain U.S. tax matters, partially offset by increased 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 six months ended June 30, 2021, was higher than the U.S. federal statutory rate of 21% primarily due to incremental tax reserves and state 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 six months ended June 30, 2020, was lower than the U.S. federal statutory rate of 21% primarily from foreign earnings taxed at lower foreign tax rates, the favorable resolution of a foreign tax matter related to the spin-off transactions, 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



Q2 2021 compared to Q2 2020

Earnings per share of common stock—assuming dilution increased, driven by the following:

- Higher segment profit,
- Lower repositioning and other charges, and
- Higher pension income,
- Partially offset by higher income taxes.

YTD 2021 compared to YTD 2020

Earnings per share of common stock—assuming dilution increased, driven by the following:

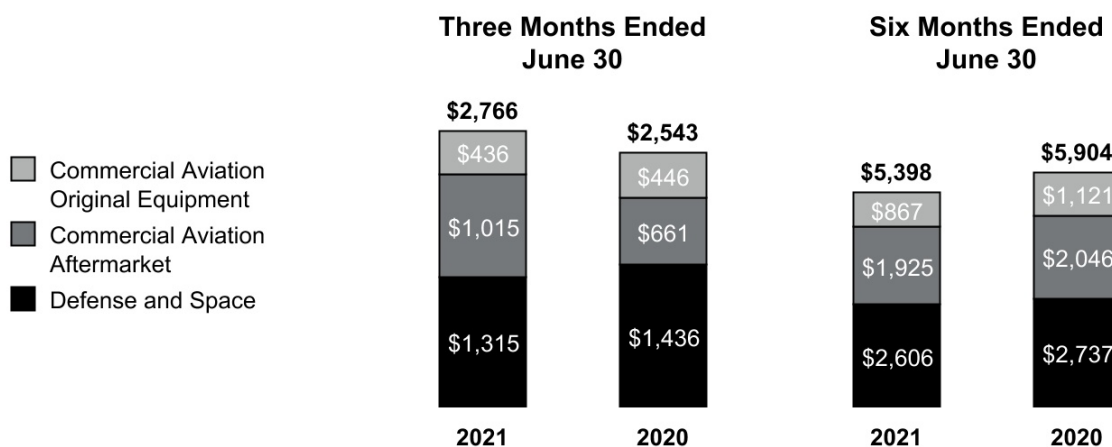
- Higher segment profit,
- Higher pension income,
- Lower repositioning and other charges, and
- Favorable impact of lower share count,
- Partially offset by higher income taxes.

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 June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Net sales	\$ 2,766	\$ 2,543	9 %	\$ 5,398	\$ 5,904	(9) %
Cost of products and services sold	1,846	1,795		3,502	3,994	
Selling, general and administrative and other expenses	210	220		424	445	
Segment profit	\$ 710	\$ 528	34 %	\$ 1,472	\$ 1,465	— %

Factors Contributing to Year-Over-Year Change	2021 vs. 2020			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Sales	Segment Profit	Sales	Segment Profit
Organic ⁽¹⁾	7 %	33 %	(9) %	— %
Foreign currency translation	1 %	1 %	— %	— %
Acquisitions, divestitures and other, net	1 %	— %	— %	— %
Total % change	9 %	34 %	(9) %	— %

(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, for the first 12 months following the transaction date. We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Q2 2021 compared to Q2 2020

Sales increased due to higher sales volumes as domestic travel and flight hours began to show signs of recovery from the COVID-19 pandemic, in addition to the favorable impact of pricing and foreign currency translation. Sales of our aftermarket products and services increased, while demand from commercial OEMs and domestic and international defense decreased.

- Commercial Aviation Original Equipment sales decreased 2% (decreased 3% organic) due to lower demand from air transport, partially offset by increases in regional and business aviation.
- Commercial Aviation Aftermarket sales increased 54% (increased 53% organic) due to higher demand in air transport and regional and business aviation.
- Defense and Space sales decreased 8% (decreased 10% organic) driven by lower demand in U.S. and international defense.

Cost of products and services sold increased due to higher sales volumes, partially offset by higher productivity.

Segment profit increased due to higher sales volumes of aftermarket products, increased productivity, and favorable pricing.

YTD 2021 compared to YTD 2020

Sales decreased due to weakness in global travel and lower flight hours due to the COVID-19 pandemic, resulting in lower demand for our products and services from commercial OEMs and aftermarket customers, and as demand from domestic and international defense spend decreased.

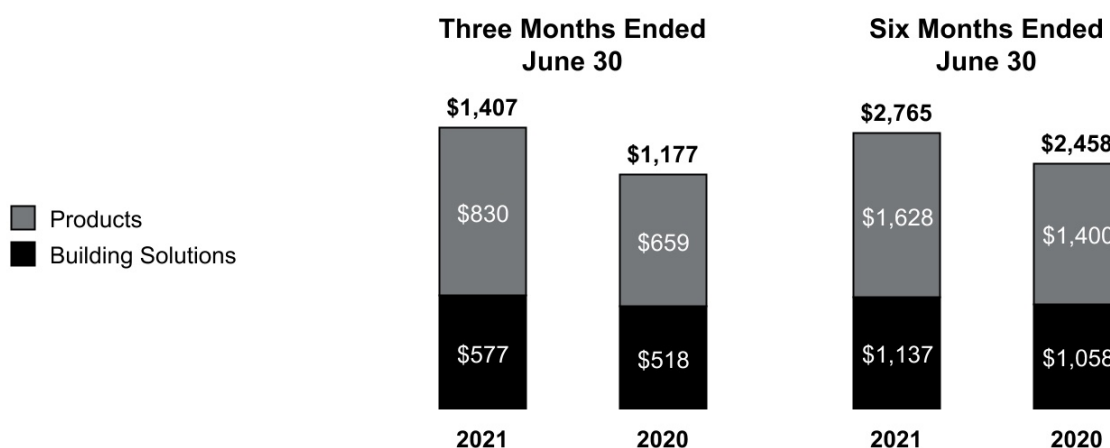
- Commercial Aviation Original Equipment sales decreased 23% (decreased 23% organic) due to lower demand from air transport and regional and business aviation.
- Commercial Aviation Aftermarket sales decreased 6% (decreased 6% organic) due to lower demand in air transport, partially offset by higher demand in regional and business aviation.
- Defense and Space sales decreased 5% (decreased 6% organic) driven by lower demand in U.S and international defense.

Cost of products and services sold decreased due to lower sales volumes and higher productivity.

Segment profit was flat due to favorable pricing and higher productivity, offset by lower sales volumes.

HONEYWELL BUILDING TECHNOLOGIES

NET SALES



	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Net sales	\$ 1,407	\$ 1,177	20 %	\$ 2,765	\$ 2,458	12 %
Cost of products and services sold	822	699		1,611	1,453	
Selling, general and administrative and other expenses	270	228		534	493	
Segment profit	\$ 315	\$ 250	26 %	\$ 620	\$ 512	21 %

Factors Contributing to Year-Over-Year Change	2021 vs. 2020			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Sales	Segment Profit	Sales	Segment Profit
Organic	13 %	20 %	7 %	15 %
Foreign currency translation	7 %	8 %	5 %	7 %
Acquisitions, divestitures and other, net	— %	(2)%	— %	(1)%
Total % change	20 %	26 %	12 %	21 %

Q2 2021 compared to Q2 2020

Sales increased due to higher sales volumes and the favorable impact of foreign currency translation. Customer demand increased as the global economy began to show signs of recovery.

- Sales in Products increased 26% (increased 20% organic) due to higher sales volumes, an increase in pricing, and the favorable impact of foreign currency translation.
- Sales in Building Solutions increased 11% (increased 5% organic) due to the favorable impact of foreign currency translation, higher sales volumes, and an increase in pricing.

Cost of products and services sold increased primarily due to higher sales volumes and the unfavorable impact of foreign currency translation, partially offset by higher productivity.

Segment profit increased primarily due to higher sales volumes and the favorable impact of foreign currency translation.

YTD 2021 compared to YTD 2020

Sales increased due to higher sales volumes and the favorable impact of foreign currency translation. Customer demand increased as the global economy began to show signs of recovery.

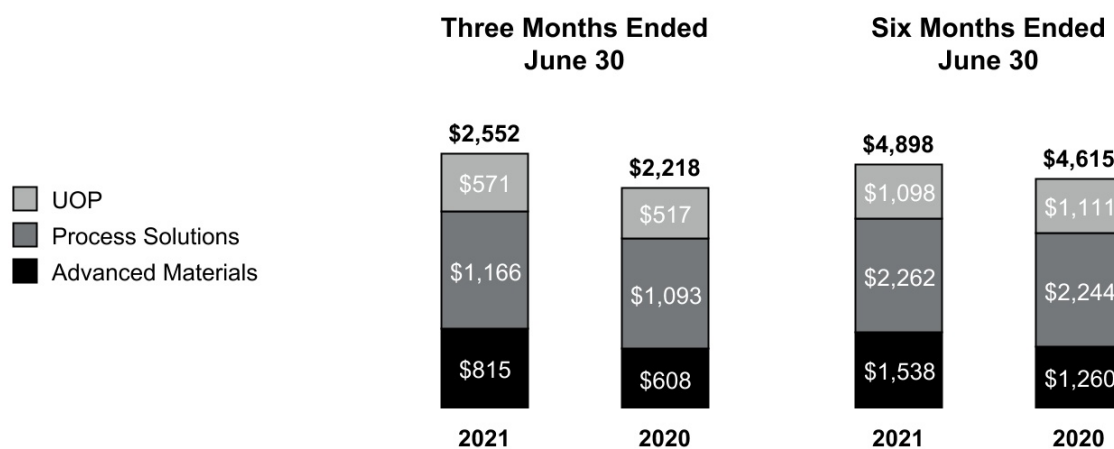
- Sales in Products increased 16% (increased 11% organic) due to higher sales volumes, favorable pricing, and the favorable impact of foreign currency translation.
- Sales in Building Solutions increased 7% (increased 2% organic) due to the favorable impact of foreign currency translation, higher sales volumes, and favorable pricing.

Cost of products and services sold increased primarily due to higher sales volumes and the unfavorable impact of foreign currency translation, partially offset by higher productivity.

Segment profit increased primarily due to favorable pricing, the favorable impact of foreign currency translation, and higher sales volumes.

PERFORMANCE MATERIALS AND TECHNOLOGIES

NET SALES



	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Net sales	\$ 2,552	\$ 2,218	15 %	\$ 4,898	\$ 4,615	6 %
Cost of products and services sold	1,696	1,490		3,287	3,049	
Selling, general and administrative and other expenses	326	309		647	635	
Segment profit	\$ 530	\$ 419	26 %	\$ 964	\$ 931	4 %

Factors Contributing to Year-Over-Year Change	2021 vs. 2020			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Sales	Segment Profit	Sales	Segment Profit
Organic	10 %	23 %	2 %	1 %
Foreign currency translation	4 %	4 %	3 %	4 %
Acquisitions, divestitures, and other, net	1 %	(1)%	1 %	(1)%
Total % change	15 %	26 %	6 %	4 %

Q2 2021 compared to Q2 2020

Sales increased due to higher sales volumes, the favorable impact of foreign currency translation, and an increase in pricing. Increased investment in the oil and gas industry and higher demand within Advanced Materials resulted in higher sales of our products and services.

- UOP sales increased 10% (increased 8% organic) due to higher demand for oil and gas products and the favorable impact of foreign currency translation.
- Process Solutions sales increased 7% (decreased 1% organic) driven by the favorable impact of foreign currency translation as well as the acquisition of Sparta Systems.
- Advanced Materials sales increased 34% (increased 30% organic) driven by increased demand in fluorine and specialty products and the favorable impact of foreign currency translation.

Cost of products and services sold increased due to higher sales volumes and the unfavorable impact of foreign currency translation.

Segment profit increased due to higher productivity, higher sales volumes, and the favorable impact of foreign currency translation.

YTD 2021 compared to YTD 2020

Sales increased due to the favorable impact of foreign currency translation and an increase in pricing. Higher demand within Advanced Materials was partially offset by decreased investment in the oil and gas industry which negatively impacted many of our customers.

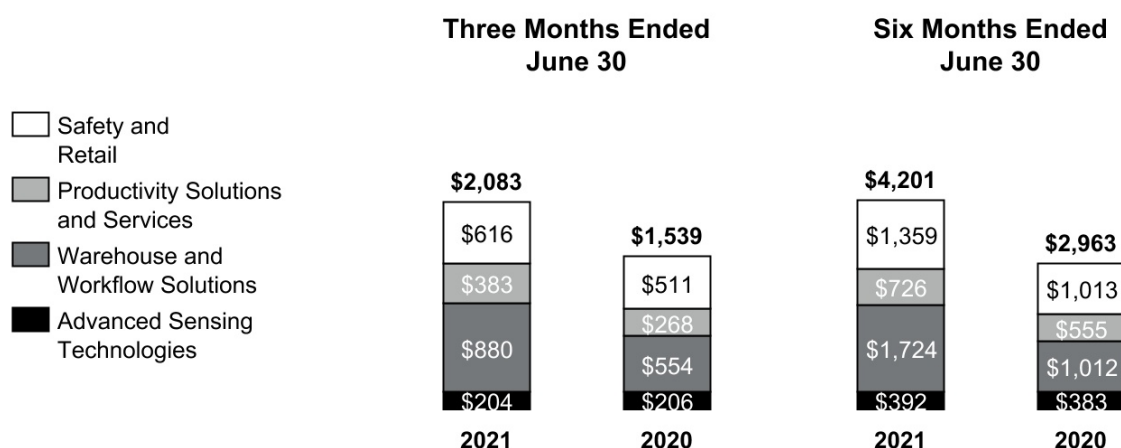
- UOP sales decreased 1% (decreased 4% organic) due to lower demand for oil and gas products and services partially offset by the favorable impact of foreign currency translation.
- Process Solutions sales increased 1% (decreased 5% organic) driven by the favorable impact of foreign currency translation, partially offset by lower demand for products and services.
- Advanced Materials sales increased 22% (increased 18% organic) driven by increased demand in fluorine and specialty products and the favorable impact of foreign currency translation.

Cost of products and services sold increased due to higher sales of lower margin products and the unfavorable impact of foreign currency translation.

Segment profit increased due to higher productivity, offset by higher sales of lower margin products.

SAFETY AND PRODUCTIVITY SOLUTIONS

NET SALES



	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Net sales	\$ 2,083	\$ 1,539	35 %	\$ 4,201	\$ 2,963	42 %
Cost of products and services sold	1,523	1,079		3,073	2,051	
Selling, general and administrative and other expenses	268	247		533	521	
Segment profit	\$ 292	\$ 213	37 %	\$ 595	\$ 391	52 %

Factors Contributing to Year-Over-Year Change	2021 vs. 2020			
	Three Months Ended June 30,		Six Months Ended June 30,	
	Sales	Segment Profit	Sales	Segment Profit
Organic	35 %	32 %	41 %	48 %
Foreign currency translation	3 %	6 %	3 %	5 %
Acquisitions, divestitures, and other, net	(3)%	(1)%	(2)%	(1)%
Total % change	35 %	37 %	42 %	52 %

Q2 2021 compared to Q2 2020

Sales increased due to higher sales volumes, favorable pricing, and the favorable impact of foreign currency translation, partially offset by the sale of the retail footwear business. The higher sales volumes in the quarter were primarily driven by warehouse automation services, Productivity Solutions and Services, and respiratory PPE.

- Sales in Safety and Retail increased 21% (increased 25% organic) due to higher sales volumes and the favorable impact of foreign currency translation, partially offset by the sale of the retail footwear business.
- Sales in Productivity Solutions and Services increased 43% (increased 38% organic) due to higher demand and the favorable impact of foreign currency translation.
- Sales in Warehouse and Workflow Solutions increased 59% (increased 57% organic) due to higher sales volumes and the favorable impact of foreign currency translation. Sales volume growth was driven by strong demand for our warehouse automation services.

- Sales in Advanced Sensing Technologies decreased 1% (decreased 4% organic) due to lower sales volumes, partially offset by the favorable impact of foreign currency translation.

Cost of products and services sold increased due to higher sales volumes and the unfavorable impact of foreign currency translation.

Segment profit increased primarily due to higher sales volumes, favorable pricing, and higher productivity, partially offset by higher sales of lower margin products.

YTD 2021 compared to YTD 2020

Sales increased due to higher sales volumes, favorable pricing, and the favorable impact of foreign currency translation, partially offset by the sale of the retail footwear business. The higher sales volumes in the six months were primarily driven by warehouse automation services, respiratory PPE, and Productivity Solutions and Services.

- Sales in Safety and Retail increased 34% (increased 36% organic) due to higher sales volumes and the favorable impact of foreign currency translation, partially offset by the sale of the retail footwear business.
- Sales in Productivity Solutions and Services increased 31% (increased 27% organic) due to higher demand and the favorable impact of foreign currency translation.
- Sales in Warehouse and Workflow Solutions increased 70% (increased 69% organic) due to higher sales volumes and the favorable impact of foreign currency translation. Sales volume growth was driven by strong demand for our warehouse automation services.
- Sales in Advanced Sensing Technologies increased 2% (decreased 1% organic) due to the favorable impact of foreign currency translation, partially offset by lower organic sales volumes.

Cost of products and services sold increased due to higher sales volumes and the unfavorable impact of foreign currency translation.

Segment profit increased primarily due to higher sales volumes, higher productivity, and favorable pricing, partially offset by higher sales of lower margin products.

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 six months ended June 30, 2021 and 2020. Cash spending related to our repositioning actions was \$202 million in the six months ended June 30, 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 June 30, 2021, and December 31, 2020, we held \$12.3 billion and \$15.2 billion, respectively, of cash and cash equivalents, including our short-term investments.

BORROWINGS

Consolidated total borrowings were \$21.4 billion and \$22.4 billion as of June 30, 2021, and December 31, 2020.

	June 30, 2021	December 31, 2020
Commercial paper and other short-term borrowings	\$ 3,573	\$ 3,597
Variable rate notes	1,122	1,122
Fixed rate notes	16,464	17,399
Other	197	266
Total borrowings	\$ 21,356	\$ 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, which was terminated in accordance with its terms effective March 31, 2021. As of June 30, 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. As of June 30, 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 June 30, 2021, Standard & Poor's (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:

	Six Months Ended June 30,	
	2021	2020
Cash provided by (used for):		
Operating activities	\$ 2,256	\$ 2,419
Investing activities	(1,243)	(358)
Financing activities	(3,877)	2,741
Effect of exchange rate changes on cash	16	(91)
Net increase (decrease) in cash and cash equivalents	<u>\$ (2,848)</u>	<u>\$ 4,711</u>

Cash provided by operating activities decreased by \$163 million due to a net unfavorable impact of changes in assets and liabilities, which resulted in a \$350 million use of cash during the six months ended June 30, 2021, compared to providing cash of \$161 million during the six months ended June 30, 2020. The change included an unfavorable impact to working capital of \$77 million, which was partially offset by an increase in net income of \$195 million.

Cash used for investing activities increased by \$885 million primarily due to \$1,327 million in cash paid for acquisitions and a \$106 million decrease in cash receipts from settlements of derivative contracts, partially offset by a \$375 million cash receipt from Garrett Motion Inc. (Garrett) and \$190 million in proceeds from the sale of the retail footwear business.

Cash used for financing activities increased by \$6,618 million primarily due to \$7,101 of proceeds from the issuance of long-term debt during the six months ended June 30, 2020, partially offset by a \$383 million decrease in repayments of long-term debt and a \$136 million decrease in repurchases of common stock during the six months ended June 30, 2021.

The effect of the exchange rate changes on cash reflects an overall weakening of the U.S. Dollar against the currencies of the majority of our international markets during the six months ended June 30, 2021 as compared to an overall strengthening of the U.S. Dollar during the six months ended June 30, 2020.

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 six months ended June 30, 2021, the Company repurchased common stock of \$1,849 million. 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

Other than as noted below, there have been no material changes to our Critical Accounting Estimates presented 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.

On April 26, 2021, the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) confirmed Garrett's amended Chapter 11 plan of reorganization (the Confirmed Plan) and on April 30, 2021, Garrett emerged from bankruptcy. In accordance with Garrett's emergence from bankruptcy and the Confirmed Plan, the Company received from Garrett an initial payment of \$375 million and 834.8 million shares of Series B Preferred Stock in full satisfaction of our indemnification and reimbursement agreement and tax matters agreement. As a result, we updated our Critical Accounting Estimate for Reimbursement Receivables to exclude receivable amounts from Garrett which were satisfied in full. See Note 15 Commitments and Contingencies of Notes to the Consolidated Financial Statements for further discussion on Garrett.

Reimbursement Receivables—In conjunction with the Resideo Technologies, Inc. (Resideo) spin-off, the Company entered into a reimbursement agreement under which Honeywell receives cash payments as reimbursement primarily related to net spending for environmental matters at certain sites as defined in the reimbursement agreement. Accordingly, the Company recorded receivables based on estimates of the underlying reimbursable Honeywell environmental spend, and we monitor the recoverability of such receivables, which are subject to the terms of applicable credit agreements and general ability to pay.

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 June 30, 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

Other than as noted below, there have been no material changes to our Risk Factors 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.

On April 26, 2021, the Bankruptcy Court confirmed Garrett's amended Chapter 11 plan of reorganization and on April 30, 2021, Garrett emerged from bankruptcy. As such, the risk factor discussing Garrett and the potential outcome of Garrett's bankruptcy proceedings as disclosed in our 2020 Annual Report on Form 10-K under the section titled Risk Factors is no longer a risk as of June 30, 2021. See Note 15 Commitments and Contingencies of Notes to the Consolidated Financial Statements for further discussion on Garrett.

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

Honeywell purchased 4,610,344 shares of its common stock, par value \$1 per share, in the quarter ended June 30, 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 June 30, 2021, \$8.6 billion remained available for additional share repurchases. The following table summarizes Honeywell's purchase of its common stock for the quarter ended June 30, 2021:

Issuer Purchases of Equity Securities

Period	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)
April 1-30, 2021	103,225	\$ 223.41	103,225	\$ 9,641
May 1-31, 2021	2,361,275	\$ 224.48	2,361,275	\$ 9,111
June 1-30, 2021	2,145,844	\$ 220.98	2,145,844	\$ 8,637

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 May 10, 2021, Honeywell voluntarily withdrew the listing of its common stock, par value \$1.00 per share (the Common Stock), and the listings of its 1.300% Senior Notes due 2023, 0.000% Senior Notes due 2024, 2.250% Senior Notes due 2028, and 0.750% Senior Notes due 2032 (collectively, the Notes), from the New York Stock Exchange (NYSE) and transferred the listings to The Nasdaq Stock Market LLC (Nasdaq). Exhibits 10.1 through 10.7 were all impacted by the transfer of our Common Stock and Notes to the Nasdaq.

As previously disclosed, Mr. Rajeev Gautam, President and Chief Executive Officer of Performance Materials and Technologies will retire from the Company on August 13, 2021 (the Retirement Date). Following the Retirement Date and through January 31, 2022 (the Consulting Period), Mr. Gautam will serve as President Emeritus, Honeywell Performance Materials and Technologies, with responsibility for ensuring smooth customer transitions across Performance Materials and Technologies and helping enable growth within the Honeywell UOP business unit.

On July 20, 2021, in consideration for Mr. Gautam's agreement to serve in this capacity during the Consulting Period and extend the time period of his existing non-solicitation and non-compete covenants from two years to three years, the Company and Mr. Gautam entered into a Retirement Agreement and a Consulting Agreement that together provide Mr. Gautam with the following benefits: (i) Mr. Gautam will receive a service fee of \$15,000 per month throughout the Consulting Period, (ii) the outstanding restricted stock units previously awarded to Mr. Gautam that are unvested at the time of his retirement shall remain outstanding and continue to vest as scheduled pursuant to their existing terms and conditions, including the satisfaction of any applicable Company performance requirements, (iii) all outstanding stock options that are unvested at the time of his retirement shall remain outstanding and continue to vest as scheduled and shall remain exercisable for the full term of the option, (iv) the outstanding performance stock units previously awarded to Mr. Gautam that are unvested at the time of his retirement shall remain outstanding and continue to vest as scheduled pursuant to their existing terms and conditions, including the satisfaction of any applicable Company performance requirements, and (v) Mr. Gautam shall be eligible to receive a short-term incentive award for the 2021 performance year at the funding levels to be authorized by the Company's Board of Directors, pro-rated to the Retirement Date, based upon Mr. Gautam's individual performance, Performance Materials and Technologies performance, and overall Company performance. The foregoing description of Mr. Gautam's Retirement Agreement and Consulting Agreement is not intended to be complete and is qualified in its entirety by reference to the agreements, copies of which are filed herewith.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1*	Omnibus Amendment to Certain Honeywell Plans and Agreements (filed herewith)
10.2*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Stock Option Award Agreement (filed herewith)
10.3*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement (filed herewith)
10.4*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement, Form 2 (filed herewith)
10.5*	2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Performance Plan Grant Agreement (filed herewith)
10.6*	2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Stock Option Award Agreement (filed herewith)
10.7*	2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Restricted Unit Agreement (filed herewith)
10.8*	Retirement Agreement dated July 20, 2021 between Honeywell International Inc. and Rajeev Gautam, and Exhibit A (Consulting Agreement) thereto (filed herewith)
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)
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema (filed herewith)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase (filed herewith)
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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

SIGNATURES

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

Date: July 23, 2021

Honeywell International Inc.

By: /s/ Robert D. Mailloux

Robert D. Mailloux
Vice President and Controller
(on behalf of the Registrant
and as the Registrant's
Principal Accounting Officer)

51 Honeywell International Inc.

**OMNIBUS AMENDMENT
TO
CERTAIN HONEYWELL PLANS AND AGREEMENTS**

Pursuant to the authority granted to proper officers of Honeywell International Inc. by the Management Development and Compensation Committee of the Board of Directors on February 12, 2021, the plans and agreements listed in Item 2 below (the "Plans and Agreements") shall be, and they hereby are, amended effective May 11, 2021, in the following particulars:

1. That all references to the "New York Stock Exchange" or "NYSE" in the Plans and Agreements are replaced with references to the "The Nasdaq Stock Market LLC" or "Nasdaq," as applicable.

2. That the Plans and Agreements subject to this Amendment are the following:

- 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates, as amended
- 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates, as amended
- 2006 Stock Incentive Plan of Honeywell International Inc. and its Affiliates, as amended
- 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended
- 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc., as amended
- Honeywell International Inc. Incentive Compensation Plan for Executive Employees, as amended
- 2007 Honeywell Global Employee Stock Plan
- Deferred Compensation Plan for Non-Employee Directors of Honeywell International Inc., as amended
- 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Stock Option Award Agreement
- 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement
- 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement, Form 2
- 2016 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Performance Plan Grant Agreement
- 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Stock Option Award Agreement
- 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Stock Option Award Agreement, Form 2
- 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement
- 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement, Form 2
- 2006 Stock Incentive Plan of Honeywell International Inc. and its Affiliates - Form of Option Award Agreement
- 2006 Stock Incentive Plan of Honeywell International Inc. and its Affiliates - Form of Option Award Agreement, Form 2
- 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Stock Option Award Agreement
- 2016 Stock Plan for Non-Employee Directors of Honeywell International Inc. – Form of Restricted Unit Agreement
- 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc. - Form of Option Agreement

- 2006 Stock Plan for Non-Employee Directors of Honeywell International Inc. - Form of Restricted Unit Agreement
- Any and all other Plans and Agreements that contain references to the “New York Stock Exchange” or “NYSE”.

HONEYWELL INTERNATIONAL INC.

/s/ Karen Mattimore

Karen Mattimore

Senior Vice President & Chief Human Resources Officer

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 Nasdaq Stock Market LLC (“Nasdaq”) on the day before the tenth anniversary of the Grant Date (the “Expiration Date”), subject to earlier termination or cancellation as provided below. If Nasdaq is not open for business on the Expiration Date, the Option will expire at the close of Nasdaq 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:

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 Nasdaq, 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 (i) 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 (ii) the Company's stock ownership guidelines as they apply to this Award. 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 shall 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 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 STOCK UNIT AGREEMENT, FORM 1

This 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 Award actually made by the Company on the Grant Date or the Plan.

2. **[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 payment 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. 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.]

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 (as defined in the Plan), 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 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, 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 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.

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”)) 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] shall be duly listed, upon official notice of redemption, upon The Nasdaq Stock Market LLC (“Nasdaq”), 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.

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 (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.

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 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.

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.

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 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, the provision shall 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 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 STOCK UNIT AGREEMENT, FORM 2

This 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 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 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 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 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 Honeywell International Inc. Chief Executive Officer ("CEO")) 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 Nasdaq Stock Market LLC ("Nasdaq"), 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 [or 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, 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 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
PERFORMANCE PLAN GRANT AGREEMENT**

EID:

Employee Name:

of Performance Stock Units Granted:

This PERFORMANCE STOCK UNIT AGREEMENT made in Charlotte, North Carolina, 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 provisions of this Agreement and 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 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 (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 [INCLUDE IF PERFORMANCE MEASURES ARE THE SAME, OTHERWISE 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 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 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, prorated 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 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”)) 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 Nasdaq Stock Market LLC ("Nasdaq"), 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, 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. Acknowledgments 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 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 PLAN
FOR NON-EMPLOYEE DIRECTORS
OF HONEYWELL INTERNATIONAL INC.**

STOCK OPTION AWARD AGREEMENT

STOCK OPTION AWARD AGREEMENT made in Charlotte, North Carolina, as of [GRANT DATE] (“Grant Date”), between Honeywell International Inc. (the “Company”) and [DIRECTOR NAME] (“Director”).

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 Plan for Non-Employee Directors of Honeywell International Inc. This Option is a nonqualified Option for federal income tax purposes.

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 \$[EXERCISE PRICE] per Share.
3. **Vesting.** Subject to the earlier vesting of the Option as provided below upon your voluntary termination from the Company’s Board of Directors on or after your 10th anniversary as a Board member in good standing, death or Disability, or a Change in Control, the Option will become exercisable as follows: **to the extent of 25% of the Shares specified in paragraph 1 of this Agreement on each of [April 15th immediately preceding the 1st anniversary of Grant Date], [April 15th immediately preceding the 2nd anniversary of Grant Date], [April 15th immediately preceding the 3rd anniversary of Grant Date], [April 15th immediately preceding the 4th anniversary of Grant Date].**
4. **Term of Option.** The Option must be exercised prior to the close of The Nasdaq Stock Market LLC (“Nasdaq”) on the day before the tenth anniversary of the Grant Date (the “Expiration Date”), subject to earlier termination or cancellation as provided below. If Nasdaq is not open for business on the Expiration Date, the Option will expire at the close of Nasdaq 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 providing notice to the Company by contacting the Director - Executive Compensation, or the Corporate Secretary. If the Option is exercised after your death, the Company will deliver Shares only after the Committee 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:

Event	Vesting	Exercise
Termination of service due to death	Immediate vesting as of death.	Expires on original expiration date.
Termination of service due to Disability	Immediate vesting as of incurrance of Disability.	Expires on original expiration date.
Retirement at or after age 75	Immediate vesting as of retirement.	Expires on original expiration date.
Voluntary termination of director service (other than due to death, Disability, or retirement at or after age 75) on or after the 10 th anniversary as a Board member in good standing ¹	Immediate vesting as of termination.	Expires earlier of (i) original expiration date, or (ii) 3 years after termination. If you die or incur a Disability prior to end of this 3-year period, expires earlier of (i) original expiration date, or (ii) later of 3 years after termination or 1 year after death or Disability

Voluntary termination of director service (other than due to death, Disability or retirement at or after age 75) before the 10 th anniversary as a Board member, or at any time as a Board member not in good standing ²	Unvested Option forfeited as of termination.	Expires earlier of (i) original expiration date, or (ii) 3 months after termination. If you die or incur a Disability prior to end of this 3-month period, expires earlier of (i) original expiration date, or (ii) 1 year after death or Disability.
Involuntary termination of director service other than for death, Disability, or retirement at or after age 75	Unvested Option forfeited as of termination.	Expires earlier of (i) original expiration date, or (ii) 3 years after termination. If you die or incur a Disability prior to end of this 3-year period, expires earlier of (i) original expiration date, or (ii) later of 3 years after termination or 1 year after death or Disability.

¹ Determined in the sole and absolute discretion of the Committee.

² Determined in the sole and absolute discretion of the Committee.

- 8. Change in Control.** In the event of a Change in Control, any portion of the Option that has not vested as of the date of Change in Control will immediately become exercisable in full. If your service as a director of the Company terminates for any reason following a Change in Control, that termination will be treated as a retirement from the Board of Directors at or after age 75 for purposes of Section 7 above.
9. **Withholdings.** The Company will have the right, prior to the issuance or delivery of any Shares in connection with the exercise of the Option, to withhold or demand from you the amount necessary to satisfy applicable tax requirements, as determined by the Committee.
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. **Adjustments.** Any adjustments to the Option will be governed by Section 9 of the Plan.
12. **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 Nasdaq, 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.

13. **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 U.S. federal 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. 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 shall 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.
14. **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 Board of Directors and 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.
15. **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 the Company 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, 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's 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 the Company and its Affiliates will transfer Data 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.

16. **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 is granting your Option, and 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 do not constitute regular or periodic payments.
17. **Limitations.** Nothing in this Agreement or the Plan gives you any right to continue as a member of the Board of Directors of the Company or will prejudice the rights of the Board of Directors or shareowners of the Company with respect to your nomination and election. 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.
18. **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.
19. **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.
20. **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.

21. **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.

**2016 STOCK PLAN FOR NON-EMPLOYEE DIRECTORS
OF HONEYWELL INTERNATIONAL INC.**

RESTRICTED STOCK UNIT AGREEMENT

This RESTRICTED STOCK UNIT AGREEMENT made in Charlotte, North Carolina, as of [GRANT DATE] (“Grant Date”), between Honeywell International Inc. (the “Company”) and [DIRECTOR NAME] (“Director”).

- 1. Grant of Award.** The Company has granted you [NUMBER] Restricted Stock Units, subject to the provisions of this Agreement and the 2016 Stock Plan For Non-Employee Directors of Honeywell International Inc. (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 Award actually made by the Company on the Grant Date or the Plan.

- 2. Dividend Equivalents.** Except as otherwise determined by the Corporate Governance and Responsibility 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 payment 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. [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.]

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 the termination of your directorship due to death or Disability, the occurrence of a Change in Control, or your voluntary termination on or after ten years as a Board member in good standing (as determined in the sole and absolute discretion of the Committee), the Restricted Stock Units and Additional Restricted Stock Units will vest as follows: **[VESTING PROVISIONS CONSISTENT WITH THE PLAN]**.
5. **Form and Timing of Payment.** Vested Restricted Stock Units will be redeemed solely for Shares. Except as otherwise determined by the Committee, in its sole discretion, vested Additional Restricted Stock Units will be redeemed solely for Shares. [Subject to a deferral election made pursuant to Section 11,] 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.
6. **Termination of Directorship.** If you voluntarily terminate from director service on or after ten years as a Board member in good standing (as determined in the sole and absolute discretion of the Committee), the Vested Restricted Stock Units and Additional Restricted Stock Units under this Agreement will vest as of your termination date. If you terminate from director service for any reason other your death, Disability, or voluntarily on or after ten years as a Board member in good standing (as determined in the sole and absolute discretion of the Committee), any Restricted Stock Units and Additional Restricted Stock Units that have not vested as of the date of the termination of your directorship will immediately be forfeited, and your rights with respect to these Restricted Stock Units and Additional Restricted Stock Units will end.
7. **Death or Disability.** If you cease to be a director of the Company because of your death or Disability, any vesting restrictions on Restricted Stock Units and Additional Restricted Stock Units will lapse, and payment will be made in accordance with Section 5. If you are deceased, the Company will make a payment to your estate only after the Committee has determined that the payee is the duly appointed executor or administrator of your estate.
8. **Change in Control.** In the event of a Change in Control, Restricted Stock Units and Additional Restricted Stock Units that have not vested or terminated as of the date of Change in Control will immediately vest.
9. **Withholdings.** The Company shall have the power and the right to deduct or withhold, or require you to remit, 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.

- 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 otherwise permitted by Section 11 of the Plan. Any other attempt to dispose of your interest will be null and void.
- 11. [FOLLOWING INCLUDED AT COMPANY'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 will 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 will be made as provided in Section 5. All Additional Restricted Stock Units will be subject to the same deferral restrictions as the Restricted Stock Units to which they relate. Except as otherwise determined by the Company, Dividend Equivalents credited on deferred Restricted Stock Units and deferred Additional Restricted Stock Units will be paid in cash as soon as practicable following the date such Dividend Equivalents are credited but in no event later than 2-1/2 months following the end of the year in which the Dividend Equivalents vest.]
- 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 shall be duly listed, upon official notice of redemption, upon The Nasdaq Stock Market LLC ("Nasdaq"), 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.
- 13. Adjustments.** Any adjustments to the Restricted Stock Units and Additional Restricted Stock Units will be governed by Section 9 of the Plan.
- 14. 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.
- 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 the Company 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, details of all restricted 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’s Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of restricted 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 the Company and its Affiliates will transfer Data 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 is granting your Restricted Stock Units and Additional Restricted Stock Units, and 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 do not constitute regular or periodic payments.
- 18. Limitations.** 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. Acknowledgments 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 Restricted Stock Units, and that any prior agreements, commitments or negotiations concerning the Restricted Stock Units are replaced and superseded.

RETIREMENT AGREEMENT

AGREEMENT by and between Rajeev Gautam (hereinafter referred to as “Retiree”), and Honeywell International Inc., a corporation organized under the laws of the state of Delaware (hereinafter referred to as “Honeywell” or the “Company”).

WITNESSETH:

WHEREAS, Retiree has been an employee of the Company for approximately 43 years (the last five years as President & CEO of Honeywell Performance Materials & Technologies (“PMT”)); and

WHEREAS, the Retiree has announced his decision to retire from the Company effective August 13, 2021 (“Retirement Date”); and

WHEREAS, the Retiree is willing to provide assistance to the Company in transitioning his role and responsibilities to his designated successor; and

WHEREAS, the Retiree is willing to provide additional transition services to the Company for approximately six (6) months following his retirement; and

WHEREAS, the Company is desirous of rewarding the Retiree for his long and distinguished service, as well as the aforementioned transition services, by allowing him to continue to vest in certain previously granted long term incentive (“LTI”) awards; and

WHEREAS, the Company is desirous of securing greater protections under its existing restrictive covenants with the Retiree;

NOW THEREFORE, in consideration of the mutual covenants contained herein, it is agreed as follows:

1. TRANSITION SERVICES PERIOD

From the Retirement Date through January 31, 2022 (the “Transition Services Period”), Retiree shall provide the consulting services outlined in the Consulting Agreement attached hereto as Exhibit A. During the Transition Services Period, Retiree shall not become employed by any other entity without the consent of the Company’s Chief Executive Officer.

2. EMPLOYMENT STATUS

During the Transition Services Period, the Retiree is not granted, and shall not exercise, any authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of the Company, or to bind the Company to any agreement, contract or arrangement of any nature, except as expressly provided herein. Moreover, for the duration of the Transition Services Period, Retiree shall be deemed to be and shall act strictly and exclusively as an independent contractor and shall not be considered under the provisions of this Agreement or otherwise as having an employee status with Honeywell, or as being eligible to participate in or receive any benefit under a benefit plan or program made available to employees of the Company.

3. RETIREMENT PACKAGE

In (i) recognition of Retiree's service to the Company, (ii) partial consideration of Retiree's agreement to provide consulting services during the Transition Services Period, and (iii) consideration of the enhanced restrictive covenants described in this Agreement, the Management Development and Compensation Committee of the Board of Directors has approved the following treatment for certain outstanding LTI awards previously granted to the Retiree (the "Consideration"), notwithstanding any contrary provisions in the applicable Company compensation plans, incentive plans, stock plans, or award agreements:

1. *Restricted Stock Units*. The Retiree will retain the right to continued vesting in any time-based and performance-based restricted stock units that otherwise would have vested after his Retirement Date, such that such awards will become fully vested as scheduled (and with respect to any performance-based restricted stock units only, subject to any applicable Company performance conditions). The vesting of such restricted stock units shall occur on the dates set forth in the applicable award agreements.
2. *Stock Options*. The Retiree will retain the right to continued vesting in any stock options that otherwise would have vested after his Retirement Date ("Post-Retirement Options"), such that all stock options that Retiree has been granted will ultimately become vested according to their original schedule. The Retiree shall have the full remaining term to exercise all vested stock options, including all Post-Retirement Options, such that all stock options, including all Post-Retirement Options, shall be exercisable up through the 10th anniversary of their grant date.
3. *Performance Stock Units ("PSUs")*. The Retiree will be entitled to vest as scheduled in all outstanding PSUs, such that such awards will ultimately become fully vested, subject to any applicable Company performance conditions. The payout from such PSUs shall be made at the same time and in the same form such payments are made to other Company executives.

4. *Pro-Rated Incentive Compensation.* The Retiree shall be eligible to receive a pro-rated (i.e., January 1, 2021 to August 13, 2021) short-term incentive award for the 2021 performance year. Such award shall be based upon Retiree's individual performance, PMT performance, overall Company performance, and the funding levels authorized by the Company's Board of Directors, and shall be paid at the same time as short-term incentive awards are paid to other executives, which is anticipated to be in March 2022.

5. CONTINGENCIES

In order to receive the Consideration under this Agreement, Retiree must sign and return this Agreement in the form provided no later than September 1, 2021.

By signing this Agreement, Retiree acknowledges that he (a) has carefully read this Agreement in its entirety; (b) is hereby advised by the Company, in this writing, to consult with an attorney of his choice before signing this Agreement; (c) fully understands the significance of all of the terms and conditions of this Agreement and has discussed them with an attorney of his choice, or has had a reasonable opportunity to do so; and (d) is signing this Agreement voluntarily and of his own free will and agrees to abide by all the terms and conditions contained herein.

If Retiree materially breaches any of the terms of this Agreement (including the Consulting Agreement and any intellectual property or noncompetition agreements to which he may be subject, and which are hereby incorporated by reference), he (a) shall forfeit all rights to future benefits under this Agreement; (b) must repay all benefits previously received pursuant to Section 3 of this Agreement upon the Company's demand; and (c) must pay reasonable attorneys' fees and all other costs incurred as a result of such breach if a court determines that such breach was willful. Provided, however, this subparagraph shall not be applicable to challenges to the validity of this Agreement under the Age Discrimination in Employment Act or Older Workers Benefit Protection Act, nor will the Company seek any damages of any sort against Retiree for having made such a challenge.

6. GENERAL RELEASE OF CLAIMS

In exchange for entering into this Agreement and the Consideration set forth herein, Retiree does hereby waive and release, knowingly and willingly, Honeywell International Inc., its future parent corporations, its predecessor companies, its past, present and future divisions, subsidiaries, affiliates and related companies and their successors and assigns and all past, present and future directors, officers, employees and agents of these entities, personally and as directors, officers, employees and agents (collectively the "Honeywell Group"), from any and all claims of any nature whatsoever Retiree has arising out of his employment and/or the termination of employment with the Honeywell Group, known or unknown, including but not limited to any claims he may have under federal, state or local employment, labor, or anti-discrimination laws, statutes and case law and specifically claims arising under the federal Age Discrimination in Employment Act of 1967, the Civil Rights Acts of 1866 and 1964, the Americans with Disabilities Act of 1990, Executive Order 11246, the Employee Retirement

Income Security Act of 1974 (“ERISA”), the Family and Medical Leave Act of 1993, the Rehabilitation Act of 1973, the Fair Labor Standards Act, the Labor-Management Relations Act, the Equal Pay Act of 1963, the Fair Credit Reporting Act, the Pregnancy Discrimination Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Occupational Safety and Health Act, the Worker Adjustment Retraining and Notification Act (all such statutes, as amended), the New Jersey Law Against Discrimination, as amended, the New Jersey Equal Pay Act, the New Jersey Smokers’ Rights Law, the New Jersey Family Leave Act, the New Jersey Worker Freedom From Intimidation Act, the New Jersey Constitution, the New Jersey Conscientious Employee Protection Act, New Jersey common law, the Illinois Human Rights Act, the Illinois Equal Pay Law, the Illinois Smokers’ Rights Law, the Illinois Genetic Information Privacy Act, the Illinois Bill of Rights for the Homeless Act, the Illinois Constitution, Illinois common law and any and all other applicable state, county or local ordinances, statutes or regulations, including claims for attorneys’ fees; provided, however, that this release does not apply to claims under ERISA Section 502(a)(1)(B) for benefits under Honeywell Group sponsored benefit plans covered under ERISA (other than claims for severance and severance related benefits), does not apply to claims arising out of obligations expressly undertaken in this Agreement, does not apply to claims that cannot be waived as a matter of law, does not apply to any rights to indemnification that Retiree may have pursuant to any agreement he previously entered into with the Company or its charter, bylaws, or similar governing documents, and does not apply to claims arising out of any act or omission occurring after the date Retiree signs this Agreement. All claims, including contingent claims, for incentive compensation awards under any Honeywell Group plan or payroll practice, along with any claims under any state wage and hour laws, are specifically subject to this release of claims. Any rights to benefits (other than severance benefits) under Honeywell Group sponsored benefit plans are governed exclusively by the written plan documents.

Notwithstanding the foregoing, nothing in this Agreement (or any exhibit or attachment thereto) is intended to or shall be construed to prevent Retiree from (i) filing an administrative charge or otherwise communicating with or reporting possible violations of law to any federal, state or local government office, official or agency; or (ii) reporting any accounting, internal accounting control, or auditing matter to any federal regulatory agency, any federal law enforcement agency, any Member of Congress or any committee or subcommittee of Congress; and (iii) engaging in any activity protected by the Sarbanes-Oxley Act (18 U.S.C. § 1514A) or the National Labor Relations Act.

By virtue of the foregoing, Retiree agrees that he has waived any damages and other relief available to him (including, without limitation, monetary damages, equitable relief and reinstatement) with respect to any claim or cause of action released in this General Release of Claims section. Therefore, Retiree agrees that he will not accept any award or settlement from any source or proceeding (including, but not limited to, any proceeding brought by any other person or by any governmental agency) with respect to any claim or right waived in this Agreement.

7. NONSOLICITATION AND NONCOMPETITION COVENANTS

Retiree acknowledges and agrees that in partial recompense for the Consideration, his intellectual property and noncompetition agreements with the Company shall be amended by substituting three (3) year restrictions on competition and nonsolicitation for the two (2) year periods set forth therein.

8. NON-DISPARAGEMENT

At no time on or after the date hereof will Retiree make any statement (or cause someone else to make any statement), or issue or cause to be issued any communication, publicly or privately (including, without limitation, to members of the media, business press, equity analysts, industry groups or organizations, Honeywell employees, contractors, clients, customers, vendors, suppliers, business partners or competitors, investors/shareholders), that would be disparaging (as defined below) to the Honeywell Group, its businesses, strategies, prospects, condition or reputation, or that of its directors, employees, officers or members; provided, however, that nothing contained in any provision of this Agreement shall preclude Retiree from communicating with his legal advisors or making any statement in good faith that is required by any applicable law or regulation or pursuant to an order of a court or other governmental body. For purposes of this Agreement, 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 create a negative, adverse or derogatory impression, or to harm the reputation of, the subject of the statement or representation. For the avoidance of doubt, Retiree agrees that he will not write or contribute to any book, article, social media post or other media publication, whether in written or electronic format, that is in any way descriptive of the Honeywell Group or his career with the Company without submitting a draft thereof for approval, at least thirty (30) days in advance, to the Company’s Senior Vice President and General Counsel, whose judgment about whether such book, article, social media post or other media publication is disparaging (and therefore prohibited) shall be determinative.

9. CLAIMS WARRANTIES

Retiree represents and warrants that he is not aware of any facts that would establish, tend to establish or in any way support an allegation that any member of the Honeywell Group has engaged in conduct that he believes could violate (1) any provision of federal law relating to fraud (including but not limited to the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and/or any state or local counterpart); (2) any rule or regulation of the Securities and Exchange Commission; (3) the federal False Claims Act and/or any state or local or municipal qui tam counterpart (which prohibit the presentation by the Company or any affiliate of false claims and statements or the creation of false records or statements in order to obtain payment of federal, state, county or municipal funds, or to avoid refunds of such government funds); and (4) any other federal, state or local law.

10. COOPERATION AND NONDISCLOSURE

In further exchange for the Consideration under this Agreement, Retiree agrees to cooperate fully with the Company in any matters that have given or may give rise to a legal claim against the Company, and of which Retiree is knowledgeable as a result of his employment with the Company. This requires Retiree, without limitation, to (i) make himself available upon reasonable request to provide information and assistance to the Company on such matters without additional compensation, except for out of pocket costs, (ii) maintain the confidentiality of all Company privileged information including, without limitation, attorney-client privileged communications and attorney work product, unless disclosure is expressly authorized by the Company's Law Department, and (iii) notify the Company promptly of any requests to Retiree for information from any third party (excluding government entities), related to any pending or potential legal claim or litigation involving the Company, reviewing any such request with a designated representative of the Company prior to disclosing any such information, and permitting a representative of the Company to be present during any communication of such information.

Nothing in this Agreement prohibits Retiree from reporting 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 any Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Retiree does not need the prior authorization of the Law Department to make any such reports or disclosures and Retiree is not required to notify the Company that he has made such reports or disclosures.

11. CLAWBACK RIGHTS

Retiree hereby acknowledges and agrees that, notwithstanding any other provision of this Agreement to the contrary, no contractual provision or legal requirement relating to recoupment or clawback by the Company of any amount in the nature of compensation shall be affected by his retirement or the payments contemplated hereby, and all such provisions and requirements shall remain in effect and enforceable in accordance with their terms after the date hereof.

12. NO ASSIGNMENT

Neither party shall assign any right in or obligation arising under this Agreement without the other party's written consent, and any such assignment shall be void. This Agreement shall be binding on and inure to the benefit of each party's heirs, executors, legal representatives, successors and permitted assigns.

13. NOTICES

Notices or communications hereunder shall be in writing, addressed as follows:

If to the Company: Honeywell International Inc.
115 Tabor Road
Morris Plains, New Jersey 07950
Attn: Kevin M. Covert
Vice President and Deputy General Counsel

If to the Retiree: Rajeev Gautam
20689 W Lakeridge Court
Kildeer, Illinois 60047

Any such notice shall be deemed to be given as of the date it is personally delivered, the next business day after the date faxed (upon confirmation of receipt of transmission), or five days after the date mailed in the manner specified.

14. 409A CONSIDERATIONS

It is intended that this Agreement be administered in compliance with Section 409A of the Code, including, but not limited to, any future amendments to Code Section 409A, and any other Internal Revenue Service ("IRS") or other governmental rulings or interpretations issued pursuant to Section 409A (together, "Section 409A") so as not to subject Retiree to payment of interest or any additional tax under Section 409A. The parties intend for any payments under this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. In furtherance thereof, if payment or provision of any amount or benefit hereunder that is subject to Section 409A at the time specified herein would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or provision of such amount or benefit can be made without incurring such additional tax. In addition, to the extent that Section 409A or any IRS guidance issued under Section 409A would result in Retiree being subject to the payment of interest or any additional tax under Section 409A, the parties agree, to the extent reasonably possible, to amend this Agreement to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall minimize any negative economic effect on Retiree and be reasonably determined in good faith by the Company and Retiree. As a "specified employee" as defined in Section 409A, any amounts payable under this Agreement that would be subject to the special rule regarding payments to "specified employees" under Section 409A(a)(2)(B) of the Code shall not be paid before the expiration of a period of six (6) months following the date of the termination of Retiree's employment. In such case, Retiree shall receive all such deferred amounts retroactively in a single sum and the balance thereof as otherwise provided. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on Retiree by Code Section 409A or any damages for failing to comply with Section 409A; provided that, in the event that any excise tax or interest amount ("409A Amount") is imposed on Retiree as a result of any negligent act or omission by

the Company, the Company shall reimburse Retiree for any such 409A Amount, grossed-up for taxes at an assumed total tax rate of forty percent (40%).

15. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina, without reference to principles of conflict of laws. Additionally, any action to enforce the terms of this Agreement shall be commenced exclusively in the federal or state courts of the State of North Carolina. Both parties consent to the exclusive jurisdiction of the federal and state courts in the State of North Carolina and waive any claim under the doctrine of forum non conveniens.

16. ENTIRE AGREEMENT

This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and merges and supersedes all prior agreements, discussions and writings with respect thereto. No modification or alteration of this Agreement shall be effective unless made in writing and signed by both the Retiree and the Company.

17. REMEDIES

Without prejudice to the rights and remedies otherwise available to the Company hereunder, the Company shall be entitled to equitable relief by way of injunction or otherwise if Retiree breaches or threatens to breach any of the provisions of this Agreement.

18. SEVERABILITY

In the event any provision of this Agreement shall not be enforceable, the remainder of this Agreement shall remain in full force and effect.

19. NO WAIVER

The waiver by the Company of any nonperformance or breach by Retiree of any provisions of this Agreement must be in writing and shall not be construed as waiving any such provision in the future. No delay or failure by Company in enforcing or exercising any right hereunder and no partial or single exercise thereof, shall be deemed of itself to constitute a waiver of such right or any other rights hereunder.

HONEYWELL INTERNATIONAL INC.

By: /s/ Rajeev Gautam
RAJEEV GAUTAM

By: /s/ Kevin M. Covert
KEVIN M. COVERT
Vice President & Deputy General Counsel

Dated: July 20, 2021

Dated: July 20, 2021

CONSULTING AGREEMENT

AGREEMENT made effective as of the 14th day of August, 2021 by and between Rajeev Gautam (hereinafter referred to as “Consultant”), and Honeywell International Inc., a corporation organized under the laws of the state of Delaware (hereinafter referred to as “Honeywell” or the “Company”).

WITNESSETH:

WHEREAS, Consultant has been an employee of the Company for approximately 43 years (the last five years as President & CEO of Honeywell Performance Materials & Technologies (“PMT”)); and

WHEREAS, Consultant has spent the majority of his career has working in Honeywell UOP, a strategic business unit of PMT; and

WHEREAS, Honeywell UOP has a relatively new President; and

WHEREAS, the Consultant has announced his decision to retire from the Company effective August 13, 2021; and

WHEREAS, the Company is desirous of engaging Consultant to (i) assist in the transition of his responsibilities as President & CEO of PMT to his successor; and (ii) provide advice and counsel to the President of Honeywell UOP (collectively the “Transition Services”); and

WHEREAS, Consultant is willing to provide the Transition Services on a part-time basis and according to his own schedule;

NOW THEREFORE, in consideration of the mutual covenants contained herein, it is agreed as follows:

1. The Company hereby retains Consultant as an independent contractor to perform the services set forth in Exhibit A, attached hereto and made a part hereof, as well as other similar and appurtenant duties as may be assigned to Consultant by the Company’s Chief Executive Officer (“CEO”) while performing such services. CEO and Consultant shall confer from time to time to review and revise, as appropriate, the list of services set forth in Exhibit A. Subject to the provisions of Paragraph 2, Consultant agrees to comply with applicable Company policies in the performance of his services hereunder. The term of this Agreement shall begin on August 14, 2021 (“Effective Date”) and end on January 31, 2022 (“Termination Date”), unless earlier terminated as provided herein. The term of this Agreement may be further extended by the written agreement of Consultant and the Company.

2. If requested by the CEO, Consultant shall provide written periodic reports of his activities in sufficient detail to evidence the nature and scope of the services provided, and will provide supporting documentation in the form of related work records, meeting reports and similar documents as reasonably requested by the Company. Consultant shall be free to determine his own means and manner of accomplishing the purposes of the parties, as more fully set forth in Exhibit A, provided he performs his services hereunder in a manner acceptable to Honeywell, as determined in accordance with Paragraph 7 hereof, and provided he complies fully with all laws and regulations applicable to Honeywell's operations and Consultant's services. Honeywell shall not exercise or retain the right to control, direct or supervise the manner in which Consultant performs services for Honeywell.

3. Consultant shall generally perform the services specified in Exhibit A at its Des Plaines, Illinois offices. Provided, however, Consultant may be asked to provide such services at such other locations as may be necessary, convenient or appropriate to the performance of such services.

4. Consultant shall be paid a monthly consulting fee of \$15,000. (If the first calendar month after the effective date of this Agreement is less than 15 days, \$7500 shall be substituted for \$15,000). The monthly fee shall be paid by the Company within fifteen (15) days after the close of the calendar month in which services were performed hereunder.

5. The Company shall reimburse Consultant for all reasonable out-of-pocket expenses (transportation, hotels, meals, and telecommunications) necessarily incurred by Consultant in connection with any trip made at the request of the Company and with its approval. Necessary expenses will include reimbursement for airfares and the cost of reasonable meals and accommodations in accordance with the Company's travel policy. Reimbursement shall be made by payment within 30 days after receipt of invoice rendered by the Consultant, subject to approval of the Company. All invoices submitted for payment shall be in the name of Consultant. No other expenses will be eligible for reimbursement unless the Company authorizes them in advance and an itemized statement of the expense is submitted to the Company along with the Consultant's invoice. Any disbursement paid to a third party by the Consultant shall be authorized in advance by the Company and an itemized statement of the same shall be submitted to the Company with the Consultant's invoice.

6. The Company expressly declares that it would never knowingly request that Consultant perform any task that would subject the Consultant to civil or criminal liability. Thus, notwithstanding any provision herein contained to the contrary, in the event the Company determines that the payment of a fee or the payment of any reimbursement as herein provided is contrary to law or governmental policy of the country or countries out of which the transaction arises, the Consultant hereby waives any right title or interest to the fee or reimbursement to which the Consultant would otherwise be entitled. The Consultant hereby represents to the Company that (i) no part of any fee paid or reimbursement for any disbursement shall be paid, directly or indirectly, to or for the benefit of any employee, agent or representative of any government, governmental agency or commercial customer for an improper purpose or to obtain

a benefit for the Company or any of its subsidiaries or affiliates, and (ii) this Agreement and its performance hereunder do not violate the laws or regulations of the United States, any state thereof, or any other country in which Consultant is performing services hereunder, including, without limitation, laws and regulations pertaining to gratuities, conflicts of interest, post-Government employment, or the disclosure of source selection or proprietary information.

7. In the performance of the services described herein, the Consultant (a) shall be deemed to be and shall act strictly and exclusively as an independent contractor and shall not be considered under the provisions of this Agreement or otherwise as having an employee status with Honeywell, or as being eligible to participate in or receive any benefit under a benefit plan or program made available to employees of the Company; (b) is not granted and shall not exercise any authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of the Company, or to bind the Company to any agreement, contract or arrangement of any nature, except as expressly provided herein; (c) shall not hold himself out, either internally or to third parties, as an employee of the Company; (d) shall comply with all applicable laws and regulations; (e) shall have sole responsibility for the payment of applicable taxes, all workers' compensation and disability insurance, Social Security and other similar taxes levied with respect to any payment hereunder that is properly reportable on Form 1099; and (f) shall not contact U.S. Government personnel without the prior written consent of the Company.

8. The terms and conditions of this Agreement and the services to be performed hereunder, as well as the information and knowledge divulged to Consultant or developed by Consultant during or in connection with his services hereunder (including any reports, analyses, working papers, memoranda, notebooks, data, computer programs and discs or other materials prepared by Consultant in the course of providing the services which are the subject of this Agreement), shall be treated by the Consultant as confidential information and shall not be disclosed to third parties or to the public without prior written approval of the Company, except to the extent otherwise required by law.

9. Unless Consultant first secures the Company's written consent, he will at no time, during or after his engagement by the Company, directly or indirectly, publish, use, or disclose or authorize, advise, hire, counsel or otherwise procure any other person or entity, directly or indirectly, to publish, disclose or use any trade secrets or other confidential information of the Company which Consultant acquired or became aware of during his employment with the Company or his engagement hereunder either for Consultant's own benefit or for the benefit of any other person, whether or not developed by Consultant, except as required in the performance of Consultant's services for the Company or except to the extent otherwise required by law.

10. The Company does not desire to acquire any secret or confidential knowledge or information from Consultant that may have been acquired from others. Accordingly, Consultant represents and warrants that any and all information, practices or techniques which he will describe, demonstrate, divulge or in any other manner make known to the Company during the performance of services hereunder may be divulged without any obligation to, or violation of, any right of others. Consultant further represents and warrants that any and all practices or techniques which he will disclose and materials prepared by him may be freely used by the

Company without violation of any law or payment of any royalty, except as it shall specifically advise to the contrary in writing.

11. Consultant acknowledges that all records, reports, analyses, working papers, memoranda, notebooks, computer programs and discs or other materials prepared by Consultant in the course of performing services which are the subject of this Agreement and all records and copies of records relating to the Company's operations, investigations and business (collectively referred to as "Proprietary Materials"), made or received by Consultant during the term of this Agreement are and shall be the Company's property exclusively, and Consultant shall surrender the same at the termination of this Agreement, if not before. Consultant may use Proprietary Materials only with the express written consent of the Company.

12. Consultant agrees that the three (3) year prohibition on (i) noncompetition, and (ii) the solicitation of Honeywell customers, vendors, suppliers and employees contained in any agreements he has executed in favor of the Company (including his Retirement Agreement) shall apply during the term of this Agreement and for three (3) years after this Agreement has been terminated

13. Consultant shall exonerate, indemnify and hold harmless the Company, its directors, officers and employees, from and against any and all liability, losses, costs, expenses (including attorneys fees), damages, actions, claims or demands (including those based on the injury to or death of any person or damage to property), directly or indirectly arising out of, or resulting from, or relating to any act or omission of Consultant or his employees, officers, agents or subcontractors related to services performed for the Company hereunder, but only to the extent such damages, actions, claims or demands arise from the willful misconduct of Consultant or Consultant's bad faith.

14. Neither party shall assign any right in or obligation arising under this Agreement without the other party's written consent, and any such assignment shall be void. This Agreement shall be binding on and inure to the benefit of each party's heirs, executors, legal representatives, successors and permitted assigns.

15. This Agreement shall be effective as of the Effective Date and shall terminate on the Termination Date, subject to the right the Company to terminate this Agreement for any reason at any time upon not less than 30 days' prior written notice to the Consultant. Early termination by the Company shall not affect its obligations hereunder to provide the consideration described in Paragraph 4 for any month during which services were provided hereunder. Early termination shall not affect Consultant's obligations under Paragraphs 6-14 (nor will early termination affect the Company's obligation to provide the Consideration described in the Retirement Agreement).

16. Notices or communications hereunder shall be in writing, addressed as follows:

If to the Company: Honeywell International Inc.
115 Tabor Road
Morris Plains, New Jersey 07950
Attn: Kevin M. Covert
Vice President and Deputy General Counsel

If to the Retiree: Rajeev Gautam
20689 W Lakeridge Court
Kildeer, Illinois 60047

Any such notice shall be deemed to be given as of the date it is personally delivered, the next business day after the date faxed (upon confirmation of receipt of transmission), or five days after the date mailed in the manner specified.

(b) This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of North Carolina, disregarding any conflict-of-laws rules that may direct the application of the laws of another jurisdiction.

(c) This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and merges and supersedes all prior agreements, discussions and writings with respect thereto. No modification or alteration of this Agreement shall be effective unless made in writing and signed by both Consultant and the Company.

17. Consultant has received a copy of the Company's Code of Business Conduct (the "Code"). Consultant certifies that he has reviewed and understands the Code and will fully comply with its terms and take all necessary steps to assist the Company in complying with it. If the services provided hereunder are related to a U.S. Department of Defense contract, Consultant shall represent that he has been made aware of the Company's commitment to the Defense Industry Initiative for Federal Procurement Related Services.

18. Without prejudice to the rights and remedies otherwise available to the Company hereunder, the Company shall be entitled to equitable relief by way of injunction or otherwise if Consultant breaches or threatens to breach any of the provisions of this Agreement. In addition, and not by way of limitation, in the event Consultant materially fails to perform his duties hereunder upon notice and request for performance, or otherwise materially breaches the terms of any confidentiality, nonsolicit or noncompetition covenants that Consultant may have executed in favor of the Company, Consultant shall be treated as if he terminated this Agreement early under Paragraph 15.

19. In the event any provision of this Agreement shall not be enforceable, the remainder of this Agreement shall remain in full force and effect.

20. The waiver by Company of any nonperformance or breach by Consultant of any provisions of this Agreement must be in writing and shall not be construed as waiving any such provision in the future. No delay or failure by Company in enforcing or exercising any right hereunder and no partial or single exercise thereof, shall be deemed of itself to constitute a waiver of such right or any other rights hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the first day above written.

By: /s/ Rajeev Gautam
RAJEEV GAUTAM

HONEYWELL INTERNATIONAL INC.

By: /s/ Kevin M. Covert
KEVIN M. COVERT
Vice President & Deputy General Counsel

EXHIBIT A

**CONSULTING AGREEMENT BETWEEN
HONEYWELL INTERNATIONAL INC.**

**AND
RAJEEV GAUTAM**

Consultant Statement of Work

Consultant agrees to make himself available to consult with the CEO, the President & CEO of PMT, and the President, UOP, for up to sixty-four (64) hours per calendar month during the term of this Agreement (pro-rated for calendar months of less than 30 days based on an Effective Date or Termination Date that begins or ends on other than the first or last day of the calendar month). While the expectation is that those sixty-four (64) hours will be provided somewhat ratably throughout the calendar month, the Company and Consultant may mutually agree to a different schedule depending on the Company's needs from time to time and Consultant's other business and personal commitments (e.g., vacations).

**CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Darius Adamczyk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2021

By: /s/ Darius Adamczyk

Darius Adamczyk

Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregory P. Lewis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2021

By: /s/ Gregory P. Lewis

Gregory P. Lewis

Senior Vice President and Chief Financial Officer

**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 June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Darius Adamczyk, Chairman and Chief Executive 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: July 23, 2021

By: /s/ Darius Adamczyk
Darius Adamczyk
Chairman and Chief Executive Officer

**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 June 30, 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: July 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 June 30, 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 June 30, 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.