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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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**FORM 8-K**

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT – December 11, 2014

(Date of earliest event reported)

**HONEYWELL INTERNATIONAL INC.**

(Exact name of Registrant as specified in its Charter)

DELAWARE

(State or other jurisdiction of incorporation)

1-8974

(Commission File Number)

22-2640650

(I.R.S. Employer Identification Number)

101 COLUMBIA ROAD, P.O. BOX 4000, MORRISTOWN, NEW JERSEY

(Address of principal executive offices)

07962-2497

(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On December 12, 2014, William S. Ayer was elected to the Board of Directors of Honeywell International Inc. (“Honeywell” or the “Company”). Mr. Ayer will serve on the Management Development and Compensation Committee and the Corporate Governance and Responsibility Committee of the Company’s Board of Directors.

A copy of the press release issued by the Company regarding the election of Mr. Ayer to its Board of Directors is attached hereto as Exhibit 99.1 to this Report on Form 8-K.

On December 11, 2014, pursuant to authorization from its Board of Directors, the Company entered into a retention letter agreement (“CEO Retention Agreement”) with the Company’s Chairman and Chief Executive Officer, Mr. David M. Cote.

The CEO Retention Agreement contains the following material terms and conditions:

- Mr. Cote shall receive a special grant of non-qualified performance stock options (the “Performance Options”) with an initial grant date target value of five million dollars (\$5,000,000). The actual number of stock options earned as Performance Options shall be determined by comparing the Company’s Total Shareholder Return to the Total Shareholder Return of each company in the Company’s Compensation Peer Group over a three (3) year period commencing January 1, 2015 and ending December 31, 2017, as described more fully in the form of Special Performance Stock Option Award Agreement attached as an exhibit to the CEO Retention Agreement. The Performance Options will vest 100% on December 31, 2017 and expire on December 10, 2024.
  - If Mr. Cote retires from Honeywell after December 31, 2017 and otherwise satisfies certain conditions described in the CEO Retention Agreement, all outstanding, unvested stock options that were (i) granted after April 1, 2015 and prior to January 1, 2018, and (ii) granted more than six (6) months prior to his retirement date will vest on his retirement date, provided that the Company’s Board of Directors may, in its sole and absolute discretion, waive the exclusion of options granted within six (6) months of his retirement date. Mr. Cote shall have the full remaining term to exercise any such stock options that have their vesting dates accelerated upon his retirement after December 31, 2017, contingent on his adherence to certain other restrictive terms and conditions described more fully in the CEO Retention Agreement.
  - If Mr. Cote retires from the Company after December 31, 2017 and otherwise satisfies certain conditions described in the CEO Retention Agreement, he shall be entitled to (i) a prorated award under the Company’s Annual Incentive Compensation Program (“ICP Plan”), and (ii) a prorated award under the Company’s performance-based longer-term cash incentive plan, the Growth Plan, for the calendar year or Growth Plan cycle, as applicable, in which his retirement occurs. Such prorated incentive compensation award shall be calculated by starting with a bonus amount that is consistent with Mr. Cote’s prior awards and performance, and pro-rating such amount for the percentage of the year during which Mr. Cote was not retired (with no obligation for Mr. Cote to be employed on the date bonuses are actually paid to officers). The prorated Growth Plan award will be determined by multiplying the Growth Plan award to which he would have been entitled had he remained employed for the entire Growth Plan cycle by a fraction, the numerator of which is the number of days in the Growth Plan cycle that he remained employed by the
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Company as CEO, and the denominator of which is 730. Any prorated incentive compensation award and Growth Plan award paid as a result of his remaining as the Company's CEO will be paid at the same time as such awards are paid to other Honeywell officers. Notwithstanding the foregoing, the Board of Directors may, in its sole discretion, increase (but not decrease) the prorated incentive compensation award and/or prorated Growth Plan award described herein. In addition, for any outstanding Growth Plan award where the applicable performance cycle had already been completed at the time Mr. Cote retires after December 31, 2017, Mr. Cote shall retain his eligibility to receive any remaining unpaid amount, based on the actual calculated performance achieved during such performance cycle, at the same time as such award would normally be paid.

The CEO Retention Agreement is attached hereto as Exhibit 99.2 to this Report on Form 8-K.

### **Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

On December 12, 2014, the Board of Directors of Honeywell approved an amendment to Article III, Section 6 of Honeywell's By-laws to allow the independent lead director of Honeywell's Board of Directors to call special meetings of the Board of Directors.

The By-laws, as amended, are attached hereto as Exhibit 3(ii) to this Report on Form 8-K.

### **Item 9.01 Financial Statements and Exhibits**

#### **(d) Exhibits**

Exhibit 3(ii)	Honeywell's By-laws, as amended December 12, 2014
Exhibit 99.1	Press Release of Honeywell International Inc. dated December 12, 2014
Exhibit 99.2	CEO Retention Agreement, as approved by the Board of Directors on October 31, 2014 and agreed to by Mr. Cote on December 11, 2014.

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SIGNATURE

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

Date: December 12, 2014

Honeywell International Inc.

By: /s/ Jeffrey N. Neuman  
Jeffrey N. Neuman  
Vice President, Corporate Secretary and  
Deputy General Counsel

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**By-laws  
of  
Honeywell International Inc.**

Amended as of  
December 12, 2014

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**By-laws  
of  
Honeywell International Inc.**

ARTICLE I  
OFFICES

SECTION 1. **Registered Office.** The registered office of Honeywell International Inc. (hereinafter called the Corporation) within the State of Delaware shall be in the City of Wilmington, County of New Castle.

SECTION 2. **Other Offices.** The Corporation may also have an office or offices and keep the books and records of the Corporation, except as may otherwise be required by law, in such other place or places, either within or without the State of Delaware, as the Board of Directors of the Corporation (hereinafter called the Board) may from time to time determine or the business of the Corporation may require.

ARTICLE II  
MEETINGS OF STOCKHOLDERS

SECTION 1. **Place of Meetings.** All meetings of Stockholders of the Corporation shall be held at the registered office of the Corporation in the State of Delaware or at such other place, within or without the State of Delaware, as may from time to time be fixed by the Board or specified or fixed in the respective notices or waivers of notice thereof.

SECTION 2. **Annual Meetings.** The annual meeting of Stockholders of the Corporation for the election of directors and for the transaction of any other proper business shall be held at 10:00 a.m. on the last Monday of April of each year, or on such other date and at such other time as may be fixed by the Board. If the annual meeting for the election of directors shall not be held on the day designated, the Board shall cause the meeting to be held as soon thereafter as convenient.

SECTION 3. **Special Meetings.** Special meetings of Stockholders, unless otherwise provided by law, may be called at any time by the Board pursuant to a resolution adopted by a majority of the then authorized number of directors (as determined in accordance with Section 2 of Article III of these By-laws), or by the Chief Executive Officer or by the written request of holders having an aggregate "net long position" (as defined in Article EIGHTH of the Corporation's Certificate of Incorporation, as amended) (the "Requisite Percent"), filed with the Secretary of the Corporation. Any such call (a "Special Meeting Request") must specify the matter or matters to be acted upon at such meeting, each of which must be a proper subject for Stockholder action under applicable law. The requesting Stockholders must also provide a brief description of the business desired to be brought before the meeting (including the complete text of any resolution and any amendment to any Corporation document intended to be presented at the meeting), the reasons for conducting such business at a special meeting of Stockholders, any other information which may be required pursuant to these By-laws or which may be required to be disclosed under the Delaware General Corporation Law or

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included in a proxy statement filed pursuant to the rules of the Securities and Exchange Commission, and, as to the Stockholders calling the meeting and the beneficial owners on whose behalf the meeting is being called, (i) their name and address, as they appear on the Corporation's books, (ii) the class and number of shares of the Corporation which are owned beneficially or of record as of the date of such Special Meeting Request, together with documentary evidence of such ownership, (iii) any material interest in the business to be brought before the meeting, (iv) a description of all agreements or other arrangements or understandings between each such Stockholder, any nominee (if such business is the election of one or more nominees of such Stockholders) and/or beneficial owner or any of their respective affiliates or associates, and any other person or persons (including the names of such person(s)) in connection with such business, including any swap or other derivative or short positions, profits interests, options, hedging transactions or borrowed or loaned shares, the effect of any of which is to mitigate loss to or manage risk of stock price changes (increases or decreases) for, or to increase or decrease the voting power of, such Stockholder, nominee or beneficial owner or any of their respective affiliates or associates with respect to the shares of the Corporation, (v) an undertaking by the Stockholder to notify the Corporation in writing of any change in the information called for by clauses (ii), (iii) and (iv) as of the record date for such special meeting, by notice received by the Secretary at the principal executive offices of the Corporation not later than the 10th day following such record date, and thereafter by notice so given and received within two business days of any change in such information and, in any event, as of the close of business on the day preceding the meeting date, and (vi) an acknowledgement that any reduction in the aggregate net long position below the Requisite Percent following the delivery of the Special Meeting Request to the Secretary shall constitute a revocation of such Special Meeting Request.

Upon the written request of any Stockholders who have called a special meeting, it shall be the duty of the Secretary of the Corporation to fix the date of the meeting which shall be held at such date and time as the Secretary may fix, not less than 10 nor more than 60 days after the receipt of the request (provided that such request complies with all applicable provisions of these By-laws), and to give due notice thereof in accordance with the applicable provisions of these By-laws. Notwithstanding the foregoing, a special meeting requested by Stockholders shall not be held if (i) the Special Meeting Request relates to an item of business that is not a proper subject for Stockholder action under applicable law, (ii) the Special Meeting Request is delivered during the period commencing 90 days prior to the first anniversary of the date of the notice of annual meeting for the immediately preceding annual meeting and ending on the earlier of (x) the date of the next annual meeting and (y) 30 calendar days after the first anniversary of the date of the immediately preceding annual meeting, (iii) an identical or substantially similar item (as determined in good faith by the Board, a "Similar Item"), other than the election of directors, was presented at a meeting of the Stockholders held not more than 12 months before the Special Meeting Request is delivered, (iv) a Similar Item was presented at a meeting of the stockholders held not more than 90 days before the Special Meeting Request is delivered (and, for purposes of this clause (iv), the election of directors shall be deemed a "Similar Item" with respect to all items of business involving the election or removal of directors) or (v) a Similar Item is included in the Corporation's notice as an item of business to be brought before a Stockholder meeting that

has been called by the time the Special Meeting Request is delivered but not yet held. Only matters as are stated in the notice of a special meeting of Stockholders shall be brought before and acted upon thereat; provided that nothing herein shall prohibit the Board from submitting matters to the Stockholders at any special meeting called by the Stockholders.

SECTION 4. **Notice of Meetings.** Notice of each meeting of Stockholders, annual or special, shall be in writing, shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the written notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each Stockholder entitled to vote at the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the Stockholder at his address as it appears on the records of the Corporation. Unless (i) the adjournment is for more than 30 days, or (ii) the Board shall fix a new record date for any adjourned meeting after the adjournment, notice of an adjourned meeting need not be given if the time and place to which the meeting shall be adjourned were announced at the meeting at which the adjournment was taken.

SECTION 5. **Quorum.** At each meeting of Stockholders of the Corporation, the holders of a majority of the shares of capital stock of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, the chairman of the meeting or a majority in interest of those present in person or represented by proxy and entitled to vote at the meeting may adjourn the meeting from time to time until a quorum shall be present.

SECTION 6. **Order of Business.** The order of business at all meetings of Stockholders shall be as determined by the chairman of the meeting.

SECTION 7. **Voting.** Except as otherwise provided in the Certificate of Incorporation, at each meeting of Stockholders, every Stockholder of the Corporation shall be entitled to one vote for every share of capital stock standing in his name on the stock record of the Corporation (i) at the time fixed pursuant to Section 6 of Article VII of these By-laws as the record date for the determination of Stockholders entitled to vote at such meeting, or (ii) if no such record date shall have been fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given. At each meeting of Stockholders, except as otherwise provided by law or in the Certificate of Incorporation or these By-laws, in all matters the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote on the subject matter shall be the act of the Stockholders.

SECTION 8. **Inspectors.** In advance of any meeting of Stockholders, the Board shall appoint one or more inspectors to act at the meeting and make a written report thereof and may designate one or more alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector shall take and sign such oath and

perform such duties as shall be required by law and may perform such other duties not inconsistent therewith as may be requested by the Corporation.

ARTICLE III  
DIRECTORS

SECTION 1. **Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by law or otherwise directed or required to be exercised or done by the Stockholders.

SECTION 2. **Number, Election and Terms.**

a) Authorized Number; Filling of Vacancies. The authorized number of directors may be determined from time to time by vote of a majority of the then authorized number of directors or by the affirmative vote of the holders of a majority of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class; provided, however, that such number shall automatically be increased by two in the event of default in the payment of dividends on the Preferred Stock under the circumstances described in the Certificate of Incorporation. The directors, other than those who may be elected by the holders of the Preferred Stock of the Corporation pursuant to the Certificate of Incorporation, shall hold office until the next annual meeting of stockholders and until their successors have been elected and qualified. Except as otherwise provided in the Certificate of Incorporation, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum of the Board, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office until the annual meeting of Stockholders and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

b) Majority Voting.

(i) Except as provided in paragraph (c) of this by-law, a nominee for director will be elected to the Board if the number of votes cast "for" that nominee's election exceed the number of votes cast "against" that nominee's election (excluding abstentions) at any meeting for the election of directors at which a quorum is present (a "Majority Vote").

(ii) Any nominee who does not receive a Majority Vote is expected to promptly tender his or her resignation to the Chairman of the Board following certification of the Stockholder vote. The Corporate Governance and Responsibility Committee will promptly consider the resignation submitted by each nominee failing to receive a Majority Vote and recommend to the Board whether to accept the tendered resignation

or reject it. The Board will consider the Corporate Governance and Responsibility Committee's recommendation and decide whether to accept or reject any tendered resignations no later than at its first regularly scheduled meeting following certification of the Stockholder vote.

Following the Board's decision on the Corporate Governance and Responsibility Committee's recommendation, the Company will promptly publicly disclose the Board's decision and process (including, if applicable, the reasons for rejecting the tendered resignation) in a periodic or current report filed with the Securities and Exchange Commission.

To the extent that one or more directors' resignations are accepted by the Board, the Corporate Governance and Responsibility Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

Any director who tenders his or her resignation pursuant to this provision will not participate in the Corporate Governance and Responsibility Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. If a majority of the members of the Corporate Governance and Responsibility Committee failed to receive a Majority Vote at the same election, then the independent directors who were elected will appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations and will recommend to the Board whether to accept or reject them. This Board committee may, but need not, consist of all of the independent directors who were elected.

c) Contested Elections. If the number of nominees for director, whether nominated by the Board and/or Stockholders, exceeds the number of directors to be elected, directors shall be elected by a plurality of the votes cast in person or by proxy at any meeting of Stockholders for the election of directors at which a quorum is present; provided, that, nominations by Stockholders (i) have been made in compliance with Section 3 of this Article and (ii) have not been withdrawn (such that the number of nominees no longer exceeds the number of directors to be elected) on or prior to the day immediately preceding the date the Corporation first mails its notice of meeting for such meeting to the Stockholders. If directors are to be elected by a plurality of the votes cast, Stockholders shall not be permitted to vote "against" any nominee.

### SECTION 3. *Advance Notice of Stockholder Business and Nominations.*

#### a) Annual Meeting of Stockholders.

(i) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the Stockholders may be made at an annual meeting of Stockholders as follows:

- a) pursuant to the Corporation's notice of meeting;

- b) by or at the direction of the Board of Directors; or
- c) by any Stockholder of the Corporation who was a Stockholder of record at the time of giving notice provided for in this by-law, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this by-law.

(ii) For nominations or other business to be properly brought before an annual meeting by a Stockholder pursuant to clause c) of paragraph (a)(i) of this by-law (whether or not such nominations or other business are proposed pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), the Stockholder must have given timely notice thereof in writing to the Secretary, of the Corporation, and such other business must be a proper matter for Stockholder action. To be timely, a Stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the Stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a Stockholder's notice as described above. Such Stockholder's notice shall set forth:

a) as to each person whom the Stockholder proposes to nominate for election or reelection as a director (whether or not such nominations are proposed pursuant to Regulation 14A under the Exchange Act), all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, as amended (the "Exchange Act") and Rule 14a-11 thereunder (including such person's written consent to be named in the proxy statement as a nominee and to serve as a director if elected);

b) as to any other business that the Stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, (i) the reasons for conducting such business at the meeting and (ii) including the text of any proposal or resolutions to be proposed for consideration by Stockholders and, if such business includes a proposal to amend these by-laws, the text of the proposed amendment; and

c) as to the Stockholder giving notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and

address of such Stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such Stockholder and such beneficial owner, (iii) any material interest of such Stockholder or beneficial owner in such nomination or proposal, (iv) a description of all agreements or other arrangements or understandings between such Stockholder, the nominee and/or beneficial owner or any of their respective affiliates or associates, and any other person or persons (including the names of such person(s)) in connection with such nomination or proposal, including any swap or other derivative or short positions, profits interests, options, hedging transactions or borrowed or loaned shares, the effect of any of which is to mitigate loss to or manage risk of stock price changes (increases or decreases) for, or to increase or decrease the voting power of, such Stockholder, nominee or beneficial owner or any of their respective affiliates or associates with respect to the shares of the Corporation and (v) an undertaking by the Stockholder to notify the Corporation in writing of any change in the information called for by clauses (ii), (iii) and (iv) as of the record date for such annual meeting, by notice received by the Secretary at the principal executive offices of the Corporation not later than the 10th day following such record date, and thereafter by notice so given and received within two business days of any change in such information and, in any event, as of the close of business on the day preceding the meeting date.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this by-law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a Stockholder's notice required by this by-law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of Stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of Stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or (ii) by any Stockholder of the Corporation who is a Stockholder of record at the time of giving of notice provided for in this by-law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this by-law. In the event the Corporation calls a special meeting of Stockholders for the purpose of electing one or more directors to the Board of Directors, any such Stockholder may nominate a person or persons



(as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the Stockholder's notice required by paragraph (a)(iii) of this by-law shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a Stockholder's notice as described above.

c) General.

(i) Only such persons who are nominated in accordance with the procedures set forth in this by-law shall be eligible to serve as directors and only such other business (this by-law being the exclusive means for a Stockholder to nominate any person for election to the Board at a meeting of Stockholders), as shall have been brought before the meeting in accordance with the procedures set forth in this by-law or that are otherwise properly brought under Rule 14a-8 under the Exchange Act shall be conducted at a meeting of Stockholders. Except as otherwise provided by law or the by-laws of the Corporation, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in this by-law and, if any proposed nomination or business is not in compliance with this by-law, to declare that such defective proposal or nomination shall be disregarded.

(ii) For purposes of this by-law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this by-law, a Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this by-law; provided, however, that any references in these By-laws to the Exchange Act or the rules thereunder are not intended to and shall not limit the requirements applicable to nominations of persons for election to the Board made or intended to be made in accordance with clause c) of paragraph (a)(i) of this by-law. Nothing in this by-law shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors under specified circumstances.

SECTION 4. **Place of Meetings.** Meetings of the Board shall be held at such place, within or without the State of Delaware, as the Board may from time to time determine or as shall be specified or fixed in the notice or waiver of notice of any such meeting.

SECTION 5. **Regular Meetings.** Regular meetings of the Board shall be held in accordance with a yearly meeting schedule as determined by the Board; or such meetings may be held on such other days and at such other times as the Board may from time to time determine. Notice of regular meetings of the Board need not be given except as otherwise required by these By-laws.

SECTION 6. **Special Meetings.** Special meetings of the Board may be called by the Chairman, the Chief Executive Officer, the Lead Director of the Board, the Chair of the Corporate Governance and Responsibility Committee of the Board or the Secretary at the request of any two independent directors.

SECTION 7. **Notice of Meetings.** Notice of each special meeting of the Board (and of each regular meeting for which notice shall be required), stating the time, place and purposes thereof, shall be mailed to each director, addressed to him at his residence or usual place of business, or shall be sent to him by telex, cable or telegram so addressed, or shall be given personally or by telephone, on 24 hours' notice, or such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

SECTION 8. **Quorum and Manner of Acting.** The presence of at least a majority of the authorized number of directors shall constitute a quorum for the transaction of business at any meeting of the Board. If a quorum shall not be present at any meeting of the Board, a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Except where a different vote is required by law or the Certificate of Incorporation or these By-laws, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. Any action required or permitted to be taken by the Board may be taken without a meeting if all the directors consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board. Any one or more directors may participate in any meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting of the Board.

SECTION 9. **Resignation.** Any director may resign at any time by giving written notice to the Chairman of the Board, the Chief Executive Officer or the Secretary, which notice shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein.

SECTION 10. **Removal of Directors.** Subject to the rights of the holders of Preferred Stock, any director may be removed from office, with or without cause, by the affirmative vote of the holders of a majority of the voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

SECTION 11. **Compensation of Directors.** The Board may provide for the payment to any of the directors, other than officers or employees of the Corporation, of a specified amount for services as a director or member of a committee of the Board, or of a specified amount for attendance at each regular or special Board meeting or committee meeting, or of

both, and all directors shall be reimbursed for expenses of attendance at any such meeting; provided, however, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV  
COMMITTEES OF THE BOARD

SECTION 1. ***Appointment and Powers of Audit Committee.*** The Board shall, by resolution adopted by the affirmative vote of a majority of the authorized number of directors, designate an Audit Committee of the Board, which shall consist of such number of directors as the Board may determine and shall be comprised solely of directors independent of management and free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a committee member. The Audit Committee shall (i) make recommendations to the Board as to the independent accountants to be appointed by the Board; (ii) review with the independent accountants the scope of their examination; (iii) receive the reports of the independent accountants and meet with representatives of such accountants for the purpose of reviewing and considering questions relating to their examination and such reports; (iv) review, either directly or through the independent accountants, the internal accounting and auditing procedures of the Corporation and (v) perform such other functions as may be assigned to it from time to time by the Board. The Audit Committee may determine its manner of acting and fix the time and place of its meetings, unless the Board shall otherwise provide. A majority of the members of the Audit Committee shall constitute a quorum for the transaction of business by the committee and the vote of a majority of the members of the committee present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 2. ***Other Committees.*** The Board may, by the affirmative vote of a majority of the authorized number of directors, designate members of the Board to constitute an Executive Committee, a Management Development and Compensation Committee and other committees of the Board, which shall in each case consist of such number of directors as the Board may determine, and shall have and may exercise, to the extent permitted by law, such powers and authority as the Board may by resolution delegate to them and may authorize the seal of the Corporation to be affixed to all papers which require it. Each such committee may determine its manner of acting and fix the time and place of its meetings, unless the Board shall otherwise provide. A majority of the members of any such committee shall constitute a quorum for the transaction of business by the committee and the vote of a majority of the members of such committee present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 3. ***Action by Consent; Participation by Telephone or Similar Equipment.*** Unless the Board shall otherwise provide, any action required or permitted to be taken by any committee may be taken without a meeting if all members of the committee consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the committee. Unless the Board shall otherwise provide, any one or more members of any committee may participate in any meeting of the committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can

hear each other. Participation by such means shall constitute presence in person at a meeting of the committee.

SECTION 4. **Changes in Committees; Resignations; Removals.** The Board shall have power, by the affirmative vote of a majority of the authorized number of directors, at any time to change the members of, to fill vacancies in, and to discharge any committee of the Board. Any member of any such committee may resign at any time by giving written notice to the Chairman of the Board, the Chief Executive Officer, the Chairman of such committee or the Secretary, which notice shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein. Any member of any such committee may be removed at any time, either with or without cause, by the affirmative vote of a majority of the authorized number of directors at any meeting of the Board, provided such removal shall have been referred to in the notice of such meeting.

#### ARTICLE V OFFICERS

SECTION 1. **Number and Qualifications.** The officers of the Corporation may include a Chairman of the Board, Vice Chairman of the Board, Chief Executive Officer, President, one or more Vice Presidents, General Counsel, Treasurer, Secretary and Controller; provided, however, that any one or more of the foregoing offices may remain vacant from time to time, except as otherwise required by law. So far as practicable, the officers shall be elected annually on the day of the annual meeting of Stockholders. Each officer shall hold office until the next annual election of officers and until his successor is elected and qualified, or until his death or retirement, or until he shall have resigned or been removed in the manner hereinafter provided. The same person may hold more than one office. The Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer and the President shall be elected from among the directors. The Board may from time to time elect or appoint such other officers or agents as may be necessary or desirable for the business of the Corporation. Such other officers and agents shall have such titles and duties and shall hold their offices for such terms as may be prescribed by the Board. The Chief Executive Officer may appoint one or more Deputy, Associate or Assistant officers, or such other agents as may be necessary or desirable for the business of the Corporation. In case one or more Deputy, Associate or Assistant officers shall be appointed, the officer such appointee assists may delegate to him the authority to perform such of the officer's duties as the officer may determine.

SECTION 2. **Resignations.** Any officer may resign at any time by giving written notice to the Chairman of the Board, the Chief Executive Officer or the Secretary, which notice shall be deemed to constitute notice to the Corporation. Such resignation shall take effect upon receipt of such notice or at any later time specified therein.

SECTION 3. **Removal.** Any officer or agent may be removed, either with or without cause, at any time, by the Board at any meeting, provided such removal shall have been referred to in the notice of such meeting; provided, further, that the Chief Executive Officer may remove any agent appointed by the Chief Executive Officer.

SECTION 4. **Vacancies.** Any vacancy among the officers, whether caused by death, resignation, removal or otherwise, shall be filled in the manner prescribed for election to such office.

SECTION 5. **Chairman of the Board.** The Chairman of the Board shall, if present, preside at all meetings of the Board and, in the absence of the Chief Executive Officer, at all meetings of the Stockholders. He shall perform the duties incident to the office of the Chairman of the Board and all such other duties as are specified in these By-laws or as shall be assigned to him from time to time by the Board.

SECTION 6. **Vice Chairman of the Board.** The Vice Chairman of the Board shall, if present, preside at all meetings of the Board at which the Chairman of the Board shall not be present and at all meetings of the Stockholders at which neither the Chief Executive Officer nor the Chairman of the Board shall be present. He shall perform such other duties as shall be assigned to him from time to time by the Board or the Chief Executive Officer.

SECTION 7. **Chief Executive Officer.** The Chief Executive Officer shall, if present, preside at all meetings of the Stockholders. He shall have, under the control of the Board, general supervision and direction of the business and affairs of the Corporation. He shall at all times see that all resolutions or determinations of the Board are carried into effect. He may from time to time appoint, remove or change members of and discharge one or more advisory committees, each of which shall consist of such number of persons (who may, but need not, be directors or officers of the Corporation), and have such advisory duties, as he shall determine. He shall perform the duties incident to the office of the Chief Executive Officer and all such other duties as are specified in these By-laws or as shall be assigned to him from time to time by the Board.

SECTION 8. **President.** The President shall be the chief operating officer of the Corporation and shall perform such duties as shall be assigned to him from time to time by the Board or the Chief Executive Officer.

SECTION 9. **Vice Presidents.** The Board shall, if it so determines, elect one or more Vice Presidents (with such additional titles as the Board may prescribe), each of whom shall perform such duties as shall be assigned to him from time to time by the Chief Executive Officer or such other officer to whom the Vice President reports.

SECTION 10. **General Counsel.** The General Counsel shall be the chief legal officer of the Corporation and the head of its legal department. He shall, in general, perform the duties incident to the office of General Counsel and all such other duties as may be assigned to him from time to time by the Chief Executive Officer.

SECTION 11. **Treasurer.** The Treasurer shall have charge and custody of all funds and securities of the Corporation, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all funds of the Corporation in such depositories as may be designated pursuant to these By-laws, shall

receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever, shall disburse the funds of the Corporation and shall render to all regular meetings of the Board, or whenever the Board may require, an account of all his transactions as Treasurer. He shall, in general, perform all the duties incident to the office of Treasurer and all such other duties as may be assigned to him from time to time by the Chief Executive Officer or such other officer to whom the Treasurer reports.

SECTION 12. **Secretary.** The Secretary shall, if present, act as secretary of all meetings of the Board, the Executive Committee and other committees of the Board and the Stockholders and shall have the duty to record the proceedings of such meetings in one or more books provided for that purpose. He shall see that all notices are duly given in accordance with these By-laws and as required by law, shall be custodian of the seal of the Corporation and shall affix and attest the seal to all documents to be executed on behalf of the Corporation under its seal. He shall, in general, perform all the duties incident to the office of Secretary and all such other duties as may be assigned to him from time to time by the Chief Executive Officer or such other officer to whom the Secretary reports.

SECTION 13. **Controller.** The Controller shall have control of all the books of account of the Corporation, shall keep a true and accurate record of all property owned by it, its debts and of its revenues and expenses, shall keep all accounting records of the Corporation (other than the accounts of receipts and disbursements and those relating to the deposit or custody of funds and securities of the Corporation, which shall be kept by the Treasurer) and shall render to the Board, whenever the Board may require, an account of the financial condition of the Corporation. He shall, in general, perform all the duties incident to the office of Controller and all such other duties as may be assigned to him from time to time by the Chief Executive Officer or such other officer to whom the Controller reports.

SECTION 14. **Bonds of Officers.** If required by the Board, any officer of the Corporation shall give a bond for the faithful discharge of his duties in such amount and with such surety or sureties as the Board may require.

SECTION 15. **Compensation.** The salaries of the officers shall be fixed from time to time by the Board; provided, however, that the Chief Executive Officer may fix or delegate to others the authority to fix the salaries of any agents appointed by the Chief Executive Officer.

SECTION 16. **Officers of Operating Companies or Divisions.** The Chief Executive Officer shall have the power to appoint, prescribe the terms of office, the responsibilities and duties and salaries of, and remove, the officers of the operating companies or divisions other than those who are officers of the Corporation.

ARTICLE VI  
CONTRACTS, CHECKS, LOANS, DEPOSITS, ETC.

SECTION 1. **Contracts.** The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into any contract or to execute and deliver any instrument, which authorization may be general or confined to specific instances;

and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or for any amount.

SECTION 2. **Checks, etc.** All checks, drafts, bills of exchange or other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed in the name and on behalf of the Corporation in such manner as shall from time to time be authorized by the Board, which authorization may be general or confined to specific instances.

SECTION 3. **Loans.** No loan shall be contracted on behalf of the Corporation, and no negotiable paper shall be issued in its name, unless authorized by the Board, which authorization may be general or confined to specific instances. All bonds, debentures, notes and other obligations or evidences of indebtedness of the Corporation issued for such loans shall be made, executed and delivered as the Board shall authorize, which authorization may be general or confined to specific instances.

SECTION 4. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as may be selected by or in the manner designated by the Board. The Board or its designees may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-laws, as may be deemed expedient.

## ARTICLE VII CAPITAL STOCK

SECTION 1. **Stock Certificates and Uncertificated Shares.** The shares of the Corporation may be represented by certificates or may be uncertificated. Each Stockholder shall be entitled to have, in such form as shall be approved by the Board, a certificate or certificates signed by the Chairman of the Board or the Vice Chairman of the Board or the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary representing the number of shares of capital stock of the Corporation owned by such Stockholder. Any or all of the signatures on any such certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any such certificate shall have ceased to be such before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such officer, transfer agent or registrar had been such at the date of its issue. Absent a specific request for such a certificate by the registered owner or transferee thereof, all shares may be uncertificated upon the original issuance thereof by the Corporation or upon surrender of the certificate representing such shares to the Corporation or its transfer agent.

SECTION 2. **List of Stockholders Entitled to Vote.** The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare or cause to have prepared, at least 10 days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list

shall be open to the examination of any Stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Stockholder of the Corporation who is present.

SECTION 3. **Stock Ledger.** The stock ledger of the Corporation shall be the only evidence as to who are the Stockholders entitled to examine the stock ledger, the list required by Section 2 of this Article VII or the books of the Corporation, or to vote in person or by proxy at any meeting of Stockholders.

SECTION 4. **Transfers of Capital Stock.** Transfers of shares of capital stock of the Corporation shall be registered on the stock record of the Corporation, and if requested by the registered owner or transferee thereof, a new certificate shall be issued to the person entitled thereto, upon presentation and surrender, with a request to register transfer, of the certificate or certificates representing the shares properly endorsed by the holder of record or accompanied by a separate document signed by the holder of record containing an assignment or transfer of the shares or a power to assign or transfer the shares or upon presentation of proper transfer instructions from the holder of record of uncertificated shares. The Board may make such additional rules and regulations as it may deem expedient concerning the issue and transfer of certificates representing shares of the capital stock of the Corporation.

SECTION 5. **Lost Certificates.** The Corporation may issue uncertificated shares, or if requested by the registered owner, a new certificate or cause a new certificate to be issued, in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. The Corporation may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 6. **Fixing of Record Date.** In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting. In order that the Corporation may determine the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the Stockholders entitled to exercise any rights in respect of any change, conversion or exchange of capital stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action.



SECTION 7. **Registered Owners.** Prior to due presentment for registration of transfer of a certificate representing shares of capital stock of the Corporation or of proper transfer instructions with respect to uncertificated shares, the Corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive dividends, to receive notifications, and otherwise to exercise all the rights and powers of an owner of such shares, except as otherwise provided by law.

SECTION 8. **Rights Plans.** The Corporation will seek shareowner approval prior to its adoption of a Rights Plan, unless the Board, in the exercise of its fiduciary duties and with the concurrence of a majority of its independent directors, determines that, under the circumstances existing at the time, it is in the best interests of the Stockholders of the Corporation to adopt a Rights Plan without delay. If a Rights Plan is adopted by the Corporation without prior approval of the Stockholders of the Corporation, such plan must provide that it shall expire unless ratified by the Stockholders of the Corporation within one year of adoption. For purposes of this by-law, the term "Rights Plan" refers generally to any plan providing for the distribution of preferred stock, rights, warrants, options or debt instruments to the Stockholders of the Corporation, designed to deter non-negotiated takeovers by conferring certain rights on the Stockholders of the Corporation upon the occurrence of a "triggering event" such as a tender offer or third party acquisition of a specified percentage of stock.

#### ARTICLE VIII FISCAL YEAR

The Corporation's fiscal year shall coincide with the calendar year.

#### ARTICLE IX SEAL

The Corporation's seal shall be circular in form and shall include the words "Honeywell International Inc., Delaware, 1985, Seal."

#### ARTICLE X WAIVER OF NOTICE

Whenever any notice is required by law, the Certificate of Incorporation or these By-laws, to be given to any director, member of a committee or Stockholder, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

ARTICLE XI  
AMENDMENTS

These By-laws or any of them may be amended or supplemented in any respect at any time, either (a) at any meeting of Stockholders, provided that any amendment or supplement proposed to be acted upon at any such meeting shall have been described or referred to in the notice of such meeting, or (b) at any meeting of the Board, provided that any amendment or supplement proposed to be acted upon at any such meeting shall have been described or referred to in the notice of such meeting or an announcement with respect thereto shall have been made at the last previous Board meeting.

ARTICLE XII  
FORUM FOR ADJUDICATION OF DISPUTES

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the state of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XII.

ARTICLE XIII  
EMERGENCY BY-LAWS

SECTION 1. **Emergency Board of Directors.** In case of an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of the Board or the Stockholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board or a committee thereof cannot readily be convened for action in accordance with the provisions of the By-laws, the business and affairs of the Corporation shall be managed by or under the direction of an Emergency Board of Directors (hereinafter called the Emergency Board) established in accordance with Section 2 of this Article XIII.

SECTION 2. **Membership of Emergency Board of Directors.** The Emergency Board shall consist of at least three of the following persons present or available at the Emergency Corporate Headquarters determined according to Section 5 of this Article XIII: (i) those persons who were directors at the time of the attack or other event mentioned in Section 1 of this Article XIII, and (ii) any other persons appointed by such directors to the extent required to provide a quorum at any meeting of the Board. If there are no such directors present or available at the Emergency Corporate Headquarters, the Emergency Board shall consist of the

three highest-ranking officers or employees of the Corporation present or available and any other persons appointed by them.

SECTION 3. ***Powers of the Emergency Board.*** The Emergency Board will have the same powers as those granted to the Board in these By-laws, but will not be bound by any requirement of these By-laws which a majority of the Emergency Board believes impracticable under the circumstances.

SECTION 4. ***Stockholders' Meeting.*** At such time as it is practicable to do so the Emergency Board shall call a meeting of Stockholders for the purpose of electing directors. Such meeting will be held at a time and place to be fixed by the Emergency Board and pursuant to such notice to Stockholders as it is deemed practicable to give. The Stockholders entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum.

SECTION 5. ***Emergency Corporate Headquarters.*** Emergency Corporate Headquarters shall be at such location as the Board or the Chief Executive Officer shall determine prior to the attack or other event, or if not so determined, at such place as the Emergency Board may determine.

SECTION 6. ***Limitation of Liability.*** No officer, director or employee acting in accordance with the provisions of this Article XIII shall be liable except for willful misconduct.

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**WILLIAM S. AYER, RETIRED CHAIRMAN AND CEO OF ALASKA AIR GROUP, JOINS HONEYWELL'S BOARD OF DIRECTORS**

MORRIS TOWNSHIP, N.J., December 12, 2014 – Honeywell (NYSE: HON) announced today that William S. Ayer, 60, former chairman and chief executive officer of Alaska Airlines and Alaska Air Group has been elected to its Board of Directors. He will serve on Honeywell's Corporate Governance and Responsibility and Management Development and Compensation Committees.

"Bill has been a highly respected and proven business leader in the aerospace industry for more than three decades," said Honeywell Chairman and CEO Dave Cote. "His relentless focus on the customer, continuous improvement, and building a culture of safety, innovation, sustainability, and diversity are all hallmarks of his leadership style. Under Bill's leadership, Alaska Air Group operated profitably during the most recent recession and today the company is viewed as a 'model' airline throughout the industry. Bill brings both deep aerospace industry knowledge and rich business experience to Honeywell's Board. We're confident that his contributions will be invaluable as Honeywell deploys its new five- year growth plan."

Ayer was appointed CEO of Alaska Air Group in 2002 and became Chairman of the Board in 2003. He retired from the company at the end of 2013. Alaska Air Group, Inc., through its subsidiaries, provides passengers and cargo air transportation services in the United States. It serves approximately 100 cities in Alaska, the Lower 48, Hawaii, Canada and Mexico. The company reported \$5.2 billion in 2013 sales and has approximately 13,000 employees. Prior to his role as Chairman and CEO of Alaska Air Group, Ayer served as Vice President of Marketing and Planning for the company beginning in 1995.

Ayer started flying at the age of 15 and has worked in the aerospace industry for his entire 35-year career. His first job was in sales at Piper Aircraft Company in 1979 and he subsequently founded and ran Air Olympia, a Washington state commuter airline. Next, he

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spent 13 years with Horizon Air, moving up to head operations before he joined Alaska Airlines in 1995.

Ayer is among the most respected leaders in the airline industry and serves on some of its most prestigious boards and associations, including:

- Past Chairman of the Federal Aviation Administration NextGen Advisory committee, a panel of people from every aspect of aviation aiming to modernize the nation's air traffic control system and improve airport and airspace efficiency
- Member of FAA's Management Advisory Council
- Chairman of the Museum of Flight

Ayer holds his commercial and flight instructor certificates with instrument and multi-engine ratings. He received a Bachelor's Degree in Economics and Human Biology from Stanford University and an MBA from the University of Washington.

Honeywell ([www.honeywell.com](http://www.honeywell.com)) is a Fortune 100 diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; turbochargers; and performance materials. For more news and information on Honeywell, please visit [www.honeywellnow.com](http://www.honeywellnow.com).

This release contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this release are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, and technological factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

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December 10, 2014

Mr. David M. Cote  
Chairman and Chief Executive Officer  
Honeywell International Inc.  
101 Columbia Road  
Morristown, New Jersey 07962

**Re: Equity Grant Enhancements**

Dear Dave:

I am pleased to confirm additional terms and conditions of your benefits package. The enhanced equity benefits described in this letter agreement (the "Agreement") were recommended by the Management Development and Compensation Committee of the Board of Directors and approved by the Board of Directors at its meeting on October 31, 2014, and will be effective as of December 11, 2014. The terms and conditions of these enhanced equity benefits can be summarized as follows:

**1. Stock Option Vesting**

If you retire from Honeywell after December 31, 2017 and otherwise satisfy the conditions more fully described in Paragraph 9 below, all outstanding, unvested stock options that were (i) granted after April 1, 2015 and prior to January 1, 2018, and (ii) granted more than six (6) months prior to your retirement date (except the Board of Directors may, in its sole and absolute discretion, waive this 6-month carve out) shall become vested on your retirement date. If all or a portion of any such stock option grant is subject to performance conditions, vesting in that portion of the award will occur at the end of the related performance cycle (even if this occurs after retirement), but only to the extent Honeywell determines that the applicable performance conditions have been satisfied. Any such options that have, or potentially could have, their vesting dates accelerated under this Agreement shall hereinafter be referred to as the "New Retention Options."

**2. Time to Exercise**

Notwithstanding anything contained in the 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates, as well as any successor plans (collectively the "Honeywell Stock Plans") or associated Award Agreements to the contrary, if any New Retention Options vest pursuant to Paragraph 1 above, you shall have the full remaining term to exercise (i.e., typically 10 years from the date of each stock option grant) any such New Retention Options.

**3. Special Performance Option Grant**

In order to further incent you to remain with the Company, you will receive a special grant of stock options ("Performance Options") with an initial grant date target value of five million dollars (\$5,000,000).<sup>1</sup> The actual number of stock options earned as Performance Options shall be determined by comparing the

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<sup>1</sup> The target number of options to be granted shall be determined by dividing \$5 million by the grant date per share value of an option in Honeywell stock, as determined by FAS123 Solutions using base valuation assumptions consistent with those used to determine the value of Honeywell's regular equity grants, adjusted to consider the performance features of this award.

Company's Total Shareholder Return to the Total Shareholder Return of each company in the Compensation Peer Group, as described more fully in the Performance Options Award Agreement attached hereto as Exhibit A. The performance cycle for the Performance Options shall be the three (3) year period commencing January 1, 2015 and ending December 31, 2017. The Performance Options that are determined to be earned at the end of the performance cycle will vest in their entirety on December 31, 2017, provided you are still employed by Honeywell as its CEO on such date. Once vested, you shall have the full remaining term to exercise such Performance Options. The Performance Options shall be subject to the terms and conditions set forth in the Special Performance Stock Option Award Agreement attached hereto as Exhibit A.

**4. ICP and Growth Plan Awards**

Notwithstanding anything in the Honeywell Incentive Compensation Plan ("ICP Plan") or the Honeywell Stock Plans to the contrary, if you retire from Honeywell after December 31, 2017 and otherwise satisfy the conditions more fully described in Paragraph 9 below, you shall receive, as scheduled, any unpaid tranche for a Growth Plan performance cycle that was completed prior to your retirement, based on the actual calculated performance achieved during such performance cycle. In addition, you shall receive (i) a prorated incentive compensation award, and (ii) a prorated Growth Plan award, for the calendar year or Growth Plan cycle, as applicable, in which your retirement occurs. Such prorated incentive compensation award shall be calculated by starting with a bonus amount that is consistent with prior awards and performance, and pro-rating such amount for the percentage of the year during which you were not retired (with no obligation to be employed on the date bonuses are actually paid to officers). The prorated Growth Plan award shall be determined by multiplying the Growth Plan award to which you would have been entitled had you remained employed for the entire Growth Plan cycle by a fraction, the numerator of which is the number of days in the Growth Plan cycle that you remained employed by the Company as CEO, and the denominator of which is 730. Any prorated incentive compensation award and Growth Plan award paid hereunder shall be paid at the same time as such awards are paid to other Honeywell officers. Notwithstanding the foregoing, the Board of Directors may, in its sole discretion, increase (but not decrease) the prorated incentive compensation award and/or prorated Growth Plan award described herein.

**5. Change in Control**

In the event of a Change in Control (as defined in the Honeywell Stock Plans) of the Company prior to January 1, 2018, and to the extent adjusted or exchanged pursuant to the terms of the Honeywell Stock Plans, any New Retention Options and Performance Options that have not vested or been terminated as of the date of the Change in Control will continue to vest in accordance with the terms of the applicable Award Agreement; provided, however, that (x) if you incur an involuntary Termination of Employment not for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time) or a voluntary Termination of Employment for Good Reason (as defined in the Honeywell Stock Plans) on or before the second anniversary of the date of the Change in Control and before January 1, 2018, the unvested portion of such awards will immediately vest in accordance with the applicable Award Agreement. To the extent the New Retention Options and Performance Options are not adjusted or exchanged upon a Change in Control prior to January 1, 2018, any such awards that have not vested or terminated as of the date of the Change in Control will immediately vest. 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.

**6. Termination Other Than for Cause**

In the event you are involuntarily terminated by the Company other than for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time) prior to January 1, 2018, any unvested New Retention Options that were granted more than six (6) months prior to your date of

termination shall become vested as of your date of termination and you shall thereafter have the full remaining term to exercise those New Retention Options. Notwithstanding the foregoing, in the event any such New Retention Options are subject to performance conditions, vesting in such New Retention Options will not occur, if at all, until the end of the related performance cycle (even if this occurs after termination of employment), and only to the extent Honeywell determines that the applicable performance conditions have been satisfied.

In addition, in the event you are involuntarily terminated by the Company other than for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time) prior to January 1, 2018, you shall nevertheless be treated as still being employed by the Company through December 31, 2017 solely for purposes of determining your rights to your Performance Options granted pursuant to Paragraph 3 above.

**7. Termination for Cause**

In the event you are terminated by the Company for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time) prior to January 1, 2018, this Agreement shall immediately terminate and your rights with respect to all of your stock options, whether vested or unvested, shall be treated under the terms of the applicable Honeywell Stock Plans and Award Agreements.

**8. Death or Disability**

In the event of your death or Disability (as defined in the Honeywell Stock Plans) after the execution of this Agreement, you/your estate shall have the full remaining term to exercise any New Retention Options. Notwithstanding the foregoing, in the event any New Retention Options are subject to performance conditions, vesting in such New Retention Options will not occur, if at all, until the end of the related performance cycle (even if this occurs after your death or Disability), and only to the extent Honeywell determines that the applicable performance conditions have been satisfied.

**9. Conditions Applicable to Benefits Granted Under This Agreement**

The rights and benefits described in this Agreement (including both the New Retention Options and the Performance Options) are subject to the following terms and conditions:

- Prior to January 1, 2018, you may not engage (which includes pursuing any CEO opportunities you may become aware of through unsolicited contacts), or knowingly permit another person to engage on your behalf, in an external CEO search unless you have been involuntarily terminated other than for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time) prior to January 1, 2018; *and*
- Prior to January 1, 2018, and other than your current responsibilities with (i) the Federal Reserve Bank of New York as a Class B Director, (ii) Kohlberg Kravis Roberts & Co. as an Advisory Board member, (iii) the Council on Foreign Relations as a Board Director, and (iv) Temasek Holdings Limited as a Board Director, you may not accept a position with another company, organization or entity, including any governmental agency or quasi-governmental body, unless (i) you have been involuntarily terminated other than for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time) prior to January 1, 2018, or (ii) the Company's Board of Directors has otherwise consented to your service in such position. Notwithstanding the foregoing, once you have provided the six (6) month notice described below, you may engage in discussions for post-retirement roles (other than CEO roles or as Board members of firms that are significant competitors of Honeywell) with other companies without Board of Director advance approval; *and*



- You must provide the Board of Directors with a minimum of six (6) months of notice of your intent to explore the possibility of retiring from the Company as CEO. For the avoidance of doubt, you shall not be treated as not having satisfied this condition if you die or become Disabled (as defined in the Honeywell Stock Plans). Notwithstanding the foregoing, the notice period may be shortened, in the sole and absolute discretion the Board of Directors, if the Board determines that a shorter notice period is in the Company's best interest; *and*
- You have not violated the terms of any noncompetition, nonsolicit, confidentiality or intellectual property covenants applicable to you under any other written agreement between you and the Company; *and*
- You must not be terminated for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time).

If the Company determines, in its sole judgment, that you have not satisfied any of these conditions, or that you have violated the terms of any noncompetition, nonsolicit, confidentiality or intellectual property covenants applicable to you under any other written agreement between you and the Company, Honeywell shall have the right, along with any other legal or equitable remedies of which it may be able to avail itself, to withhold and/or recoup the value of any consideration you realize pursuant to this Agreement. This Agreement is intended to supplement, not supersede, any other rights Honeywell may have to recoup equity awards under applicable law (including Sarbanes-Oxley and Dodd-Frank) or the terms of the applicable stock plans or award agreements, or to pursue to other rights or remedies described more fully in any other agreement between you and the Company.

#### **10. Modification and Waiver**

This Agreement may be amended or modified only by an agreement in writing. The failure by the Company to declare a breach or otherwise to assert its rights under this Agreement shall not be construed as a waiver of any right the Company has under this Agreement.

#### **11. Effect of Stock Plans and Award Agreements**

All other terms and conditions of your equity grants shall remain subject to the terms and conditions of the applicable stock plans and award agreements.

#### **12. Section 409A**

These extraordinary equity vesting provisions are subject to the requirements of Internal Revenue Code Section 409A, and you agree that this Agreement may be modified to the extent necessary to comply therewith.

#### **13. Other Agreements**

This Agreement does not amend any prior agreements you have with the Company, including that certain letter agreement dated July 29, 2011 between you and Honeywell (the "2011 Agreement"). Rather, such other agreements and this Agreement are to be read independently of each other with respect to the awards and benefits covered thereby.

Notwithstanding the foregoing, and effective as of April 1, 2015, the obligation to provide twelve (12) months of notice and transition services under the 2011 Agreement shall be waived. In addition, effective as of April 1, 2015, the carve-out for excluded grants under the 2011 Agreement is also hereby amended by replacing twelve (12) months with six (6) months.

**14. Not an Agreement to Retire**

Nothing contained herein shall be construed as an agreement for you to voluntarily retire from Honeywell as CEO as of any specific date after December 31, 2017. Rather, this Agreement is to be construed merely as an agreement between you and the Board of Directors to incent you to remain as Honeywell CEO at least through December 31, 2017, and any inducements to incent you to remain with the Company after such date shall be negotiated at the appropriate time in the future.

Please indicate your acceptance of the terms and conditions of this letter by returning a signed copy of this letter to my attention.

Congratulations,

/s/ D. Scott Davis  
D. Scott Davis  
Chairman  
Management Development and Compensation Committee  
Board of Directors  
Honeywell International Inc.

Read and Accepted:

/s/ David M. Cote  
David M. Cote

Date: December 11, 2014

## EXHIBIT A

### 2011 STOCK INCENTIVE PLAN OF HONEYWELL INTERNATIONAL INC. AND ITS AFFILIATES

#### SPECIAL PERFORMANCE STOCK OPTION AWARD AGREEMENT

STOCK OPTION AWARD AGREEMENT made in Morris Township, New Jersey, as of December 11, 2014 (the “Grant Date”), between Honeywell International Inc. (the “Company”) and **David M. Cote** (the “Employee”).

- 1. 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 4), and (ii) your Target Award.
  - b.** “Compensation Peer Group” means the companies listed on Attachment A. 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 the three year period commencing January 1, 2015 and ending December 31, 2017.
  - d.** “Performance Cycle” means the three year period commencing January 1, 2015 and ending December 31, 2017.
  - e.** “Target Award” means the number of stock options awarded to you for the Performance Cycle under Section 2 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.

2. **Grant of Options.** The Company has granted you an Option to purchase [tbd - \$5 million value/per option value] Shares of Common Stock, subject to the provisions of this Agreement and the 2011 Stock Incentive Plan for Employees of Honeywell International Inc. and its Affiliates (the "Plan"). This Option is a nonqualified Option.
3. **Actual Award.** Notwithstanding Section 2 above, you shall have the Option to purchase the number of Shares determined by the Actual Award.
4. **Performance Measures.** For the 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.

The Plan Payout Percentage shall be determined based on the following for the Performance Cycle:

<b>TSR RANK</b>	<b>PLAN PAYOUT PERCENTAGE</b>
At or below 35 <sup>th</sup> percentile of Peer Group	0%
60 <sup>th</sup> percentile of Peer Group	100%
85 <sup>th</sup> percentile of Peer Group or Above	150%

The Plan Payout Percentage for TSR ranks between 35% and 60% shall be interpolated by 4% for each percentage change in rank, while the Plan Payout Percentage for TSR ranks between 60% and 85% shall be interpolated by 2% for each percentage change in rank.

5. **Exercise Price.** The purchase price of the Shares covered by the Option will be \$98.04 per Share.
6. **Vesting.** Subject to Section 17, you shall receive an Option to purchase the number of Shares determined by the Actual Award on the later of December 31, 2017 or the date the Performance Measures are approved as required by the terms of the Plan if you are employed by the Company on such date, and you shall have until the expiration date specified in Section 10 to exercise the Option.
7. **Death or Disability.** Subject to Section 17, if your Termination of Employment occurs because of your death or you incur a Disability before the last day of the Performance Cycle, the Performance Cycle shall continue and on the later of December 31, 2017 or the date the Performance Measures are approved as required by the terms of the Plan, you or your estate shall receive an Option to purchase the number of Shares determined by the Actual Award. Subject to Section 17, regardless of when your death or Disability occurs, you or your executor, as the case may be, shall have until the expiration date specified in Section 10 to exercise the Option.
8. **Involuntary Termination Not for Cause.** Subject to Section 17, if your Termination of Employment occurs due to an involuntary termination by the Company not for Cause before the last day of the Performance Cycle, the Performance Cycle shall continue and on the later of December 31, 2017 or the date the Performance Measures are approved as

required by the terms of the Plan, you shall receive an Option to purchase the number of Shares determined by the Actual Award. Subject to Section 17, regardless of when your Termination of Employment occurs, you shall have until the expiration date specified in Section 10 to exercise the Option.

9. **Voluntary Termination of Employment, Termination of Employment for Cause.** If your Termination of Employment occurs due to a voluntary termination for any reason or an involuntary termination by the Company for Cause before the last day of the Performance Cycle, the Option shall be forfeited in full as of your Termination of Employment. If your Termination of Employment occurs due to an involuntary termination by the Company for Cause after vesting occurs, any unexercised Shares shall be immediately cancelled.
10. **Term of Option.** The Option must be exercised prior to the close of the New York Stock Exchange (“NYSE”) on December 10, 2024, subject to earlier termination or cancellation as provided in this Agreement. If the NYSE is not open for business on December 10, 2024, the Option will expire at the close of the NYSE on the business day immediately preceding December 10, 2024.
11. **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 occurring before December 31, 2017, and if the Performance Cycle has not ended when your Termination of Employment occurs, the Option will vest in the amount of the Target Award as of your Termination of Employment. If the vested Option is adjusted or exchanged pursuant to Section 5.3(c), 5.3(d)(ii), 5.3(e) or 5.3(f) of the Plan in connection with a Change in Control, subject to Section 17, you shall have until the expiration date specified in Section 10 to exercise the Option.
12. **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.
13. **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.benefitaccess.com](http://www.benefitaccess.com). 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.
14. **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.

**15. 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.

**16. 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 16 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 16, the term "Honeywell" is defined as Honeywell International Inc. (a Delaware corporation having a place of business at Columbia Road and Park Avenue, Morris Township, Morris County, New Jersey), its predecessors, designees and successors, 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 16.b.2. of this Agreement shall apply if, from the Award 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 Committee) with Honeywell and the Committee 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.

For purposes of this subsection 16.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 Committee 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 16.b.1. of this Agreement, (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 Committee’s determination, and (ii) you shall immediately deliver to the Company Shares equal in value to the gross 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 the date of the Committee’s determination.
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.

## 17. Special Vesting and Forfeiture Conditions.

- a. **Conditions Applicable to this Agreement.** The rights and benefits described in this Agreement are subject to the following terms and conditions:
  1. Prior to January 1, 2018, you may not engage (which includes pursuing any CEO opportunities you may become aware of through unsolicited contacts), or knowingly permit another person to engage on your behalf, in an external CEO search unless you have been involuntarily terminated other than for Cause prior to January 1, 2018; and
  2. Prior to January 1, 2018, and other than your current responsibilities with (i) the Federal Reserve Bank of New York as a Class B Director, (ii) Kohlberg Kravis Roberts & Co. as an Advisory Board member, (iii) the Council on

Foreign Relations as a Board Director, and (iv) Temasek Holdings Limited as a Board Director, you may not accept a position with another company, organization or entity, including any governmental agency or quasi-governmental body, unless (i) you have been involuntarily terminated other than for Cause prior to January 1, 2018, or (ii) the Company's Board of Directors has otherwise consented to your service in such position. Notwithstanding the foregoing, once you have provided the six (6) month notice described below, you may engage in discussions for post-retirement roles (other than CEO roles or as Board members of firms that are significant competitors of Honeywell) with other companies without Board of Director advance approval; *and*

3. You must provide the Board of Directors with six (6) months notice before you voluntarily terminate your employment for any reason, including retirement; provided, however, you shall not be treated as not having satisfied this condition if you die or become Disabled (as defined in the 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates). Notwithstanding the foregoing, the notice period may be shortened, in the sole and absolute discretion the Board of Directors, if the Board determines that a shorter notice period is in the Company's best interest; and
4. You have not violated or threatened to violate the terms of any noncompetition, nonsolicit, confidentiality or intellectual property covenants applicable to you under any other written agreement between you and the Company; and
5. You must not be terminated for Cause (as defined in your employment contract dated February 18, 2002, as amended from time to time).

- b. If the Company determines, in its sole judgment, that you have not satisfied any of these conditions, or that you have violated or threatened to violate the terms of any noncompetition, nonsolicit, confidentiality or intellectual property covenants applicable to you under any other written agreement between you and the Company, the Company shall have the right, along with any other legal or equitable remedies of which it may be able to avail itself, to withhold and/or recoup the value of any consideration you realize pursuant to this Agreement. This Section 17 is intended to supplement, not supersede, any other rights the Company may have to recoup equity awards under the terms of the applicable stock plans or award agreements, or to pursue other rights or remedies described more fully in any other agreement between you and the Company.

For the avoidance of doubt, if the Company determines before the end of the Performance Cycle that you have not satisfied the requirements of this Section 17, the Option shall immediately be cancelled and you shall forfeit all rights under this Agreement. If the Company determines that you have not satisfied the requirements of this Section 17 after vesting occurs and before the exercise period has ended, any vested portion of the Option you have not exercised shall immediately be cancelled,



and you shall forfeit any rights you have with respect to the Option as of the date of the Company's determination, and you shall immediately deliver to the Company Shares equal in value to the gross amount of any profit you realized upon an exercise of the Option provided under this Agreement.

- 18. Adjustments.** Any adjustments to the Option will be governed by Section 5.3 of the Plan.
- 19. Restrictions on Exercise.** Exercise of the Option is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares covered by the Option will be duly listed, upon official notice of issuance, upon the NYSE, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares will be effective. The Company will not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel of the Company.
- 20. Disposition of Securities.** By accepting the Award, you acknowledge that you have read and understand the Company's policy, and are aware of and understand your obligations under U.S. federal securities laws in respect of trading in the Company's securities, and you agree not to use the Company's "cashless exercise" program (or any successor program) at any time when you possess material nonpublic information with respect to the Company or when using the program would otherwise result in a violation of securities law. The Company will have the right to recover, or receive reimbursement for, any compensation or profit realized on the exercise of the Option or by the disposition of Shares received upon exercise of the Option to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.
- 21. 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.
- 22. 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.

**23. 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.
24. **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.
25. **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.
26. **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.
27. **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.

- 28. Acknowledgements.** By accepting this Agreement, you agree to the following: (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.
- 29. Award Acceptance.** To retain this Award, you must accept it by signing the Agreement below and, by signing this Agreement, you will be deemed to consent to the application of the terms and conditions set forth in this Agreement and the Plan.

**I Accept:**

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**DAVID M. COTE**

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Date

**ATTACHMENT A**

**PEER GROUP**

3M Company  
Alcoa Inc.  
The Boeing Company  
The Dow Chemical Company  
E. I. du Pont de Nemours and Company  
Emerson Electric Co.  
General Dynamics Corp.  
General Electric Company  
Johnson Controls Inc.  
Lockheed Martin Corporation  
Northrop Grumman Corporation  
Raytheon Co.  
Textron Inc.  
United Technologies Corp.