

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

**Form 10-Q**

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

For the quarterly period ended March 31, 2014

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-8974

**Honeywell International Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

22-2640650

(I.R.S. Employer  
Identification No.)

101 Columbia Road  
Morris Township, New Jersey

(Address of principal executive offices)

07962

(Zip Code)

(973) 455-2000

(Registrant's telephone number, including area code)

Not Applicable

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

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

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

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

Large accelerated filer  Accelerated filer  Non-Accelerated filer  Smaller reporting company

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

There were 783,120,221 shares of Common Stock outstanding at March 31, 2014.

**Honeywell International Inc.**  
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Cautionary Statement about Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management’s assumptions and assessments in the light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. These forward-looking statements should be considered in the light of the information included in this report and our other filings with the Securities and Exchange Commission, including, without limitation, the Risk Factors, as well as the description of trends and other factors in Management’s Discussion and Analysis of Financial Condition and Results of Operations, set forth in our Form 10-K for the year ended December 31, 2013.

PART I. FINANCIAL INFORMATION

The financial information as of March 31, 2014 should be read in conjunction with the financial statements for the year ended December 31, 2013 contained in our Form 10-K filed on February 14, 2014.

ITEM 1. FINANCIAL STATEMENTS

**Honeywell International Inc.**  
**Consolidated Statement of Operations**  
**(Unaudited)**

	Three Months Ended	
	March 31,	
	2014	2013
	(Dollars in millions, except per share amounts)	
Product sales	\$ 7,845	\$ 7,474
Service sales	1,834	1,854
Net sales	<u>9,679</u>	<u>9,328</u>
Costs, expenses and other		
Cost of products sold	5,779	5,567
Cost of services sold	1,188	1,216
	<u>6,967</u>	<u>6,783</u>
Selling, general and administrative expenses	1,339	1,229
Other (income) expense	(117)	(28)
Interest and other financial charges	79	84
	<u>8,268</u>	<u>8,068</u>
Income before taxes	1,411	1,260
Tax expense	375	291
Net income	1,036	969
Less: Net income attributable to the noncontrolling interest	19	3
Net income attributable to Honeywell	<u>\$ 1,017</u>	<u>\$ 966</u>
Earnings per share of common stock - basic:	<u>\$ 1.30</u>	<u>\$ 1.23</u>
Earnings per share of common stock - assuming dilution:	<u>\$ 1.28</u>	<u>\$ 1.21</u>
Cash dividends per share of common stock	<u>\$ 0.4500</u>	<u>\$ 0.4100</u>

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

**Honeywell International Inc.**  
**Consolidated Statement of Comprehensive Income**  
**(Unaudited)**

	Three Months Ended	
	March 31,	
	2014	2013
	(Dollars in millions)	
Net income	\$ 1,036	\$ 969
Other comprehensive income (loss), net of tax		
Foreign exchange translation adjustment	(5)	(381)
Actuarial losses recognized	4	6
Prior service costs recognized	-	3
Pension and other postretirement benefits adjustments	4	9
Unrealized gains (losses)	(11)	54
Less: Reclassification adjustment for gains included in net income	71	-
Changes in fair value of available for sale investments	(82)	54
Effective portion of cash flow hedges recognized in other comprehensive income (loss)	9	-
Less: Reclassification adjustment for gains (losses) included in net income	(4)	(1)
Changes in fair value of effective cash flow hedges	13	1
Other comprehensive income (loss), net of tax	(70)	(317)
Comprehensive income	966	652
Less: Comprehensive income (loss) attributable to the noncontrolling interest	19	3
Comprehensive income attributable to Honeywell	\$ 947	\$ 649

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

**Honeywell International Inc.**  
**Consolidated Balance Sheet**  
**(Unaudited)**

	<b>March 31,</b> <b>2014</b>	<b>December 31,</b> <b>2013</b>
<b>(Dollars in millions)</b>		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,672	\$ 6,422
Accounts, notes and other receivables	8,081	7,929
Inventories	4,407	4,293
Deferred income taxes	840	849
Investments and other current assets	1,531	1,671
Total current assets	21,531	21,164
Investments and long-term receivables	465	393
Property, plant and equipment - net	5,284	5,278
Goodwill	13,028	13,046
Other intangible assets - net	2,445	2,514
Insurance recoveries for asbestos related liabilities	584	595
Deferred income taxes	217	368
Other assets	2,223	2,077
Total assets	\$ 45,777	\$ 45,435
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 5,133	\$ 5,174
Short-term borrowings	88	97
Commercial paper	2,399	1,299
Current maturities of long-term debt	65	632
Accrued liabilities	6,668	6,979
Total current liabilities	14,353	14,181
Long-term debt	6,804	6,801
Deferred income taxes	757	804
Postretirement benefit obligations other than pensions	998	1,019
Asbestos related liabilities	1,156	1,150
Other liabilities	3,490	3,734
Redeemable noncontrolling interest	176	167
<b>SHAREOWNERS' EQUITY</b>		
Capital - common stock issued	958	958
- additional paid-in capital	4,772	4,682
Common stock held in treasury, at cost	(9,590)	(9,374)
Accumulated other comprehensive loss	748	818
Retained earnings	21,039	20,383
Total Honeywell shareowners' equity	17,927	17,467
Noncontrolling interest	116	112
Total shareowners' equity	18,043	17,579
Total liabilities, redeemable noncontrolling interest and shareowners' equity	\$ 45,777	\$ 45,435

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

**Honeywell International Inc.**  
**Consolidated Statement of Cash Flows**  
**(Unaudited)**

	Three Months Ended March 31,	
	2014	2013
	(Dollars in millions)	
<b>Cash flows from operating activities:</b>		
Net income	\$ 1,036	\$ 969
Less: Net income attributable to the noncontrolling interest	19	3
Net income attributable to Honeywell	1,017	966
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:		
Depreciation and amortization	238	248
Gain on sale of available for sale investments	(105)	-
Repositioning and other charges	214	128
Net payments for repositioning and other charges	(125)	(98)
Pension and other postretirement (income) expense	(49)	1
Pension and other postretirement benefit payments	(36)	(171)
Stock compensation expense	52	54
Deferred income taxes	2	27
Excess tax benefits from share based payment arrangements	(30)	(24)
Other	(24)	(33)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts, notes and other receivables	(154)	(142)
Inventories	(115)	(51)
Other current assets	236	18
Accounts payable	(41)	(295)
Accrued liabilities	(392)	(287)
Net cash provided by operating activities	688	341
<b>Cash flows from investing activities:</b>		
Expenditures for property, plant and equipment	(192)	(148)
Proceeds from disposals of property, plant and equipment	7	-
Increase in investments	(631)	(174)
Decrease in investments	410	166
Cash paid for acquisitions, net of cash acquired	-	(122)
Other	61	(33)
Net cash used for investing activities	(345)	(311)
<b>Cash flows from financing activities:</b>		
Net increase in commercial paper	1,100	800
Net (decrease) increase in short-term borrowings	(10)	8
Proceeds from issuance of common stock	92	164
Proceeds from issuance of long-term debt	25	7
Payments of long-term debt	(602)	(600)
Excess tax benefits from share based payment arrangements	30	24
Repurchases of common stock	(320)	(139)
Cash dividends paid	(363)	(322)
Net cash used for financing activities	(48)	(58)
Effect of foreign exchange rate changes on cash and cash equivalents	(45)	(67)
Net increase (decrease) in cash and cash equivalents	250	(95)
Cash and cash equivalents at beginning of period	6,422	4,634
Cash and cash equivalents at end of period	\$ 6,672	\$ 4,539

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

**Honeywell International Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**(Dollars in millions, except per share amounts)**

**Note 1. Basis of Presentation**

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of Honeywell International Inc. and its consolidated subsidiaries (the "Company") at March 31, 2014 and the results of operations for the three months ended March 31, 2014 and 2013 and cash flows for the three months ended March 31, 2014 and 2013. The results of operations for the three months ended March 31, 2014 should not necessarily be taken as indicative of the results of operations that may be expected for the entire year. We have evaluated subsequent events through the date of issuance of our consolidated financial statements.

We report our quarterly financial information using a calendar convention; that is, the first, second and third quarters are consistently reported as ending on March 31, June 30 and September 30, respectively. It has been our practice to establish actual quarterly closing dates using a predetermined "fiscal" calendar, which requires our businesses to close their books on a Saturday in order to minimize the potentially disruptive effects of quarterly closing on our business processes. The effects of this practice are generally not significant to reported results for any quarter and only exist within a reporting year. In the event that differences in actual closing dates are material to year-over-year comparisons of quarterly or year-to-date results, we provide appropriate disclosures. Our actual closing dates for the three months ended March 31, 2014 and 2013 were March 29, 2014 and March 30, 2013, respectively.

The financial information as of March 31, 2014 should be read in conjunction with the financial statements for the year ended December 31, 2013 contained in our Form 10-K filed on February 14, 2014.

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

**Note 2. Recent Accounting Pronouncements**

Changes to accounting principles generally accepted in the United States of America (U.S. GAAP) are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASU's) to the FASB's Accounting Standards Codification.

The Company considers the applicability and impact of all ASU's. ASU's not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial position or results of operations.

In February 2013, the FASB issued amendments to guidance for obligations resulting from joint and several liability arrangements. The amended guidance requires an entity to measure these joint and several liability arrangements as the sum of (1) the amount of the obligation within the scope of this guidance is fixed at the reporting date, as the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and (2) any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. The amendments apply retrospectively to all prior periods presented for obligations within the scope of guidance that exist at the beginning of the fiscal year of adoption. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The implementation of the amended guidance did not have a material impact on our consolidated financial position or results of operations.

In March 2013, the FASB issued amendments to address the accounting for the cumulative translation adjustment when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The amendments are effective prospectively for fiscal years, and interim reporting periods within

**Honeywell International Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**(Dollars in millions, except per share amounts)**

those years, beginning after December 15, 2013. The initial adoption had no impact on our consolidated financial position and results of operations.

In July 2013, the FASB issued amendments to guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The amendments require entities to present an unrecognized tax benefit netted against certain deferred tax assets when specific requirements are met. However, the amendments only affect gross versus net presentation and do not impact the calculation of the unrecognized tax benefit. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The implementation of the amended guidance did not have a material impact on our consolidated financial position.

In April 2014, the FASB issued amendments to guidance for reporting discontinued operations and disposals of components of an entity. The amended guidance requires that a disposal representing a strategic shift that has (or will have) a major effect on an entity's financial results or a business activity classified as held for sale should be reported as discontinued operations. The amendments also expand the disclosure requirements for discontinued operations and add new disclosures for individually significant dispositions that do not qualify as discontinued operations. The amendments are effective prospectively for fiscal years, and interim reporting periods within those years, beginning after December 15, 2014 (early adoption is permitted only for disposals that have not been previously reported). The implementation of the amended guidance is not expected to have a material impact on our consolidated financial position or results of operations.

**Note 3. Divestiture**

In January 2014, the Company entered into a definitive agreement to sell its Friction Materials business to Federal Mogul Corporation for approximately \$155 million. The transaction, subject to required regulatory approvals and applicable information and consultation requirements, is expected to close in the second half of 2014. The Company recognized a pre-tax and after-tax loss of approximately \$30 million (of which \$2 million was recognized in the first quarter of 2014). The sale of Friction Materials, which has been part of the Transportation Systems segment, is consistent with the Company's strategic focus on its portfolio of differentiated global technologies.

**Note 4. Repositioning and Other Charges**

A summary of repositioning and other charges follows:

	Three Months Ended	
	March 31,	
	2014	2013
Severance	\$ 71	\$ 38
Asset impairments	9	-
Exit costs	8	2
Adjustments	(6)	(7)
Total net repositioning charge	82	33
Asbestos related litigation charges, net of insurance	48	41
Probable and reasonably estimable environmental liabilities	82	54
Other	2	-
Total net repositioning and other charges	\$ 214	\$ 128

**Honeywell International Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**(Dollars in millions, except per share amounts)**

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

	Three Months Ended March 31,	
	2014	2013
Cost of products and services sold	\$ 191	\$ 108
Selling, general and administrative expenses	23	20
	<u>\$ 214</u>	<u>\$ 128</u>

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

	Three Months Ended March 31,	
	2014	2013
Aerospace	\$ 1	\$ 22
Automation and Control Solutions	52	9
Performance Materials and Technologies	8	(1)
Transportation Systems	75	40
Corporate	78	58
	<u>\$ 214</u>	<u>\$ 128</u>

In the quarter ended March 31, 2014, we recognized repositioning charges totaling \$88 million including severance costs of \$71 million related to workforce reductions of 1,520 manufacturing and administrative positions across all of our segments. The workforce reductions were primarily related to cost savings actions taken in connection with our productivity and ongoing functional transformation initiatives, factory transitions in our Automation and Control Solutions segment to more cost-effective locations, site consolidations and organizational realignments of businesses in our Automation and Control Solutions segment. The repositioning charge includes asset impairments of \$9 million primarily related to manufacturing plant and equipment associated with site consolidations and factory transitions. The repositioning charge also includes exit costs of \$8 million primarily related to closure obligations and costs for early termination of lease contracts associated with site consolidations and factory transitions. Also, \$6 million of previously established accruals for severance in our Automation and Control Solutions segment were returned to income in the quarter ended March 31, 2014 due mainly to fewer employee severance actions caused by higher attrition than originally associated with prior severance programs.

In the quarter ended March 31, 2013, we recognized repositioning charges totaling \$40 million primarily for severance costs related to workforce reductions of 647 manufacturing and administrative positions mainly in our Aerospace and Automation and Control Solutions segments. The workforce reductions were primarily related to cost savings actions taken in connection with our productivity and ongoing functional transformation initiatives. Also, \$7 million of previously established accruals in our Performance Materials and Technologies and Automation and Control Solutions segments were returned to income in the quarter ended March 31, 2013 due primarily to lower than expected costs in completing the exit of a product line.

**Honeywell International Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**(Dollars in millions, except per share amounts)**

The following table summarizes the status of our total repositioning reserves:

	<u>Severance Costs</u>	<u>Asset Impairments</u>	<u>Exit Costs</u>	<u>Total</u>
December 31, 2013	\$ 302	\$ -	\$ 45	\$ 347
Charges	71	9	8	88
Usage - cash	(29)	-	(8)	(37)
Usage - noncash	-	(9)	-	(9)
Foreign currency translation	(1)	-	2	1
Adjustments	(6)	-	-	(6)
March 31, 2014	<u>\$ 337</u>	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ 384</u>

Certain repositioning projects in our Aerospace, Automation and Control Solutions and Transportation Systems segments included exit or disposal activities, the costs related to which will be recognized in future periods when the actual liability is incurred. The nature of these exit or disposal costs includes asset set-up and moving, product recertification and requalification, and employee retention, training and travel. The following table summarizes by segment, expected, incurred and remaining exit and disposal costs related to 2011 repositioning actions which we were not able to recognize at the time the actions were initiated. The exit and disposal costs related to the repositioning actions in 2014, 2013 and 2012 which we were not able to recognize at the time the actions were initiated were not significant.

<u>2011 Repositioning Actions</u>	<u>Aerospace</u>	<u>Automation and Control Solutions</u>	<u>Transportation Systems</u>	<u>Total</u>
Expected exit and disposal costs	\$ 15	\$ 12	\$ 7	\$ 34
Costs incurred during:				
Year ended December 31, 2011	(1)	-	-	(1)
Year ended December 31, 2012	(2)	(3)	(1)	(6)
Year ended December 31, 2013	(2)	(4)	(2)	(8)
Current year-to-date	-	-	(1)	(1)
Remaining exit and disposal costs at March 31, 2014	<u>\$ 10</u>	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ 18</u>

In the quarter ended March 31, 2014, we recognized a charge of \$82 million for environmental liabilities deemed probable and reasonably estimable in the quarter. We also recognized a charge of \$48 million primarily representing an update to our estimated liability for the resolution of Bendix-related asbestos claims as of March 31, 2014, net of probable insurance recoveries. We also recognized other charges of \$2 million in connection with the potential resolution of a legal matter. Environmental and Asbestos matters are discussed in detail in Note 17, Commitments and Contingencies.

In the quarter ended March 31, 2013, we recognized a charge of \$54 million for environmental liabilities deemed probable and reasonably estimable in the quarter. We also recognized a charge of \$41 million primarily representing an update to our estimated liability for the resolution of Bendix-related asbestos claims as of March 31, 2013, net of probable insurance recoveries.

**Honeywell International Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**(Dollars in millions, except per share amounts)**

**Note 5. Other (Income) Expense**

	Three Months Ended March 31,	
	2014	2013
Equity income of affiliated companies	\$ (6)	\$ (9)
Gain on sale of available for sale investments	(105)	-
Interest income	(22)	(17)
Foreign exchange	14	2
Other, net	2	(4)
	<u>\$ (117)</u>	<u>\$ (28)</u>

Gain on sale of available for sale investments for the three months ended March 31, 2014 is due to \$105 million of realized gain related to the sale of marketable equity securities. These securities (B/E Aerospace common stock), designated as available for sale, were obtained in conjunction with the sale of the Consumables Solutions business in July 2008. See Note 11, Financial Instruments and Fair Value Measures for further details.

**Note 6. Earnings Per Share**

The details of the earnings per share calculations for the three months ended March 31, 2014 and 2013 are as follows:

	Three Months Ended March 31,	
	2014	2013
<b>Basic</b>		
Net income attributable to Honeywell	\$ 1,017	\$ 966
Weighted average shares outstanding	784.9	785.8
Earnings per share of common stock	<u>\$ 1.30</u>	<u>\$ 1.23</u>
<b>Assuming Dilution</b>		
Net income attributable to Honeywell	\$ 1,017	\$ 966
<b>Average Shares</b>		
Weighted average shares outstanding	784.9	785.8
Dilutive securities issuable - stock plans	11.5	11.3
Total weighted average shares outstanding	<u>796.4</u>	<u>797.1</u>
Earnings per share of common stock	<u>\$ 1.28</u>	<u>\$ 1.21</u>

The diluted earnings per share calculations exclude the effect of stock options when the options' assumed proceeds exceed the average market price of the common shares during the period. For the three months ended March 31, 2014 and 2013, the weighted average number of stock options excluded from the computations were 2.0 million and 2.7 million, respectively. These stock options were outstanding at the end of each of the respective periods.

**Honeywell International Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**(Dollars in millions, except per share amounts)**

**Note 7. Accounts, Notes and Other Receivables**

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Trade	\$ 7,732	\$ 7,530
Other	598	646
	<u>8,330</u>	<u>8,176</u>
Less: Allowance for doubtful accounts	(249)	(247)
	<u>\$ 8,081</u>	<u>\$ 7,929</u>

Trade receivables include \$1,679 and \$1,609 million of unbilled balances under long-term contracts as of March 31, 2014 and December 31, 2013, respectively. These amounts are billed in accordance with the terms of customer contracts to which they relate.

**Note 8. Inventories**

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
Raw materials	\$ 1,173	\$ 1,121
Work in process	853	841
Finished products	2,547	2,497
	<u>4,573</u>	<u>4,459</u>
Reduction to LIFO cost basis	(166)	(166)
	<u>\$ 4,407</u>	<u>\$ 4,293</u>

**Note 9. Goodwill and Other Intangible Assets - Net**

The change in the carrying amount of goodwill for the three months ended March 31, 2014 by segment is as follows:

	<u>December 31, 2013</u>	<u>Acquisitions</u>	<u>Currency Translation Adjustment</u>	<u>March 31, 2014</u>
Aerospace	\$ 2,076	\$ -	\$ 2	\$ 2,078
Automation and Control Solutions	8,949	(8)	(11)	8,930
Performance Materials and Technologies	1,824	-	(1)	1,823
Transportation Systems	197	-	-	197
	<u>\$ 13,046</u>	<u>\$ (8)</u>	<u>\$ (10)</u>	<u>\$ 13,028</u>

**Honeywell International Inc.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**(\$Dollars in millions, except per share amounts)**

	March 31, 2014			December 31, 2013		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Determinable life intangibles:</b>						
Patents and technology	\$ 1,439	\$ (959)	\$ 480	\$ 1,438	\$ (935)	\$ 503
Customer relationships	1,906	(783)	1,123	1,904	(749)	1,155
Trademarks	194	(122)	72	194	(118)	76
Other	296	(247)	49	294	(234)	60
	<u>3,835</u>	<u>(2,111)</u>	<u>1,724</u>	<u>3,830</u>	<u>(2,036)</u>	<u>1,794</u>
<b>Indefinite life intangibles:</b>						
Trademarks	721	-	721	720	-	720
	<u>\$ 4,556</u>	<u>\$ (2,111)</u>	<u>\$ 2,445</u>	<u>\$ 4,550</u>	<u>\$ (2,036)</u>	<u>\$ 2,514</u>

Amortization expense related to intangible assets was \$70 million and \$82 million for the three months ended March 31, 2014 and 2013, respectively.

We completed our annual impairment testing of goodwill and indefinite-lived intangibles as of March 31, 2014 and determined that there was no impairment as of that date.

**Note 10. Long-term Debt and Credit Agreements**

	March 31, 2014	December 31, 2013
3.875% notes due 2014	\$ -	\$ 600
Floating rate notes due 2015	700	700
5.40% notes due 2016	400	400
5.30% notes due 2017	400	400
5.30% notes due 2018	900	900
5.00% notes due 2019	900	900
4.25% notes due 2021	800	800
3.35% notes due 2023	300	300
5.70% notes due 2036	550	550
5.70% notes due 2037	600	600
5.375% notes due 2041	600	600
Industrial development bond obligations, floating rate maturing at various dates through 2037	34	35
6.625% debentures due 2028	216	216
9.065% debentures due 2033	51	51
Other (including capitalized leases), 0.6%-13.3% maturing at various dates through 2023	418	381
	<u>6,869</u>	<u>7,433</u>
Less: current portion	(65)	(632)
	<u>\$ 6,804</u>	<u>\$ 6,801</u>

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The schedule of principal payments on long-term debt is as follows:

	<b>March 31, 2014</b>
2014	\$ 30
2015	872
2016	481
2017	442
2018	901
Thereafter	4,143
	<u>6,869</u>
Less: current portion	(65)
	<u>\$ 6,804</u>

In February 2014, the Company repaid its \$600 million of 3.875 percent notes. The repayment was funded with the issuance of commercial paper.

Our trade accounts receivable program which enabled us to sell interests in designated pools of trade accounts receivables to third parties was terminated in March 2014. None of the receivables in the designated pools had been sold to third parties as of December 31, 2013 or through the termination date of the program.

**Note 11. Financial Instruments and Fair Value Measures**

**Credit and Market Risk**—Financial instruments, including derivatives, expose us to counterparty credit risk for nonperformance and to market risk related to changes in interest and currency exchange rates and commodity prices. We manage our exposure to counterparty credit risk through specific minimum credit standards, diversification of counterparties, and procedures to monitor concentrations of credit risk. Our counterparties in derivative transactions are substantial investment and commercial banks with significant experience using such derivative instruments. We monitor the impact of market risk on the fair value and cash flows of our derivative and other financial instruments considering reasonably possible changes in interest rates, currency exchange rates and commodity prices and restrict the use of derivative financial instruments to hedging activities.

We continually monitor the creditworthiness of our customers to which we grant credit terms in the normal course of business. The terms and conditions of our credit sales are designed to mitigate or eliminate concentrations of credit risk with any single customer. Our sales are not materially dependent on a single customer or a small group of customers.

**Foreign Currency Risk Management**—We conduct our business on a multinational basis in a wide variety of foreign currencies. Our exposure to market risk for changes in foreign currency exchange rates arises from international financing activities between subsidiaries, foreign currency denominated monetary assets and liabilities and transactions arising from international trade. Our objective is to preserve the economic value of non-functional currency denominated cash flows. We attempt to hedge transaction exposures with natural offsets to the fullest extent possible and, once these opportunities have been exhausted, through foreign currency exchange forward and option contracts with third parties.

We hedge monetary assets and liabilities denominated in non-functional currencies. Prior to conversion into U.S. dollars, these assets and liabilities are remeasured at spot exchange rates in effect on the balance sheet date. The effects of changes in spot rates are recognized in earnings and included in Other (Income) Expense. We partially hedge forecasted sales and purchases, which predominantly occur in the next twelve months and are denominated in non-functional currencies, with currency forward contracts. Changes in the forecasted non-functional currency cash flows due to movements in exchange rates are substantially offset by changes in the fair value of the currency forward contracts designated as hedges. Market value gains and losses on these contracts

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are recognized in earnings when the hedged transaction is recognized. Open foreign currency exchange forward contracts mature predominantly in the next twelve months. At March 31, 2014 and December 31, 2013, we had contracts with notional amounts of \$6,317 million and \$7,298 million respectively, to exchange foreign currencies, principally the U.S. Dollar, Euro, Canadian Dollar, British Pound, Chinese Renminbi, Mexican Peso, Indian Rupee, Czech Koruna, Swiss Franc.

**Commodity Price Risk Management**—Our exposure to market risk for commodity prices can result in changes in our cost of production. We primarily mitigate our exposure to commodity price risk through the use of long-term, fixed-price contracts with our suppliers and formula price agreements with suppliers and customers. We also enter into forward commodity contracts with third parties designated as hedges of anticipated purchases of several commodities. Forward commodity contracts are marked-to-market, with the resulting gains and losses recognized in earnings when the hedged transaction is recognized. At March 31, 2014 and December 31, 2013, we had contracts with notional amounts of \$1 million and \$1 million, respectively, related to forward commodity agreements, principally base metals.

**Interest Rate Risk Management**—We use a combination of financial instruments, including long-term, medium-term and short-term financing, variable-rate commercial paper, and interest rate swaps to manage the interest rate mix of our total debt portfolio and related overall cost of borrowing. At March 31, 2014 and December 31, 2013, interest rate swap agreements designated as fair value hedges effectively changed \$1,100 million and \$1,700 million, respectively, of fixed rate debt at a rate of 4.00 and 3.96, respectively, to LIBOR based floating rate debt. Our interest rate swaps mature at various dates through 2023.

**Fair Value of Financial Instruments**—The FASB's accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The FASB's guidance classifies the inputs used to measure fair value into the following hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Unadjusted quoted prices in active markets for similar assets or liabilities, or Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or Inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2014 and December 31, 2013:

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	March 31, 2014	December 31, 2013
<b>Assets:</b>		
Foreign currency exchange contracts	\$ 22	\$ 20
Available for sale investments	932	826
Interest rate swap agreements	69	63
<b>Liabilities:</b>		
Foreign currency exchange contracts	\$ 19	\$ 27
Interest rate swap agreements	1	8

The foreign currency exchange contracts, interest rate swap agreements, and forward commodity contracts are valued using broker quotations, or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are classified within level 2. The Company holds investments in marketable equity securities that are designated as available for sale and are valued using quoted market prices. As such, these investments are classified within level 1. The Company also holds investments in commercial paper, certificates of deposits, and time deposits that are designated as available for sale and are valued using market transactions in over-the-counter markets. As such, these investments are classified within level 2.

The carrying value of cash and cash equivalents, trade accounts and notes receivables, payables, commercial paper and short-term borrowings contained in the Consolidated Balance Sheet approximates fair value. The following table sets forth the Company's financial assets and liabilities that were not carried at fair value:

	March 31, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets</b>				
Long-term receivables	\$ 304	\$ 298	\$ 250	\$ 245
<b>Liabilities</b>				
Long-term debt and related current maturities	\$ 6,869	\$ 7,584	\$ 7,433	\$ 8,066

The Company determined the fair value of the long-term receivables by discounting based upon the terms of the receivable and counterparty details including credit quality. As such, the fair value of these receivables is considered level 2. The Company determined the fair value of the long-term debt and related current maturities utilizing transactions in the listed markets for identical or similar liabilities. As such, the fair value of the long-term debt and related current maturities is considered level 2 as well.

At March 31, 2014 the Company had nonfinancial assets, principally property, plant and equipment, with a net book value of \$9 million which were accounted for at fair value on a nonrecurring basis. These assets were tested for impairment and based on the fair value of these assets the Company recognized losses of \$9 million in the three months ended March 31, 2014, primarily in connection with our repositioning actions (see Note 4 Repositioning and Other Charges). At March 31, 2013, the Company had nonfinancial assets with a net book value of \$4 million that were accounted for at fair value on a nonrecurring basis. Based on the fair value of these assets the Company recognized losses of \$4 million in the three months ended March 31, 2013. The Company has determined that the fair value measurements of these nonfinancial assets are level 3 in the fair value hierarchy. The Company utilizes the market, income or cost approaches or a combination of these valuation techniques for its non-recurring level 3 fair value measures. Inputs to such measures include observable market data obtained from independent sources such as broker quotes and recent market transactions for similar assets. It is the Company's policy to maximize the use of observable inputs in the measurement of fair value or non-recurring level 3 measurements. To the extent observable inputs are not available the Company utilizes unobservable inputs based upon the assumptions market participants would use in valuing the asset. Examples of utilized unobservable inputs are future cash flows, long-term growth rates and applicable discount rates.

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We enter into transactions that are subject to arrangements designed to provide for netting of offsetting obligations in the event of the insolvency or default of a counterparty. However, we have not elected to offset multiple contracts with a single counterparty, therefore the fair value of the derivative instruments in a loss position is not offset against the fair value of derivative instruments in a gain position. The derivatives utilized for risk management purposes as detailed above are included on the Consolidated Balance Sheet and impacted the Statement of Operations as follows:

Fair value of derivatives classified as assets consist of the following:

<u>Designated as a Hedge</u>	<u>Balance Sheet Classification</u>	<u>March 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Foreign currency exchange contracts	Accounts, notes, and other receivables	\$ 21	\$ 16
Interest rate swap agreements	Other assets	69	63

  

<u>Not Designated as a Hedge</u>	<u>Balance Sheet Classification</u>	<u>March 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Foreign currency exchange contracts	Accounts, notes, and other receivables	\$ 1	\$ 4

Fair value of derivatives classified as liabilities consist of the following:

<u>Designated as a Hedge</u>	<u>Balance Sheet Classification</u>	<u>March 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Foreign currency exchange contracts	Accrued liabilities	\$ 17	\$ 23
Interest rate swap agreements	Accrued liabilities	1	8

  

<u>Not Designated as a Hedge</u>	<u>Balance Sheet Classification</u>	<u>March 31,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Foreign currency exchange contracts	Accrued liabilities	\$ 2	\$ 4

Gains (losses) recognized in other comprehensive income (effective portions) consist of the following:

<u>Designated Cash Flow Hedge</u>	<u>Three Months Ended</u> <u>March 31,</u>	
	<u>2014</u>	<u>2013</u>
Foreign currency exchange contracts	\$ 12	\$ 1

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Gains (losses) reclassified from accumulated other comprehensive income to income consist of the following:

<b>Designated Cash Flow Hedge</b>	<b>Income Statement Location</b>	<b>Three Months Ended March 31,</b>	
		<b>2014</b>	<b>2013</b>
Foreign currency exchange contracts	Product sales	\$ (4)	\$ 2
	Cost of products sold	3	(3)
	Selling, general and administrative expenses	(3)	-

Ineffective portions of commodity derivative instruments designated in cash flow hedge relationships were insignificant in the three months ended March 31, 2014 and 2013 and are located in cost of products sold. Foreign currency exchange contracts in cash flow hedge relationships qualify as critical matched terms hedge relationships and as a result have no ineffectiveness.

Interest rate swap agreements are designated as hedge relationships with gains or losses on the derivative recognized in Interest and other financial charges offsetting the gains and losses on the underlying debt being hedged. For the three months ended March 31, 2014 and 2013, we recognized \$13 million of gains and \$14 million of losses, respectively, in earnings on interest rate swap agreements. Gains and losses are fully offset by losses and gains on the underlying debt being hedged.

We also economically hedge our exposure to changes in foreign exchange rates principally with forward contracts. These contracts are marked-to-market with the resulting gains and losses recognized in earnings offsetting the gains and losses on the non-functional currency denominated monetary assets and liabilities being hedged. We recognized \$57 million of income and \$46 million of expense, in Other (Income) Expense for the three months ended March 31, 2014 and 2013, respectively. See Note 5 Other (Income) Expense for further details of the net impact of these economic foreign currency hedges.

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**Note 12. Accumulated Other Comprehensive Income (Loss)**

**Changes in Accumulated Other Comprehensive Income by Component**

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Effective Cash Flow Hedges	Total
Balance at December 31, 2013	\$ 304	\$ 355	\$ 170	\$ (11)	\$ 818
Other comprehensive income (loss) before reclassifications	(5)	-	(11)	9	(7)
Amounts reclassified from accumulated other comprehensive income	-	4	(71)	4	(63)
Net current period other comprehensive income (loss)	(5)	4	(82)	13	(70)
Balance at March 31, 2014	<u>\$ 299</u>	<u>\$ 359</u>	<u>\$ 88</u>	<u>\$ 2</u>	<u>\$ 748</u>

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Effective Cash Flow Hedges	Total
Balance at December 31, 2012	\$ 356	\$ (1,848)	\$ 157	\$ (4)	\$ (1,339)
Other comprehensive income (loss) before reclassifications	(381)	-	54	-	(327)
Amounts reclassified from accumulated other comprehensive income	-	9	-	1	10
Net current period other comprehensive income (loss)	(381)	9	54	1	(317)
Balance at March 31, 2013	<u>\$ (25)</u>	<u>\$ (1,839)</u>	<u>\$ 211</u>	<u>\$ (3)</u>	<u>\$ (1,656)</u>

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**Reclassifications Out of Accumulated Other Comprehensive Income**

Three Months Ended March 31, 2014  
Affected Line in the Consolidated Statement of Operations

	Product Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Total
<b>Amortization of Pension and Other Postretirement Items:</b>						
Actuarial losses recognized	\$ -	\$ 4	\$ 1	\$ 1	-	\$ 6
Prior service cost recognized	-	1	-	-	-	1
<b>(Gains) Losses on Cash Flow Hedges:</b>						
Foreign currency exchange contracts	4	(3)	-	3	-	4
<b>Unrealized Gains on Available for Sale Investments:</b>						
Reclassification adjustment for gains included in net income	-	-	-	-	(105)	(105)
Total before tax	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 4</u>	<u>(105)</u>	<u>\$ (94)</u>
Tax expense						31
Total reclassifications for the period, net of tax						<u>\$ (63)</u>

Three Months Ended March 31, 2013  
Affected Line in the Consolidated Statement of Operations

	Product Sales	Cost of Products Sold	Cost of Services Sold	Selling, General and Administrative Expenses	Other (Income) Expense	Total
<b>Amortization of Pension and Other Postretirement Items:</b>						
Actuarial losses recognized	\$ -	\$ 7	\$ 1	\$ 2	-	\$ 10
Prior service cost recognized	-	2	1	1	-	4
<b>(Gains) Losses on Cash Flow Hedges:</b>						
Foreign currency exchange contracts	(2)	3	-	-	-	1
Total before tax	<u>\$ (2)</u>	<u>\$ 12</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>-</u>	<u>\$ 15</u>
Tax expense						(5)
Total reclassifications for the period, net of tax						<u>\$ 10</u>

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**Note 13. Noncontrolling Interest**

Changes in noncontrolling interest consist of the following:

	Three Months Ended March 31,	
	2014	2013
Balance beginning of period, December 31	\$ 112	\$ 90
Comprehensive income (loss) attributable to the noncontrolling interest	8	(2)
Dividends paid	(4)	-
Other owner changes	-	3
Balance end of period	<u>\$ 116</u>	<u>91</u>

In the three months ended March 31, 2014, there were no increases or decreases to Honeywell additional paid in capital for purchases or sales of existing noncontrolling interests.

In the three months ended March 31, 2013, there was a \$1 million decrease to Honeywell additional paid in capital for sales of existing noncontrolling interests.

**Note 14. Redeemable Noncontrolling Interest**

On October 22, 2012, the Company acquired a 70 percent controlling interest in Thomas Russell Co. During the calendar year 2016, Honeywell has the right to acquire and the noncontrolling shareholder has the right to sell to Honeywell the remaining 30 percent interest at a price based on a multiple of Thomas Russell Co.'s average annual operating income from 2013 to 2015, subject to a predetermined cap and floor. Additionally, Honeywell has the right to acquire the remaining 30 percent interest for a fixed price equivalent to the cap at any time on or before December 31, 2015. Noncontrolling interests with redemption features, such as the arrangement described above, that are not solely within the Company's control are considered redeemable noncontrolling interests. Redeemable noncontrolling interest is considered temporary equity and is therefore reported outside of permanent equity on the Company's Consolidated Balance Sheet at the greater of the initial carrying amount adjusted for the noncontrolling interest's share of net income (loss) or its redemption value. The Company accretes changes in the redemption value over the period from the date of acquisition to the date that the redemption feature becomes puttable. The Company will reflect redemption value adjustments in the earnings per share calculation if redemption value is in excess of the fair value of the noncontrolling interest.

The rollforward of redeemable noncontrolling interest is as follows:

	Three Months Ended March 31,	
	2014	2013
Balance beginning of period, December 31	\$ 167	150
Net income	11	5
Distributions	(7)	(7)
Adjustments to redemption value	5	1
Other	-	3
Balance end of period, March 31	<u>\$ 176</u>	<u>152</u>

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**Note 15. Segment Financial Data**

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

	Three Months Ended	
	March 31,	
	2014	2013
<b>Net Sales</b>		
Aerospace		
Products	\$ 1,699	\$ 1,706
Services	1,159	1,205
Total	<u>2,858</u>	<u>2,911</u>
Automation and Control Solutions		
Products	3,517	3,239
Services	557	547
Total	<u>4,074</u>	<u>3,786</u>
Performance Materials and Technologies		
Products	1,636	1,615
Services	118	102
Total	<u>1,754</u>	<u>1,717</u>
Transportation Systems		
Products	993	914
Services	-	-
Total	<u>993</u>	<u>914</u>
	<u>\$ 9,679</u>	<u>\$ 9,328</u>
<b>Segment Profit</b>		
Aerospace	\$ 549	\$ 551
Automation and Control Solutions	580	523
Performance Materials and Technologies	364	374
Transportation Systems	154	111
Corporate	(51)	(51)
Total segment profit	<u>1,596</u>	<u>1,508</u>
Other income (expense) <sup>(a)</sup>	111	19
Interest and other financial charges	(79)	(84)
Stock compensation expense <sup>(b)</sup>	(52)	(54)
Pension ongoing income <sup>(b)</sup>	61	21
Other postretirement expense <sup>(b)</sup>	(12)	(22)
Repositioning and other charges <sup>(b)</sup>	(214)	(128)
Income before taxes	<u>\$ 1,411</u>	<u>\$ 1,260</u>

(a) Equity income (loss) of affiliated companies is included in segment profit.

(b) Amounts included in cost of products and services sold and selling, general and administrative expenses.

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**Note 16. Pension and Other Postretirement Benefits**

Net periodic pension and other postretirement benefits costs for our significant defined benefit plans include the following components:

**Pension Benefits**

	Three Months Ended			
	U.S. Plans		Non-U.S. Plans	
	March 31,		March 31,	
	2014	2013	2014	2013
Service cost	\$ 60	\$ 68	\$ 14	\$ 14
Interest cost	193	168	58	54
Expected return on plan assets	(314)	(268)	(89)	(77)
Amortization of prior service cost (credit)	6	6	-	(1)
	<u>\$ (55)</u>	<u>\$ (26)</u>	<u>\$ (17)</u>	<u>\$ (10)</u>

**Other Postretirement Benefits**

	Three Months Ended	
	March 31,	
	2014	2013
Service cost	\$ -	\$ -
Interest cost	10	12
Amortization of prior service (credit)	(5)	(1)
Recognition of actuarial losses	6	10
	<u>\$ 11</u>	<u>\$ 21</u>

In the first quarter of 2014, Honeywell contributed \$117 million of marketable securities and \$7 million of cash to our non-U.S. pension plans.

If required, a mark to market adjustment will be recorded in the fourth quarter of 2014 in accordance with our pension accounting method as described in Note 1 to our financial statements for the year ended December 31, 2013 contained in our Form 10-K filed on February 14, 2014.

**Note 17. Commitments and Contingencies**

**Environmental Matters**

We are subject to various federal, state, local and foreign government requirements relating to the protection of the environment. We believe that, as a general matter, our policies, practices and procedures are properly designed to prevent unreasonable risk of environmental damage and personal injury and that our handling, manufacture, use and disposal of hazardous substances are in accordance with environmental and safety laws and regulations. However, mainly because of past operations and operations of predecessor companies, we, like other companies engaged in similar businesses, have incurred remedial response and voluntary cleanup costs for site contamination and are a party to lawsuits and claims associated with environmental and safety matters, including past production of products containing hazardous substances. Additional lawsuits, claims and costs involving environmental matters are likely to continue to arise in the future.

With respect to environmental matters involving site contamination, we continually conduct studies, individually or jointly with other potentially responsible parties, to determine the feasibility of various remedial

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techniques. It is our policy to record appropriate liabilities for environmental matters when remedial efforts or damage claim payments are probable and the costs can be reasonably estimated. Such liabilities are based on our best estimate of the undiscounted future costs required to complete the remedial work. The recorded liabilities are adjusted periodically as remediation efforts progress or as additional technical, regulatory or legal information becomes available. Given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of other potentially responsible parties, technology and information related to individual sites, we do not believe it is possible to develop an estimate of the range of reasonably possible environmental loss in excess of our recorded liabilities. We expect to fund expenditures for these matters from operating cash flow. The timing of cash expenditures depends on a number of factors, including the timing of remedial investigations and feasibility studies, the timing of litigation and settlements of remediation liability, personal injury and property damage claims, regulatory approval of cleanup projects, remedial techniques to be utilized and agreements with other parties.

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

December 31, 2013	\$	643
Accruals for environmental matters deemed probable and reasonably estimable		82
Environmental liability payments		(56)
Other		1
March 31, 2014	<u>\$</u>	<u>670</u>

Environmental liabilities are included in the following balance sheet accounts:

	March 31, 2014	December 31, 2013
Accrued liabilities	\$ 305	\$ 304
Other liabilities	365	339
	<u>\$ 670</u>	<u>\$ 643</u>

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

**New Jersey Chrome Sites**—The excavation and offsite disposal of approximately one million tons of chromium residue present at a predecessor Honeywell site located in Jersey City, New Jersey, known as Study Area 7, was completed in January 2010. We are also implementing related groundwater remedial actions, and have conducted related river sediment work. In addition, remedial investigations and related activities are underway at other sites in Hudson County, New Jersey that allegedly have chromium contamination, and for which Honeywell has accepted responsibility in whole or in part. Provisions have been made in our financial statements for the estimated cost of investigations and implementation of these remedies consistent with the accounting policy described above. We do not believe that these matters will have a material adverse impact on our consolidated results of operations, financial position or operating cash flows.

**Onondaga Lake, Syracuse, NY**—We are implementing a combined dredging/capping remedy of Onondaga Lake pursuant to a consent decree approved by the United States District Court for the Northern District of New York in January 2007. We have accrued for our estimated cost of remediating Onondaga Lake based on currently available information and analysis performed by our engineering consultants. Honeywell is also conducting remedial investigations and activities at other sites in Syracuse. We have recorded reserves for

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these investigations and activities where appropriate, consistent with the accounting policy described above.

Honeywell has entered into a cooperative agreement with potential natural resource trustees to assess alleged natural resource damages relating to this site. It is not possible to predict the outcome or duration of this assessment, or the amounts of, or responsibility for, any damages.

**Asbestos Matters**

Like many other industrial companies, Honeywell is a defendant in personal injury actions related to asbestos. We did not mine or produce asbestos, nor did we make or sell insulation products or other construction materials that have been identified as the primary cause of asbestos related disease in the vast majority of claimants.

Honeywell's predecessors owned North American Refractories Company (NARCO) from 1979 to 1986. NARCO produced refractory products (bricks and cement used in high temperature applications). We sold the NARCO business in 1986 and agreed to indemnify NARCO with respect to personal injury claims for products that had been discontinued prior to the sale (as defined in the sale agreement). NARCO retained all liability for all other claims. NARCO and/or Honeywell are defendants in asbestos personal injury cases asserting claims based upon alleged exposure to NARCO asbestos-containing products. Claimants consist largely of individuals who allege exposure to NARCO asbestos-containing refractory products in an occupational setting. These claims, and the filing of subsequent claims, were stayed continuously since January 4, 2002, the date on which NARCO sought bankruptcy protection (see discussion below).

Honeywell's Bendix friction materials (Bendix) business manufactured automotive brake parts that contained chrysotile asbestos in an encapsulated form. Claimants consist largely of individuals who allege exposure to asbestos from brakes from either performing or being in the vicinity of individuals who performed brake replacements.

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

**Asbestos Related Liabilities**

	<u>Bendix</u>	<u>NARCO</u>	<u>Total</u>
December 31, 2013	\$ 656	\$ 955	\$ 1,611
Accrual for update to estimated liability	62	1	63
Asbestos related liability payments	(50)	(7)	(57)
March 31, 2014	<u>\$ 668</u>	<u>\$ 949</u>	<u>\$ 1,617</u>

**Insurance Recoveries for Asbestos Related Liabilities**

	<u>Bendix</u>	<u>NARCO</u>	<u>Total</u>
December 31, 2013	\$ 141	\$ 531	\$ 672
Probable insurance recoveries related to estimated liability	7	-	7
Insurance receivables settlements	2	7	9
Insurance receipts for asbestos related liabilities	(4)	(21)	(25)
Other	-	(2)	(2)
March 31, 2014	<u>\$ 146</u>	<u>\$ 515</u>	<u>\$ 661</u>

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

	March 31, 2014	December 31, 2013
Other current assets	\$ 77	\$ 77
Insurance recoveries for asbestos related liabilities	584	595
	<u>\$ 661</u>	<u>\$ 672</u>
Accrued liabilities	\$ 461	\$ 461
Asbestos related liabilities	1,156	1,150
	<u>\$ 1,617</u>	<u>\$ 1,611</u>

**NARCO Products** – On January 4, 2002, NARCO filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. In connection with the filing of NARCO’s petition in 2002, the U.S. Bankruptcy Court for the Western District of Pennsylvania (“the Bankruptcy Court”) issued an injunction staying the prosecution of NARCO-related asbestos claims against the Company, which stayed in place throughout NARCO’s Chapter 11 case. In November 2007, the Bankruptcy Court confirmed NARCO’s Third Amended Plan of Reorganization (NARCO Plan of Reorganization) and it became fully effective on April 30, 2013.

In connection with implementation of the NARCO Plan of Reorganization, a federally authorized 524(g) trust (“NARCO Trust”) was established for the evaluation and resolution of all existing and future NARCO asbestos claims. Both Honeywell and NARCO are protected by a permanent channeling injunction barring all present and future individual actions in state or federal courts and requiring all asbestos related claims based on exposure to NARCO products to be made against the NARCO Trust. The NARCO Trust will review submitted claims and determine award amounts in accordance with established Trust Distribution Procedures approved by the Bankruptcy Court which set forth all criteria claimants must meet to qualify for compensation including, among other things, exposure and medical criteria that determine the award amount. In addition, Honeywell will continue to provide input to the detailed controls design of the NARCO Trust, and has on-going audit rights to review and monitor claims processor’s adherence to the established requirements of the Trust Distribution Procedures and as a means of detecting and deterring irregularities in claims.

In connection with NARCO’s bankruptcy filing, Honeywell agreed to certain obligations which were triggered upon the effective date of the NARCO Plan of Reorganization. As agreed, during the second quarter of 2013, we provided NARCO with \$17 million in financing and simultaneously forgave such indebtedness. We also paid \$40 million to NARCO’s former parent company and \$16 million to certain asbestos claimants whose claims were fully resolved during the pendency of the NARCO bankruptcy proceedings.

Honeywell is obligated to fund NARCO asbestos claims submitted to the trust which qualify for payment under the Trust Distribution Procedures, subject to annual caps of \$140 million in the years 2014 through 2018 and \$145 million for each year thereafter, provided, however, that the first \$100 million of claims processed through the NARCO Trust (the “Initial Claims Amount”) will not count against the first year annual cap and any unused portion of the Initial Claims Amount will roll over to subsequent years until fully utilized.

Honeywell will also be responsible for the following funding obligations which are not subject to the annual cap described above: a) previously approved payments due to claimants pursuant to settlement agreements reached during the pendency of the NARCO bankruptcy proceedings which provide that a portion of these settlements is to be paid by the NARCO Trust, which amounts are estimated at \$130 million and are expected to be paid during the first year of trust operations (\$91 million of which was paid in 2013 and \$6 million of which was paid in the first quarter of 2014 with an additional \$10 million of which has been approved and will be paid in the second quarter of 2014) and, b) payments due to claimants pursuant to settlement agreements

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reached during the pendency of the NARCO bankruptcy proceedings that provide for the right to submit claims to the NARCO Trust subject to qualification under the terms of the settlement agreements and Trust Distribution Procedures criteria, which amounts are estimated at \$150 million and are expected to be paid during the first two years of trust operations.

Our consolidated financial statements reflect an estimated liability for the amounts discussed above, unsettled claims pending as of the time NARCO filed for bankruptcy protection and for the estimated value of future NARCO asbestos claims expected to be asserted against the NARCO Trust through 2018. In light of the uncertainties inherent in making long-term projections and in connection with the initial operation of a 524(g) trust, as well as the stay of all NARCO asbestos claims which remained in place throughout NARCO's Chapter 11 case, we do not believe that we have a reasonable basis for estimating NARCO asbestos claims beyond 2018. In the absence of actual trust experience on which to base the estimate, Honeywell projected the probable value, including trust claim handling costs, of asbestos related future liabilities based on Company specific and general asbestos claims filing rates, expected rates of disease and anticipated claim values. Specifically, the valuation methodology included an analysis of the population likely to have been exposed to asbestos containing products, epidemiological studies estimating the number of people likely to develop asbestos related diseases, NARCO asbestos claims filing history, general asbestos claims filing rates in the tort system and in certain operating asbestos trusts, and the claims experience in those forums, the pending inventory of NARCO asbestos claims, disease criteria and payment values contained in the Trust Distribution Procedures and an estimated approval rate of claims submitted to the NARCO Trust. This methodology used to estimate the liability for future claims has been commonly accepted by numerous bankruptcy courts addressing 524(g) trusts and resulted in a range of estimated liability of \$743 million to \$961 million. We believe that no amount within this range is a better estimate than any other amount and accordingly, we have recorded the minimum amount in the range.

Our insurance receivable corresponding to the estimated liability for pending and future NARCO asbestos claims reflects coverage which reimburses Honeywell for portions of NARCO-related indemnity and defense costs and is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. We conduct analyses to determine the amount of insurance that we estimate is probable of recovery in relation to payment of current and estimated future claims. While the substantial majority of our insurance carriers are solvent, some of our individual carriers are insolvent, which has been considered in our analysis of probable recoveries. We made judgments concerning insurance coverage that we believe are reasonable and consistent with our historical dealings and our knowledge of any pertinent solvency issues surrounding insurers.

Projecting future events is subject to many uncertainties that could cause the NARCO-related asbestos liabilities or assets to be higher or lower than those projected and recorded. There is no assurance that insurance recoveries will be timely or whether there will be any NARCO-related asbestos claims beyond 2018. Given the inherent uncertainty in predicting future events, we review our estimates periodically, and update them based on our experience and other relevant factors. Similarly, we will reevaluate our projections concerning our probable insurance recoveries in light of any changes to the projected liability or other developments that may impact insurance recoveries.

**Friction Products**—The following tables present information regarding Bendix related asbestos claims activity:

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<u>Claims Activity</u>	Three Months Ended	Year Ended	
	March 31,	December 31,	
	2014	2013	2012
Claims Unresolved at the beginning of period	12,302	23,141	22,571
Claims Filed during the period	1,049	4,527	3,920
Claims Resolved during the period <sup>(a)</sup>	(467)	(15,366)	(3,350)
Claims Unresolved at the end of period	<u>12,884</u>	<u>12,302</u>	<u>23,141</u>

(a) Claims resolved in the year ended December 31, 2013 included significantly aged (i.e., pending for more than six years) claims totaling 12,250 of which 92% were non-malignant.

<u>Disease Distribution of Unresolved Claims</u>	March 31,	December 31,	
	2014	2013	2012
Mesothelioma and Other Cancer Claims	6,340	5,810	5,367
Nonmalignant Claims	6,544	6,492	17,774
Total Claims	<u>12,884</u>	<u>12,302</u>	<u>23,141</u>

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

	Year Ended December 31,				
	2013	2012	2011	2010	2009
	(in whole dollars)				
Malignant claims	\$ 51,000	\$ 49,000	\$ 48,000	\$ 54,000	\$ 50,000
Nonmalignant claims	\$ 850	\$ 1,400	\$ 1,000	\$ 1,300	\$ 200

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

Our consolidated financial statements reflect an estimated liability for resolution of pending (claims actually filed as of the financial statement date) and future Bendix-related asbestos claims. We have valued Bendix pending and future claims using average resolution values for the previous five years. We update the resolution values used to estimate the cost of Bendix pending and future claims during the fourth quarter each year.

The liability for future claims represents the estimated value of future asbestos related bodily injury claims expected to be asserted against Bendix over the next five years. Such estimated cost of future Bendix-related asbestos claims is based on historic claims filing experience and dismissal rates, disease classifications, and resolution values in the tort system for the previous five years. In light of the uncertainties inherent in making long-term projections, as well as certain factors unique to friction product asbestos claims, we do not believe that we have a reasonable basis for estimating asbestos claims beyond the next five years. The methodology used to estimate the liability for future claims is similar to that used to estimate the future NARCO-related asbestos claims liability.

Our insurance receivable corresponding to the liability for settlement of pending and future Bendix asbestos claims reflects coverage which is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Based on our ongoing analysis of the probable insurance recovery, insurance receivables are recorded in the financial statements simultaneous with the recording of the estimated liability for the underlying asbestos claims. This determination is based on our analysis of the underlying insurance policies, our historical experience with our

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insurers, our ongoing review of the solvency of our insurers, judicial determinations relevant to our insurance programs, and our consideration of the impacts of any settlements reached with our insurers.

On a cumulative historical basis, Honeywell has recorded insurance receivables equal to approximately 36 percent of the value of the underlying asbestos claims recorded. However, because there are gaps in our coverage due to insurance company insolvencies, certain uninsured periods, and insurance settlements, this rate is expected to decline for any future Bendix-related asbestos liabilities that may be recorded. Future recoverability rates may also be impacted by numerous other factors, such as future insurance settlements, insolvencies and judicial determinations relevant to our coverage program, which are difficult to predict. Assuming continued defense and indemnity spending at current levels, we estimate that the cumulative recoverability rate could decline over the next five years to approximately 30 percent.

Honeywell believes it has sufficient insurance coverage and reserves to cover all pending Bendix-related asbestos claims and Bendix-related asbestos claims estimated to be filed within the next five years. Although it is impossible to predict the outcome of either pending or future Bendix-related asbestos claims, we do not believe that such claims would have a material adverse effect on our consolidated financial position in light of our insurance coverage and our prior experience in resolving such claims. If the rate and types of claims filed, the average resolution value of such claims and the period of time over which claim settlements are paid (collectively, the "Variable Claims Factors") do not substantially change, Honeywell would not expect future Bendix-related asbestos claims to have a material adverse effect on our results of operations or operating cash flows in any fiscal year. No assurances can be given, however, that the Variable Claims Factors will not change.

**Other Matters**

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

***Honeywell v. United Auto Workers ("UAW") et. al***—In July 2011, Honeywell filed an action in federal court (District of New Jersey) against the UAW and all former employees who retired under a series of Master Collective Bargaining Agreements ("MCBAs") between Honeywell and the UAW. The Company is seeking a declaratory judgment that certain express limitations on its obligation to contribute toward the healthcare coverage of such retirees (the "CAPS") set forth in the MCBAs may be implemented, effective January 1, 2012. In September 2011, the UAW and certain retiree defendants filed a motion to dismiss the New Jersey action and filed suit in the Eastern District of Michigan alleging that the MCBAs do not provide for CAPS on the Company's liability for healthcare coverage. The UAW and retiree plaintiffs subsequently filed a motion for class certification and a motion for partial summary judgment in the Michigan action, seeking a ruling that retirees who retired prior to the initial inclusion of the CAPS in the 2003 MCBA are not covered by the CAPS as a matter of law. In December 2011, the New Jersey action was dismissed on forum grounds. Honeywell appealed the New Jersey court's dismissal to the United States Court of Appeals for the Third Circuit. The Third Circuit denied the appeal. Honeywell answered the UAW's complaint in Michigan and asserted counterclaims for fraudulent inducement, negligent misrepresentation and breach of implied warranty. The UAW filed a motion to dismiss these counterclaims. The court dismissed Honeywell's fraudulent inducement and negligent misrepresentation claims, but let stand the claim for breach of implied warranty. Honeywell is confident that the CAPS will be upheld and that its liability for healthcare coverage premiums with respect to the putative class will be limited as negotiated and expressly set forth in the applicable MCBAs. In the event of an adverse ruling, however, Honeywell's other postretirement benefits for pre-2003 retirees would increase by approximately \$180 million, reflecting the estimated value of these CAPS.

In December 2013, the UAW and certain of the plaintiffs filed a motion for partial summary judgment with respect to those retirees who retired after the initial inclusions of the CAPS in the 2003 MCBA. The UAW sought a

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ruling that the 2003 MCBA did not limit Honeywell's obligation to contribute to healthcare coverage for the post-2003 retirees. That motion remains pending. Honeywell is confident that the Court will find that the 2003 MCBA does, in fact, limit Honeywell's retiree healthcare obligation for post-2003 retirees. In the event of an adverse ruling, however, Honeywell's other postretirement benefits for post-2003 retirees would increase by approximately \$105 million, reflecting the estimated value of these CAPS.

**Joint Strike Fighter Investigation** - In 2013 the Company received subpoenas from the Department of Justice requesting information relating primarily to parts manufactured in the United Kingdom and China used in the F-35 fighter jet. The Company is cooperating fully with the investigation. While we believe that Honeywell has complied with all relevant U.S. laws and regulations regarding the manufacture of these sensors, it is not possible to predict the outcome of the investigation or what action, if any, may result from it.

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

**Note 18. Subsequent Events**

In April 2014, the Company announced the realignment of our Honeywell Process Solutions business from Automation and Control Solutions into Performance Materials and Technologies. Following the reorganization, the Company's four segments remained Aerospace, Automation and Control Solutions, Performance Materials and Technologies and Transportation Systems. Effective with the reporting of second quarter 2014 results, the Company will report its financial performance based on the inclusion of Honeywell Process Solutions in Performance Materials and Technologies.

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareowners  
of Honeywell International Inc.:

We have reviewed the accompanying consolidated balance sheet of Honeywell International Inc. and its subsidiaries as of March 31, 2014, and the related consolidated statements of operations and comprehensive income for the three-month periods ended March 31, 2014 and 2013 and the consolidated statement of cash flows for the three-month periods ended March 31, 2014 and 2013. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of operations, of comprehensive income, of shareowners' equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 14, 2014, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2013, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP  
Florham Park, New Jersey  
April 17, 2014

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The "Report of Independent Registered Public Accounting Firm" included above is not a "report" or "part of a Registration Statement" prepared or certified by an independent accountant within the meanings of Sections 7 and 11 of the Securities Act of 1933, and the accountants' Section 11 liability does not extend to such report.

ITEM 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)**  
(Dollars in millions, except per share amounts)

The following MD&A is intended to help the reader understand the results of operations and financial condition of Honeywell International Inc. ("Honeywell" or the "Company") for the three months ended March 31, 2014. The financial information as of March 31, 2014 should be read in conjunction with the financial statements for the year ended December 31, 2013 contained in our Form 10-K filed on February 14, 2014.

In April 2014, the Company announced the realignment of our Honeywell Process Solutions business from Automation and Control Solutions into Performance Materials and Technologies. Effective with the reporting of second quarter 2014 results, the Company will report its financial performance based on the inclusion of Honeywell Process Solutions in Performance Materials and Technologies.

**A. Results of Operations – three months ended March 31, 2014 compared with the three months ended March 31, 2013**

**Net Sales**

	<u>Three Months Ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Net sales	\$ 9,679	\$ 9,328
% change compared with prior period	4%	

The change in net sales compared to the prior year period is attributable to the following:

	<u>Three Months</u>
Volume	1%
Acquisitions/Divestitures	3%
	<u>4%</u>

A discussion of net sales by segment can be found in the Review of Business Segments section of this MD&A.

**Cost of Products and Services Sold**

	<u>Three Months Ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Cost of products and services sold	\$ 6,967	\$ 6,783
% change compared with prior period	3%	
Gross Margin percentage	28.0%	27.3%

Cost of products and services sold increased by \$184 million or 3 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 principally due to an estimated increase in direct material costs of approximately \$140 million (driven primarily by higher sales due to acquisitions) and increased repositioning and other charges of approximately \$80 million partially offset by a decrease in pension and other postretirement expenses of approximately \$35 million.

Gross margin percentage increased by 0.7 percentage points in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 primarily due to higher segment gross margin in our Aerospace, Automation and Control Solutions and Transportation Systems segments (approximately 1.0 percentage point impact collectively), decreased pension and other postretirement expense (approximately 0.4 percentage point

impact collectively) partially offset by higher repositioning and other charges (approximately 0.9 percentage point impact).

For further discussion of segment results see "Review of Business Segments".

### Selling, General and Administrative Expenses

	Three Months Ended March 31,	
	2014	2013
Selling, general and administrative expenses	\$ 1,339	\$ 1,229
Percent of sales	13.8%	13.2%

Selling, general and administrative expenses increased as a percentage of sales by 0.6 percentage points in the quarter ended March 31, 2014 compared to the quarter ended March 31, 2013 primarily driven by increased labor costs (primarily acquisitions, merit increases and investment for growth) partially offset by higher sales.

### Other (Income) Expense

	Three Months Ended March 31,	
	2014	2013
Equity income of affiliated companies	\$ (6)	\$ (9)
Gain on sale of available for sale investments	(105)	-
Interest income	(22)	(17)
Foreign exchange	14	2
Other, net	2	(4)
	<u>\$ (117)</u>	<u>\$ (28)</u>

Other Income increased by \$89 million in the quarter ended March 31, 2014 compared to the quarter ended March 31, 2013 primarily due to \$105 million of realized gain related to the sale of marketable equity securities, partially offset by higher foreign exchange expense. The securities (B/E Aerospace common stock), designated as available for sale, were obtained in conjunction with the sale of the Consumables Solutions business in July 2008.

### Interest and Other Financial Charges

	Three Months Ended March 31,	
	2014	2013
Interest and other financial charges	\$ 79	\$ 84
% change compared with prior period	(6)%	

Interest and other financial charges decreased by \$5 million in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 primarily due to lower borrowing costs, partially offset by higher debt balances.

## Tax Expense

	Three Months Ended March 31,	
	2014	2013
Tax expense	\$ 375	\$ 291
Effective tax rate	26.6%	23.1%

The effective tax rate increased by 3.5 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 mainly due to the absence of tax benefits from law changes enacted in the first quarter of 2013 partially offset by decreased tax expense for reserves in the first quarter of 2014.

The effective tax rate for the three months ending in 2014 was lower than the statutory rate of 35 percent due, in part, to foreign earnings taxed at lower rates and benefits from manufacturing incentives.

The effective tax rate for the three months ending in 2013 was lower than the statutory rate of 35 percent due, in part, to foreign earnings taxed at lower rates, benefits from manufacturing incentives and U.S. tax credits.

## Net Income Attributable to Honeywell

	Three Months Ended March 31,	
	2014	2013
Net income attributable to Honeywell	\$ 1,017	\$ 966
Earnings per share of common stock – assuming dilution	\$ 1.28	\$ 1.21

Earnings per share of common stock – assuming dilution increased by \$0.07 per share in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 primarily due to increased segment profit in our Automation and Control Solutions and Transportation Systems businesses and higher other income (as previously discussed), partially offset by higher repositioning and other charges and increased tax expense (as previously discussed).

## Review of Business Segments

	Three Months Ended March 31,	
	2014	2013
<b>Net Sales</b>		
Aerospace		
Products	\$ 1,699	\$ 1,706
Services	1,159	1,205
Total	<u>2,858</u>	<u>2,911</u>
Automation and Control Solutions		
Products	3,517	3,239
Services	557	547
Total	<u>4,074</u>	<u>3,786</u>
Performance Materials and Technologies		
Products	1,636	1,615
Services	118	102
Total	<u>1,754</u>	<u>1,717</u>
Transportation Systems		
Products	993	914
Services	-	-
Total	<u>993</u>	<u>914</u>
	<u>\$ 9,679</u>	<u>\$ 9,328</u>
<b>Segment Profit</b>		
Aerospace	\$ 549	\$ 551
Automation and Control Solutions	580	523
Performance Materials and Technologies	364	374
Transportation Systems	154	111
Corporate	(51)	(51)
Total segment profit	<u>1,596</u>	<u>1,508</u>
Other income (expense) <sup>(a)</sup>	111	19
Interest and other financial charges	(79)	(84)
Stock compensation expense <sup>(b)</sup>	(52)	(54)
Pension ongoing income <sup>(b)</sup>	61	21
Other postretirement expense <sup>(b)</sup>	(12)	(22)
Repositioning and other charges <sup>(b)</sup>	(214)	(128)
Income before taxes	<u>\$ 1,411</u>	<u>\$ 1,260</u>

(a) Equity income (loss) of affiliated companies is included in segment profit.

(b) Amounts included in cost of products and services sold and selling, general and administrative expenses.

	Three Months Ended March 31,		%
	2014	2013	
<b><u>Aerospace Sales</u></b>			
Commercial:			
Original Equipment			
Air transport and regional	\$ 440	\$ 451	(2)%
Business and general aviation	244	229	7%
Aftermarket			
Air transport and regional	717	700	2%
Business and general aviation	365	339	8%
Defense and Space	1,092	1,192	(8)%
Total Aerospace Sales	<u>2,858</u>	<u>2,911</u>	
<b><u>Automation and Control Solutions Sales</u></b>			
Energy Safety & Security	2,301	2,003	15%
Process Solutions	712	707	1%
Building Solutions & Distribution	1,061	1,076	(1)%
Total Automation and Control Solution Sales	<u>4,074</u>	<u>3,786</u>	
<b><u>Performance Materials and Technologies</u></b>			
UOP	846	775	9%
Advanced Materials	908	942	(4)%
Total Performance Materials and Technologies Sales	<u>1,754</u>	<u>1,717</u>	
<b><u>Transportation Systems Sales</u></b>			
Transportation Systems	993	914	9%
Total Transportation Systems Sales	<u>993</u>	<u>914</u>	
Net Sales	<u>\$ 9,679</u>	<u>\$ 9,328</u>	

## Aerospace

	Three Months Ended March 31,		%
	2014	2013	
Net sales	\$ 2,858	\$ 2,911	(2)%
Cost of products and service sold	2,120	2,180	
Selling, general and administrative expenses	134	126	
Other	55	54	
Segment profit	<u>\$ 549</u>	<u>\$ 551</u>	-

<u>Factors Contributing to Year-Over-Year Change</u>	2014 vs. 2013 Three Months Ended March 31,	
	Sales	Segment Profit
Organic growth/ Operational segment profit	(2)%	-
Total % Change	<u>(2)%</u>	<u>-</u>

Aerospace sales by major customer end-markets were as follows:

Customer End-Markets	Three Months Ended		
	March 31,		
	% of Aerospace Sales		% Increase/ (Decrease) in Sales
	2014	2013	
<b>Commercial Original Equipment</b>			
Air transport and regional	15%	15%	(2)%
Business and general aviation	9%	8%	7%
Commercial Original Equipment	24%	23%	1%
<b>Commercial Aftermarket</b>			
Air transport and regional	25%	24%	2%
Business and general aviation	13%	12%	8%
Commercial Aftermarket	38%	36%	4%
<b>Defense and Space</b>	38%	41%	(8)%
Total	100%	100%	(2)%

Aerospace sales decreased by 2 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 driven primarily by decreased volumes in our Defense and Space business, partially offset by favorable pricing and increased volumes in our Commercial businesses.

Details regarding the changes in sales by customer end-markets are as follows:

Commercial Original Equipment (OE) sales increased by 1 percent in the quarter ended March 31, 2014 due to the following:

- Air transport and regional OE sales decreased by 2 percent in the quarter ended March 31, 2014 primarily as a result of lower regional jet sales, partially offset by higher air transport volumes, consistent with the OE Manufacturers' (OEM) higher production rates.
- Business and general aviation OE sales increased by 7 percent in the quarter ended March 31, 2014 driven by continued strong demand in the mid to large cabin business aircraft segment.

Commercial Aftermarket sales increased by 4 percent for the quarter ended March 31, 2014 due to the following:

- Air transport and regional aftermarket sales increased by 2 percent in the quarter ended March 31, 2014 driven primarily by increased sales of spare parts, partially offset by lower repair and overhaul activities.
- Business and general aviation aftermarket sales increased by 8 percent in the quarter ended March 31, 2014 primarily due to higher spare parts sales driven by retrofit, modifications and upgrades, partially offset by lower repair and overhaul activities.

Defense and Space sales decreased by 8 percent in the quarter ended March 31, 2014 primarily as a result of U.S. government program ramp downs and delays, as well as lower government services revenue.

Aerospace segment profit was flat for the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 primarily due to favorable price and productivity, net of inflation, offset by lower Defense and Space sales, as discussed above. Cost of products and services sold totaled \$2.1 billion for the quarter ended March 31, 2014, a decrease of \$60 million primarily due to the factors discussed above (excluding price).

## Automation and Control Solutions

	Three Months Ended March 31,		
	2014	2013	% Change
Net sales	\$ 4,074	\$ 3,786	8%
Cost of products and services sold	2,648	2,501	
Selling, general and administrative expenses	765	685	
Other	81	77	
Segment profit	\$ 580	\$ 523	11%

Factors Contributing to Year-Over-Year Change	2014 vs. 2013 Three Months Ended March 31,	
	Sales	Segment Profit
	Organic growth/ Operational segment profit	2%
Acquisitions and divestitures, net	6%	4%
Total % Change	8%	11%

Automation and Control Solutions (“ACS”) sales increased by 8 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 primarily due to growth from acquisitions, net of divestitures and organic sales growth.

- Sales in Energy, Safety & Security increased by 15 percent (2 percent organic) in the quarter ended March 31, 2014 principally due to (i) acquisitions, (ii) increases in sales volumes in our Environmental and Combustion Control business driven by strong U.S. residential market conditions and new product introductions, and (iii) higher sales volumes in our Life Safety business driven by growth in all regions, partially offset by decreases in sales volumes of scanning and mobility products primarily due to the impact of several large orders nearing completion in the first quarter of 2014.
- Sales in Process Solutions increased by 1 percent (3 percent organic) in the quarter ended March 31, 2014 principally due to service and software solutions volume growth partially offset by large project completions and the unfavorable impact of foreign exchange. Project orders and backlog increased in the quarter ended March 31, 2014.
- Sales in Building Solutions & Distribution decreased by 1 percent (flat organic) in the quarter ended March 31, 2014 principally due to increased sales volumes in our Americas Distribution business partially offset by continued softness in the U.S. energy retrofit business. Building Solutions orders and backlog increased in the quarter ended March 31, 2014.

ACS segment profit increased by 11 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 due to a 7 percent increase in operational segment profit and a 4 percent increase from acquisitions. The increase in operational segment profit is primarily due to the positive impact of price and productivity, net of inflation and higher sales volumes as discussed above partially offset by continued investment for growth. Cost of products and services sold totaled \$2.6 billion for the quarter ended March 31, 2014, an increase of \$147 million which is primarily due to acquisitions, net of divestitures, inflation and higher sales volume partially offset by the favorable impact of productivity.

## Performance Materials and Technologies

	Three Months Ended		
	March 31,		
	2014	2013	Change
Net sales	\$ 1,754	\$ 1,717	2%
Cost of products and services sold	1,246	1,206	
Selling, general and administrative expenses	126	118	
Other	18	19	
Segment profit	\$ 364	\$ 374	(3)%

	2014 vs. 2013	
	Three Months Ended	
	March 31,	
	Sales	Segment Profit
<u>Factors Contributing to Year-Over-Year Change</u>		
Organic growth/ Operational segment profit	2%	(3)%
Total % Change	2%	(3)%

Performance Materials and Technologies sales increased by 2 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 due to an increase in organic sales.

- UOP sales increased by 9 percent in the quarter ended March 31, 2014 driven primarily by higher volume of catalysts and higher gas processing revenues partially offset by lower equipment, licensing and service revenues.
- Advanced Materials sales decreased by 4 percent in the quarter ended March 31, 2014 driven primarily by (i) unfavorable pricing partially offset by increased volume in Fluorine Products, and (ii) lower Specialty Products volume, partially offset by higher production volume in Resins and Chemicals. We anticipate unfavorable pricing to moderate over the remainder of the year.

Performance Materials and Technologies segment profit decreased by 3 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 primarily due to unfavorable petrochemical catalyst shipment mix, unfavorable Advanced Materials pricing (which is anticipated to moderate over the remainder of the year), and continued investment to support growth, partially offset by productivity net of inflation. Cost of products and services sold totaled \$1.2 billion for the quarter ended March 31, 2014, an increase of \$40 million which is primarily due to higher volume and continued investment in growth initiatives partially offset by productivity net of inflation.

## Transportation Systems

	Three Months Ended		
	March 31,		
	2014	2013	Change
Net sales	\$ 993	\$ 914	9%
Cost of products and services sold	783	751	
Selling, general and administrative expenses	42	39	
Other	14	13	
Segment profit	\$ 154	\$ 111	39%

Factors Contributing to Year-Over-Year Change	2014 vs. 2013	
	Three Months Ended	
	March 31,	
	Sales	Segment Profit
Organic growth/ Operational segment profit	7%	37%
Foreign exchange	2%	2%
Total % Change	9%	39%

Transportation Systems sales increased by 9 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013, driven by a 7 percent increase in organic sales and a 2 percent increase from foreign exchange. The increase in organic sales was driven by continued growth from new platform launches, higher global turbo gas penetration and light vehicle production, and increased commercial vehicle demand globally.

Transportation Systems segment profit increased by 39 percent in the quarter ended March 31, 2014 compared with the quarter ended March 31, 2013 due to a 37 percent increase in operational segment profit and a 2 percent favorable impact from foreign exchange. The increase in operational segment profit is primarily due to higher productivity (most significantly the positive impacts from material productivity as well as ongoing projects to drive operational improvement in the Friction Materials business) and increased volume, partially offset by unfavorable pricing. Cost of products and services sold totaled \$783 million in 2014, an increase of \$32 million which is primarily a result of increased volume, partially offset by increased productivity.

In January 2014, the Company entered into a definitive agreement to sell its Friction Materials business unit to Federal Mogul Corporation for approximately \$155 million. See Note 3 Divestiture of Notes to Financial Statements for further discussion.

### Repositioning and Other Charges

See Note 4 of Notes to Financial Statements for a discussion of repositioning and other charges incurred in the three months ended March 31, 2014 and 2013. Our repositioning actions are expected to generate incremental pretax savings of approximately \$150 million in 2014 compared with 2013 principally from planned workforce reductions. Cash expenditures for severance and other exit costs necessary to execute these actions were \$37 million in the three months ended March 31, 2014 and were funded through operating cash flows. Cash expenditures for severance and other exit costs necessary to execute the remaining actions are expected to be approximately \$175 million in 2014 and will be funded through operating cash flows.

### B. Liquidity and capital resources

#### Cash flow summary

Our cash flows from operating, investing and financing activities, as reflected in the Consolidated Statement of Cash Flows for the three months ended March 31, 2014 and 2013, are summarized as follows:

	2014	2013
Cash provided by (used for):		
Operating activities	\$ 688	\$ 341
Investing activities	(345)	(311)
Financing activities	(48)	(58)
Effect of exchange rate changes on cash	(45)	(67)
Net increase (decrease) in cash and cash equivalents	\$ 250	\$ (95)

Cash provided by operating activities increased by \$347 million during the three months ended March 31, 2014 compared with the three months ended March 31, 2013 primarily due to (i) a \$178 million favorable impact from working capital (driven by improved accounts payable performance, partially offset by higher inventory and receivables due to sales growth) and (ii) reduced cash contributions to our pension and other postretirement plans of \$135 million, partially offset by higher cash tax payments of approximately \$53 million.

Cash used for investing activities increased by \$34 million during the three months ended March 31, 2014 compared with the three months ended March 31, 2013 primarily due to a net \$213 million increase in investments (primarily short-term marketable securities) and an increase in expenditures for property, plant and equipment of \$44 million, partially offset by a decrease in cash paid for acquisitions of \$122 million and an increase of approximately \$94 million in settlement receipts of foreign currency exchange contracts used as economic hedges on certain non-functional currency denominated monetary assets and liabilities.

Cash used for financing activities decreased by \$10 million during the three months ended March 31, 2014 compared to the three months ended March 31, 2013 primarily due to an increase in the net proceeds from debt issuances of \$298 million, partially offset by an increase in net repurchases of common stock of \$253 million and an increase in cash dividends paid of \$41 million.

### Liquidity

The Company continues to manage its businesses to maximize operating cash flows as the primary source of liquidity. In addition to our available cash and operating cash flows, additional sources of liquidity include committed credit lines, short-term debt from the commercial paper market, long-term borrowings, as well as access to the public debt and equity markets. We continue to balance our cash and financing uses through investment in our existing core businesses, debt reduction, acquisition activity, share repurchases and dividends.

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

In February 2014, the Company repaid its \$600 million of 3.875 percent notes. The repayment was funded with the issuance of commercial paper.

Our trade accounts receivable program which enabled us to sell interests in designated pools of trade accounts receivables to third parties was terminated in March 2014. None of the receivables in the designated pools had been sold to third parties as of December 31, 2013 or through the termination date of the program.

In 2014, we are not required to make contributions to our U.S. pension plans. We plan to make contributions of cash or marketable securities of approximately \$150 million to our non-U.S. plans to satisfy regulatory funding standards. In the first quarter of 2014, we contributed \$117 million of marketable securities and \$7 million of cash to our non-U.S. plans. The timing and amount of contributions to both our U.S. and non-U.S. plans may be impacted by a number of factors, including the funded status of the plans.

During the first quarter of 2014, the Company repurchased \$320 million of outstanding shares. Under the Company's previously reported \$5 billion share repurchase program, \$4.7 billion remained available as of March 31, 2014 for additional share repurchases. Honeywell presently expects to repurchase outstanding shares from time to time to offset the dilutive impact of employee stock based compensation plans, including future option exercises, restricted unit vesting and matching contributions under our savings plans. The amount and timing of future repurchases may vary depending on market conditions and the level of operating, financing and other investing activities.

In January 2014, the Company entered into a definitive agreement to sell its Friction Materials business to Federal Mogul Corporation for approximately \$155 million. The transaction, subject to required regulatory approvals and applicable information and consultation requirements, is expected to close in the second half of 2014. See Note 3 Divestiture of Notes to Financial Statements for further discussion.

The NARCO Plan of Reorganization went into effect on April 30, 2013. In the first quarter of 2014, the Company made NARCO Trust establishment payments of \$6 million. In the second quarter of 2014, we plan to make NARCO Trust establishment payments of \$10 million. See Asbestos Matters in Note 17 Commitments and Contingencies of Notes to Financial Statements for further discussion of possible funding obligations related to the NARCO Trust.

## **C. Other Matters**

### Litigation

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See Note 17 Commitments and Contingencies of Notes to Financial Statements for further discussion of environmental, asbestos and other litigation matters.

### Critical Accounting Policies

The financial information as of March 31, 2014 should be read in conjunction with the financial statements for the year ended December 31, 2013 contained in our Form 10-K filed on February 14, 2014.

For a discussion of the Company's critical accounting policies, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K filed on February 14, 2014.

### Recent Accounting Pronouncements

See Note 2 Recent Accounting Pronouncements of Notes to Financial Statements for a discussion of recent accounting pronouncements.

### Item 3. Quantitative and Qualitative Disclosures about Market Risks

See our 2013 Annual Report on Form 10-K (Item 7A). As of March 31, 2014, there has been no material change in this information .

### Item 4. Controls and Procedures

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

## **Part II. Other Information**

### **Item 1. Legal Proceedings**

#### General Legal Matters

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See a discussion of environmental, asbestos and other litigation matters in Note 17 of Notes to Financial Statements.

#### Environmental Matters Involving Potential Monetary Sanctions in Excess of \$100,000

The U.S. Environmental Protection Agency has alleged that PreCon, Inc., a Honeywell service provider, failed to comply with certain environmental regulations at a Virginia facility. The matter has been settled for \$101,000 of which Honeywell is responsible for \$99,000.

Item 2. Changes in Securities and Use of Proceeds

Honeywell purchased 3,500,000 shares of its common stock, par value \$1 per share, in the quarter ending March 31, 2014. Under the Company's previously reported \$5 billion share repurchase program, \$4.7 billion remained available as of March 31, 2014 for additional share repurchases. Honeywell presently expects to repurchase outstanding shares from time to time during 2014 to offset the dilutive impact of employee stock based compensation plans, including future option exercises, restricted unit vesting and matching contributions under our savings plans. The amount and timing of future repurchases may vary depending on market conditions and the level of operating, financing and other investing activities.

The following table summarizes Honeywell's purchase of its common stock, par value \$1 per share, for the quarter ended March 31, 2014:

Period	Issuer Purchases of Equity Securities			
	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs (Dollars in millions)
February 2014	2,950,000	\$90.93	2,950,000	\$4,732
March 2014	550,000	\$93.98	550,000	\$4,680

Item 6. EXHIBITS

- (a) Exhibits. See the Exhibit Index on page 45 of this Quarterly Report on Form 10-Q.

## SIGNATURES

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

Honeywell International Inc.

Date: April 17, 2014

By: /s/ Adam M. Matteo  
Adam M. Matteo  
Vice President and Controller  
(on behalf of the Registrant  
and as the Registrant's  
Principal Accounting Officer)

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (incorporated by reference to Honeywell's Proxy Statement, dated March 10, 2011, filed pursuant to Rule 14a-6 of the Securities Exchange Act of 1934), and amended by Exhibit 10.36 to Honeywell's Form 10-K for the year ended December 31, 2012 and the attached amendment (filed herewith)
10.2*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Unit Agreement (filed herewith)
10.3*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Restricted Unit Agreement, Form 2 (filed herewith)
10.4*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Stock Option Award Agreement (filed herewith)
10.5*	2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates—Form of Growth Plan Agreement (filed herewith)
10.6*	Transition Agreement dated April 7, 2014 between Honeywell International Inc. and David J. Anderson (filed herewith)
10.7*	Consulting Agreement effective as of June 1, 2014 between Honeywell International Inc. and David J. Anderson (filed herewith)
10.8*	Letter Agreement dated April 7, 2014 between Honeywell International Inc. and Roger Fradin (filed herewith)
10.9*	Letter Agreement dated April 7, 2014 between Honeywell International Inc. and Andreas Kramvis (filed herewith)
10.10*	Letter Agreement dated April 7, 2014 between Honeywell International Inc. and Thomas A. Szlosek (filed herewith)
11	Computation of Per Share Earnings <sup>(1)</sup>
12	Computation of Ratio of Earnings to Fixed Charges (filed herewith)
15	Independent Accountants' Acknowledgment Letter as to the incorporation of their report relating to unaudited interim financial statements (filed herewith)
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)

101.INS XBRL Instance Document (filed herewith)  
101.SCH XBRL Taxonomy Extension Schema (filed herewith)  
101.CAL XBRL Taxonomy Extension Calculation Linkbase (filed herewith)  
101.DEF XBRL Taxonomy Extension Definition Linkbase (filed herewith)  
101.LAB XBRL Taxonomy Extension Label Linkbase (filed herewith)  
101.PRE XBRL Taxonomy Extension Presentation Linkbase (filed herewith)

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(1) Data required is provided in Note 6 to the consolidated financial statements in this report.

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

**AMENDMENT  
TO THE  
2011 STOCK INCENTIVE PLAN  
OF HONEYWELL INTERNATIONAL INC. AND ITS AFFILIATES**

Pursuant to the authority granted to the Senior Vice President of Human Resources, Procurement and Communications of Honeywell International Inc. (the "Company") by the Management Development and Compensation Committee of the Board of Directors on February 14, 2014, the 2011 Stock Incentive Plan of Honeywell International Inc. and Its Affiliates (the "Plan") is hereby amended in the following particulars for grants made after April 28, 2014:

1. Paragraph 5.3(f) of the Plan is hereby amended to add the following phrase at the end of the Paragraph:

"and provided further that no such adjustment shall be made following the occurrence of a Change in Control to a Performance Award granted to a Participant without the consent of the Participant."

2. Paragraph 5.3(g) of the Plan is hereby re-titled "No Other Rights or Changes" and amended to add the following sentence at the end of the Paragraph:

"Except as expressly provided by this Section 5.3, and without limiting the generality of Section 6.1, no change made be made to the terms of an Award granted to a Participant as a result of an event described in this Section 5.3 without the consent of the Participant."

3. Paragraph 5.4 of the Plan is hereby amended to read in its entirety as follows:

**"5.4 Change in Control.**

(a) *Treatment of Awards Generally.* Without limiting the generality of Section 5.3, the provisions of Section 5.3(c) through (g) shall apply in the event of any Change in Control, as if such Change in Control constituted an event described therein.

(b) *Acceleration of Vesting.* Except as otherwise provided in an Award Agreement, if the employment of a Participant with the Company and its Affiliates is terminated involuntarily without Cause or voluntarily by the Participant for Good Reason (as defined below) during the two-year period following a Change in Control, then:

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(x) all outstanding Awards held by such Participant will become vested and/or exercisable as of the effective date of such termination, whether or not the Awards were otherwise vested and/or exercisable, and all conditions will be waived with respect to outstanding Awards; and

(y) for all outstanding Awards that are Performance Awards, (i) if the performance period has been completed, payment of amounts determined in accordance with the terms of the Performance Award shall be made in a lump sum not later than 90 days following the effective date of such termination and (ii) otherwise, the target level of performance shall be deemed to have been achieved with respect to such Performance Award and payment of amounts determined in accordance with the terms of the Performance Award, pro rated to reflect the portion of the full performance period for such Performance Award that elapsed prior to such effective date shall be made in a lump sum not later than 90 days following such effective date.

(c) *Deferred Awards.* Notwithstanding subsection (b), but subject to Section 7.14, the Committee may permit a Participant to elect not to have payment of an Award, including the value of any related Dividend Equivalents, accelerated as provided by such subsection (b). The terms and conditions of a deferral may not be changed at any time after the Change in Control.

(d) *Definition of Good Reason.* For purposes of this Section 5.4, with respect to the Termination of Employment of any Participant, 'Good Reason' has the meaning assigned to such term in any written individual agreement between the Company and the Participant in which such term is defined and in effect at the Participant's Termination of Employment, and in the absence of any such written agreement, has the meaning assigned to such term in the Honeywell International Inc. Severance Plan for Corporate Staff Employees (Involuntary Termination Following a Change in Control)."

HONEYWELL INTERNATIONAL INC.

/s/ Mark James

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Mark James

Senior Vice President – Human Resources, Procurement  
and Communications

Dated: April 9, 2014

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**2011 Stock Incentive Plan  
of Honeywell International Inc. and its Affiliates**

**Restricted Unit Agreement**

RESTRICTED UNIT AGREEMENT made in Morris Township, New Jersey, as of the [DAY] day of [MONTH, YEAR] (the "Award Date") between Honeywell International Inc. (the "Company") and [EMPLOYEE NAME] (the "Employee").

1. **Grant of Award.** The Company has granted you [NUMBER] Restricted Units, subject to the provisions of this Agreement and the 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (the "Plan"). The Company will hold the Restricted Units [and Additional Restricted Units (as defined in Section 2)] in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.

2. [FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: **Dividend Equivalents.** Except as otherwise determined by the Committee, in its sole discretion, you will earn Dividend Equivalents in an amount equal to the value of

Additional Restricted Unit (as defined below) credited to your bookkeeping account on a dividend record date. In the case of cash dividends, the Company shall credit to your bookkeeping account, on each dividend payment date, an additional number of Restricted Units ("Additional Restricted Units") equal to (a) divided by (b), where (a) equals the total number of unvested Restricted Units and Additional Restricted Units, if any, subject to this Agreement on such date multiplied by the

a Share on such date. If a dividend is paid to holders of Common Stock in Shares, the Company shall credit to you, on each dividend payment date, Additional Restricted Units equal to the total number of unvested Restricted Units and Additional Restricted Units subject to this Agreement on such date multiplied by the Share dividend paid per Share of Common Stock on such date. Additional Restricted Units are subject to the same restrictions, including but not limited to vesting, transferability and payment restrictions, that apply to the Restricted Units to which they relate.]

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

4. **Vesting.** Except in the event of your Termination of Employment due to death[ or Full Retirement], the incurrence of a Disability, or as otherwise provided in Section 8 of this Agreement relating to a Change in Control, the Restricted Units [and Additional Restricted Units] will vest as follows: [VESTING PROVISIONS CONSISTENT WITH THE PLAN].

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5. **Form and Timing of Payment.** Vested Restricted Units will be redeemed solely for Shares. [FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: Except as otherwise determined by the Management Development and Compensation Committee (the "Committee"), in its sole discretion, vested Additional Restricted Units will be redeemed solely for Shares.] [Subject to a deferral election made pursuant to Section 12, and] except as otherwise provided in Section 7(b) below, payment of vested Restricted Units [and Additional Restricted Units] will be made as soon as practicable following the applicable vesting date but in no event later than two and one-half (2-1/2) months following the end of the calendar year in which the vesting date occurs. As determined by the Company in its sole discretion prior to the vesting date, any fractional Shares may be paid in cash or rounded up or down to the nearest whole Share.
6. **Termination of Employment.** Except as otherwise provided in Sections 7(a) and 8 of this Agreement, any Restricted Units [and Additional Restricted Units] that have not vested as of your Termination of Employment will immediately be forfeited, and your rights with respect to these Restricted Units [and Additional Restricted Units] will end.
7. **Full Retirement, Death or Disability.**
- a. **Vesting.** If your Termination of Employment occurs due to death or you incur a Disability before the last vesting date described in Section 4 of this Agreement, all of your unvested Restricted Units [and Additional Restricted Units] will vest as of your Termination of Employment or Disability payment to your estate only after the Committee has determined that the payee is the duly appointed executor or administrator of your estate, subject to Section 7.14 of the Plan.

[INCLUDE AS APPLICABLE: If your Termination of Employment due to Full Retirement occurs before the last vesting date described in Section 4 of this Agreement, you will be vested in an additional number of Restricted Units [and related Additional Restricted Units] equal to the product of (a) times (b), minus (c), where (a) equals the total number of Restricted Units specified in Section 1 of this Agreement [plus the total number of Additional Restricted Units (both vested and unvested) credited to you as of your Termination of Employment], (b) equals the ratio of your complete years of service as an employee of the Company or its Affiliates between the Award Date and your Termination of Employment, and the number of complete years of service required under this Agreement to be fully vested in all Restricted Units [and Additional Restricted Units], and (c) equals the number of Restricted Units [and Additional Restricted Units] that vested before your Termination of Employment.

OR For the avoidance of doubt, if your Termination of Employment due to Full Retirement occurs before the last vesting date described in Section 4 of this Agreement, you will not vest in any Restricted Units [or Additional Restricted Units] as a result of your termination.

OR If your Termination of Employment due to Full Retirement occurs before the last vesting date described in Section 4 of this Agreement, you will be vested in an

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additional number of Restricted Units [and related Additional Restricted Units] equal to [INSERT VESTING PROVISION ON FULL RETIREMENT].]

deferral election made pursuant to Section 12,] if your Termination of Employment occurs due to death [or Full Retirement,] or you incur a Disability, before the last vesting date described in Section 4 of this Agreement, payment for vested Restricted Units [and Additional Restricted Units] will be made as soon as practicable following your Termination of Employment or Disability, as applicable, but in no event later than the last day of the calendar year in which such Termination of Employment or Disability occurs. [INCLUDE AS APPLICABLE: Notwithstanding the preceding sentence, if you are a "specified employee" under Section 409A of the Code as of the date of your Termination of Employment occurs due to Full Retirement, payment for vested Restricted Units [and Additional Restricted Units] will be made on the first business day of the first calendar month that begins after the six-month anniversary of your Termination of Employment, or, if earlier, your death.

[Subject to a deferral election made pursuant to Section 12,] if (i) you are eligible for Full Retirement on the Award Date or you become eligible for Full Retirement before the last vesting date described in Section 4 of this Agreement and (ii) your Termination of Employment does not occur before the last vesting date described in Section 4 of this Agreement, payment for vested Restricted Units [and Additional Restricted Units] will be made as soon as practicable following the applicable vesting date described in Section 4 of this Agreement on the calendar year in which each such vesting date occurs.]

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

- a. **Cashout of Awards.** Unless adjusted or exchanged pursuant to Section 5.3(c), 5.3(d)(ii) or 5.3(e) of the Plan (concerning rollover of outstanding awards in certain circumstances), Restricted Units [and Additional Restricted Units] that have not vested or terminated as of the date of the Change in Control will immediately vest. No later than the earlier date of 90 days after the date of the Change in Control, you will receive for the Restricted Units [and Additional Restricted Units] a single payment in cash equal to the product of the number of outstanding Restricted Units [and Additional Restricted Units] as of the date of the Change in Control (including any Restricted Units [and Additional Restricted Units] that vest pursuant to this Section 8) and an amount equal to the greater of (i) the highest price per Share paid by the Successor, as determined by the Committee, and (ii) the highest Fair Market Value during the period of 90 days that ends on the date of the Change in Control. Any securities or other property that is part or all of the consideration paid for Shares pursuant to the Change in Control will be valued at the higher of (x) the valuation placed on the securities or property by any entity that is a party with the Company to the Change in Control, or (y) the valuation placed on the securities or property by the Committee.
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- b. **Rollover of Awards.** If adjusted or exchanged pursuant to Section 5.3(c), 5.3(d)(ii) or 5.3(e) of the Plan (concerning rollover of outstanding awards in certain circumstances), Restricted Units [and Additional Restricted Units] that have not vested or terminated as of the date of the Change in Control will continue to vest in accordance with the schedule described in Section 4 of this Agreement (or as adjusted if more favorable); provided, however, that if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntarily Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) on or before the second anniversary of the date of the Change in Control, Restricted Units [and Additional Restricted Units] that have not vested or terminated as of your Termination of Employment will immediately vest in full and be settled no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs.
9. **Withholdings.** The Company or your local employer shall have the power and the right to deduct or withhold, or require you to remit to the Company or to your local employer, prior to any issuance or delivery of Shares on Restricted Units [or Additional Restricted Units], an amount sufficient to satisfy taxes imposed under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gain taxes, transfer taxes, and social security contributions, and National Insurance Contributions, that are required by law to be withheld as determined by the Company or your local employer.
10. **Transfer of Award.** You may not transfer the Restricted Units, [Additional Restricted Units] or any interest in such Units except by will or the laws of descent and distribution or except as otherwise permitted by the Committee and as specified in the Plan. Any other attempt to dispose of your interest will be null and void.
11. **Requirements for and Forfeiture of Award.**
- a. **General.** The Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 11 and in any other agreement (including but not limited to Section 11 of the Stock Option Award Agreement for the Option granted on February 25, 2011, if applicable) that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information.
- b. **Remedies.**
1. You expressly agree and acknowledge that the forfeiture provisions of subsection 11.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
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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 11.b.1, the term “disparaging” shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation.

2. In addition to the relief described in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell’s employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell’s trade secrets and proprietary and confidential information, if the 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 11.b.1. of this Agreement, (i) any Restricted Units [and Additional Restricted Units] that have not vested under this Agreement shall immediately be cancelled, and you shall forfeit any rights you have with respect to such Units as of the date of the Committee’s determination, and (ii) you shall immediately deliver to the Company Shares equal in value to the Restricted Units [and Additional Restricted Units] you received 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.
12. [FOLLOWING INCLUDED AT COMMITTEE’S DISCRETION: **Deferral of Payment.** If you would like to defer payment on the Restricted Units and related Additional Restricted Units, you may do so in writing on the deferral form provided with
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t h i s g r a n t s e t t i n g f o r t h y o u r d e s i r e d p a y m e n t s c h e d u l e . T h  
Company, such deferral would result in a violation of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations promulgated thereunder. If the deferral is not permitted, then payment will be made as provided in Section 5 or 7(b), as applicable. All Additional Restricted Units will be subject to the same deferral restrictions as the Restricted Units to which they relate. Except as otherwise determined by the Company, Dividend Equivalents credited on deferred Restricted Units and deferred Additional Restricted Units will be paid in cash as soon as practicable following the date such Dividend Equivalents are credited but in no event later than 2-1/2 months following the end of the year in which the Dividend Equivalents vest.]

13. **Restrictions on Payment of Shares.** Payment of Shares for your Restricted Units [and Additional Restricted Units] is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares underlying the Restricted Units [and Additional Restricted Units] will be duly listed, upon official notice of redemption, upon the New York Stock Exchange, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares will be effective. The Company will not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel for the Company.
  14. **Adjustments.** Any adjustments to the Restricted Units [and Additional Restricted Units] will be governed by Section 5.3 of the Plan.
  15. **Disposition of Securities.** By accepting the Award, you acknowledge that you have read and understand the Company’s policy, and are aware of and understand your obligations under applicable securities laws in respect of trading in the Company’s securities. The Company will have the right to recover, or receive reimbursement for, any compensation or profit you realize on the disposition of Shares received for Restricted Units [or Additional Restricted Units] to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.
  16. **Plan Terms Govern.** The vesting and redemption of Restricted Units [or Additional Restricted Units], the disposition of any Shares received for Restricted Units [or Additional Restricted Units], the treatment of gain on the disposition of these Shares, [and the treatment of Dividend Equivalents] are subject to the provisions of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan will control. By accepting the Award, you acknowledge that the Plan and the Plan prospectus, as in effect on the date of this Agreement, have been made available to you for your review.
  17. **Personal Data.**
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- a. By entering into this Agreement, and as a condition of the grant of the Restricted Units, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.
- b. You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all restricted units or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan (“Data”).
- c. You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of restricted units or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.
- d. You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan (“Data Recipients”).
- e. You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.
- f. 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.

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

- a. The Company (and not your local employer) is granting your Restricted Units [and Additional Restricted Units]. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
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- b. The Company may administer the Plan from outside your country of residence and United States law will govern all Restricted Units [and Additional Restricted Units] granted under the Plan.
- c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
- d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- e. The grant of Restricted Units [and Additional Restricted Units] hereunder, and any future grant of Restricted Units [or Additional Restricted Units] under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Restricted Units, [the Additional Restricted Units] nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.
- f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

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

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20. **Incorporation of Other Agreements.** This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Restricted Units. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Restricted Units [and the Additional Restricted Units].
21. **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.
22. **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.
23. **Agreement Changes.** The Company reserves the right to change the terms of this Agreement and the Plan without your consent to the extent necessary or desirable to comply with the requirements of Code section 409A, the Treasury regulations and other guidance thereunder.
24. **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 Restricted Units, and that any prior agreements, commitments or negotiations concerning the Restricted Units are replaced and superseded.
25. **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. If you do not wish to accept this Award, you must contact Honeywell International Inc., Executive Compensation/AB-1D, 101 Columbia Road, Morristown, New Jersey 07962 in writing within thirty (30) days of the Award Date.

**I Accept:**

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Signature

Date

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**2011 Stock Incentive Plan  
of Honeywell International Inc. and its Affiliates**

**RESTRICTED UNIT AGREEMENT, FORM 2**

This **RESTRICTED UNIT AGREEMENT** made in Morris Township, New Jersey, as of the [DAY] day of [MONTH, YEAR] (the “Award Date”) between Honeywell International Inc. (the “Company”) and [EMPLOYEE NAME] (the “Employee”).

1. **Grant of Award.** The Company has granted you [NUMBER] Restricted Units, subject to the provisions of this Agreement and the 2011 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (the “Plan”). The Company will hold the Restricted Units [and Additional Restricted Units (as defined in Section 4)] in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.

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

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

g. [INSERT ADDITIONAL BUSINESS-RELATED DEFINITIONS AS APPLICABLE]

3. **Performance Measures.** For each Measurement Period, the Company's Total Shareholder Return will be compared to the Total Shareholder Return of each company in the Compensation Peer Group, and the Total Shareholder Return of the Compensation Peer Group and the Company shall be ranked. [DESCRIBE OTHER BUSINESS-RELATED PERFORMANCE MEASURES, AS APPLICABLE]

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

4. [ F O L L O W I N G I N C L U D E D A T C O M M I T T E E ' S D I S C R E T I O N : D i v i d e n d e  
sole discretion, you will earn Dividend Equivalents in an amount equal to the value of any cash or stock dividends paid by the Company upon one Share of Common Stock for each unvested Restricted Unit or Additional Restricted Unit (as defined below) credited to your bookkeeping account on a dividend record date. At the vesting date specified in Section 6, such Dividend Equivalents shall be adjusted up or down based on your Actual Award. In the case of cash dividends, the Company shall credit to your bookkeeping account, on each dividend payment date, an additional number of Restricted Units ("Additional Restricted Units") equal to (a) divided by (b), where (a) equals the total number of unvested Restricted Units and Additional Restricted Units, if any, subject to this Agreement on such date multiplied by the dollar amount of the cash dividend paid per Share of Common Stock on such date, and (b) equals the Fair Market Value of a Share on such date. If a dividend is paid to holders of Common Stock in Shares, the Company shall credit to you, on each dividend payment date, Additional Restricted Units equal to the total number of unvested Restricted Units and Additional Restricted Units subject to this Agreement on such date multiplied by the Share dividend paid per Share of Common Stock on such date. Additional Restricted Units are subject to the same restrictions, including but not limited to vesting, transferability and payment restrictions, that apply to the Restricted Units to which they relate with any fractional Shares rounded up to the nearest whole Share You will continue to earn Additional Restricted Units on unpaid Restricted Units and Additional Restricted Units that are held in your bookkeeping account until the vested shares are paid to you.]

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

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

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

The Actual Award [and related Additional Restricted Units] will be paid solely in Shares.

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

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

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

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

OR

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

OR

If your Termination of Employment occurs solely because of your Full Retirement before the last day of the Performance Cycle, you will be vested in an additional number of

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Restricted Units [and related Additional Restricted Units] equal to [INSERT VESTING PROVISION ON FULL RETIREMENT].]

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

OR

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

OR

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

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

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

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

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

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

- b. Cashout of Awards.** Unless adjusted or exchanged pursuant to Section 5.3(c), 5.3(d)(ii), 5.3(e) or 5.3(f) of the Plan (concerning rollover of outstanding awards in certain circumstances), Restricted Units [and Additional Restricted Units] that have not vested or terminated as of the date of the Change in Control will immediately vest. If the Change in Control occurs after the Performance Cycle has ended, [subject to the terms of a deferral election,] you will receive the portion of your unpaid Actual Award. If the Change in Control occurs before the Performance Cycle has ended, [subject to the terms of a deferral election,] the Actual Award will be based on the Target Award or other level of substantially achieved performance, as determined by the Committee prior to the Change in Control. No later than the earlier of 90 days after the date of the Change in Control or two and one-half months after the end of the calendar year in which the Change in Control occurs, you will receive for the Restricted Units [and Additional Restricted Units] a single payment in cash equal to the product of the number of vested and outstanding Restricted Units [and Additional Restricted Units] as of the date of the Change in Control (including any Restricted Units [and Additional Restricted Units] that vest pursuant to this Section 10) and an amount equal to the greater of (i) the highest price per Share paid by the successor, as determined by the Committee, and (ii) the highest Fair Market Value during the period of 90 days that ends on the date of the Change in Control. Any securities or other property that is part or all of the consideration paid for Shares pursuant to the Change in Control will be valued at the higher of (x) the valuation placed on the securities or property by any entity that is a party with the Company to the Change in Control, or (y) the valuation placed on the securities or property by the Committee.
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11. [FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: **Deferral of Payment.** If you would like to defer payment on the Restricted Units and related Additional Restricted Units, you may do so in writing on the deferral form provided with this grant setting forth your desired payment schedule. The deferral shall not be permitted if, within the determination of the Company, such deferral would result in a violation of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder. If the deferral is not permitted, then payment shall be made as provided in this Agreement. All Additional Restricted Units shall be subject to the same deferral restrictions as the Restricted Units to which they relate.]

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

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

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

a. **General.** The Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 14 and in any other agreement (including but not limited to Section 11 of the Stock Option Award Agreement for the Option granted on February 25, 2011, if applicable) that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information.

b. **Remedies.**

1. You expressly agree and acknowledge that the forfeiture provisions of subsection 14.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
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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 14.b.1, the term “disparaging” shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation.

2. In addition to the relief described in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell’s employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell’s trade secrets and proprietary and confidential information, if the 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 14.b.1. of this Agreement, (i) any Restricted Units [and Additional Restricted Units] that have not vested under this Agreement shall immediately be cancelled, and you shall forfeit any rights you have with respect to such Units as of the date of the Committee’s determination, and (ii) you shall immediately deliver to the Company Shares equal in value to the Restricted Units [and Additional Restricted Units] you received 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.
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15. **Restrictions on Payment of Shares.** Payment of Shares for your Restricted Units [and Additional Restricted Units] is subject to the conditions that, to the extent required at the time of exercise, (i) the Shares underlying the Restricted Units [and Additional Restricted Units] shall be duly listed, upon official notice of redemption, upon the New York Stock Exchange, and (ii) a Registration Statement under the Securities Act of 1933 with respect to the Shares shall be effective. The Company shall not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel for the Company.

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

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

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

19. **Personal Data.**

- a. By entering into this Agreement, and as a condition of the grant of the Restricted Units, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.
  - b. You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company,
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details of all restricted units or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan (“Data”).

- c. You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of restricted units or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.
- d. You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan (“Data Recipients”).
- e. You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.
- f. You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You further understand that withdrawing consent may affect your ability to participate in the Plan.

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

- a. The Company (and not your local employer) is granting your Restricted Units [and Additional Restricted Units]. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
  - b. The Company may administer the Plan from outside your country of residence and United States law will govern all Restricted Units [and Additional Restricted Units] granted under the Plan.
  - c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
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- d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- e. The grant of Restricted Units [and Additional Restricted Units] hereunder, and any future grant of Restricted Units [or Additional Restricted Units] under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Restricted Units [, Additional Restricted Units] nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.
- f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

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

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

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

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

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

26. **Acknowledgements.** 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 Restricted Units, and that any prior agreements, commitments or negotiations concerning the Restricted Units are replaced and superseded.

27. **Award Acceptance.** To retain this Award, you must accept it by signing the Agreement below and, by signing this Agreement, you shall be deemed to consent to the application of the terms and conditions set forth in this Agreement and the Plan. If you do not wish to accept this Award, you must contact Honeywell International Inc., Executive Compensation/AB-1D, 101 Columbia Road, Morristown, New Jersey 07962 in writing within thirty (30) days of the Award Date.

**I Accept:**

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Signature

Date

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**2011 Stock Incentive Plan  
of Honeywell International Inc. and its Affiliates**

**Stock Option Award Agreement**

STOCK OPTION AWARD AGREEMENT made in Morris Township, New Jersey, as of the [DATE] (the "Date of Grant"), between Honeywell International Inc. (the "Company") and \_\_\_\_\_ (the "Employee").

1. **G r a n t o f O p t i o n** the provisions of this Agreement and the 2011 Stock Incentive Plan (the "Plan"). This Option is a nonqualified Option.
  2. **Exercise Price.** The purchase price of the Shares covered by the Option will be \_\_\_\_\_ per Share.
  3. **Vesting.** Except in the event of your death or Disability or as a Change in Control, the Option will become exercisable as follows: [DESCRIBE VESTING PROVISIONS CONSISTENT WITH THE PLAN].
  4. **Term of Option.** The Option must be exercised prior to the close of the New York Stock Exchange ("NYSE") on [EXPIRATION DATE], subject to earlier termination or cancellation as provided below. If the NYSE is not open for business on the expiration date specified, the Option will expire at the close of the NYSE on the business day immediately preceding [EXPIRATION DATE].
  5. **Payment of Exercise Price.** You may pay the Exercise Price by cash, certified check, bank draft, wire transfer, postal or express money order, or any other alternative method specified in the Plan and expressly approved by the Committee. Notwithstanding the foregoing, you may not tender any form of payment that the Committee determines, in its sole and absolute discretion, could violate any law or regulation.
  6. **Exercise of Option.** Subject to the terms and conditions of this Agreement, the Option may be exercised by contacting the Honeywell Stock Option Service Center, managed by Morgan Stanley Smith Barney, by telephone at 1-888-723-3391 or 1-210-677-3660, or on the internet e x e r c i s e 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.
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**7. Termination, Retirement, Disability or Death.** The Option will vest and remain exercisable as follows:

<b>Event</b>	<b>Vesting</b>	<b>Exercise</b>
Death	Immediate vesting as of death.	Expires earlier of (i) original expiration date, or (ii) 3 years after death.
Disability	Immediate vesting as of incurrence of Disability.	Expires earlier of (i) original expiration date, or (ii) 3 years after Disability.
Full Retirement (Termination of Employment on or after age 60 and 10 Years of Service)	Unvested Awards forfeited as of Full Retirement.	Expires earlier of (i) original expiration date, or (ii) 3 years after retirement.
Early Retirement (Termination of Employment on or after age 55 and 10 Years of Service)	Unvested Awards forfeited as of Early Retirement.	Expires earlier of (i) original expiration date, or (ii) 3 years after retirement.
Voluntary termination	Unvested Awards forfeited as of Termination of Employment.	Expires earlier of (i) original expiration date, or (ii) 30 days after termination.
Involuntary termination not for Cause	Unvested Awards forfeited as of Termination of Employment.	Expires earlier of (i) original expiration date, or (ii) 1 year after termination.
Involuntary termination for Cause	Unvested Awards forfeited as of Termination of Employment.	Vested Awards immediately cancelled.

Except as expressly provided herein, all rights hereunder shall cease to accrue, and you will forfeit the unvested portion of this Award and all rights to continue vesting in the Award as of your Termination of Employment. Further, you will not be entitled to receive additional awards hereunder after your Termination of Employment.

**8. Change in Control.** In the event that you incur an involuntary Termination of Employment not for Cause (as defined in

Plan) on or before the second anniversary of the date of a Change in Control, any portion of the Option that has not vested or terminated as of your Termination of Employment will vest as of your Termination of Employment and become exercisable in full as of the date of such Termination of Employment.

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

required by law to be withheld with respect to the grant of the Option, any exercise of the your rights under this Agreement, the sale of Shares acquired from the exercise of the Option, and/or payment of dividends on Shares acquired pursuant to the Option.

10. **Transfer of Option.** You may not transfer the Option or any interest in the Option except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan.
11. **Requirements for and Forfeiture of Award.**
  - a. **General.** The Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 11 and in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information. For purposes of this Section 11, the term "Honeywell" is defined as Honeywell International Inc. (a Delaware corporation having a place of business 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 11.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 11.b.1, the term “disparaging” shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation.

2. In addition to the relief described in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell’s employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell’s trade secrets and proprietary and confidential information, if the 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 11.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.

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

13. R e s t r i c t i o n s o n E x e r c i s e . Exercise of the Option is subject to the condition 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 st of the Shares have been approved by counsel of the Company.

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

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

16. **Personal Data.**

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

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

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

- a. The Company (and not your local employer) is granting your Option. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
- b. The Company may administer the Plan from outside your country of residence and United States law will govern all options granted under the Plan.
- c. Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
- d. The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- e. The grant of the Option hereunder, and any future grant of an option under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Option nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.
- f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

18. **Limitations.** Nothing in this Agreement or the Plan gives you any right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of Shares is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of the Option. You have no rights as a shareowner of the Company pursuant to the Option until Shares are actually delivered you.
19. **Incorporation of Other Agreements.** This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Option. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Option.
20. **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the other provisions of the Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.
21. **Governing Law.** The Plan, this Agreement, and all determinations made and actions taken under the Plan or this Agreement shall be governed by the internal substantive laws, and not the choice of law rules, of the State of Delaware and construed accordingly, to the extent not superseded by applicable federal law.
22. **Acknowledgements.** 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.
23. **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. If you do not wish to accept this Award, you must contact Honeywell International Inc., Executive Compensation/AB-1D, 101 Columbia Road, Morristown, New Jersey 07962 in writing within thirty (30) days of the Award Date.

**I Accept:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**2011 Stock Incentive Plan**  
**of Honeywell International Inc. and its Affiliates**  
**Growth Plan Agreement**

GROWTH PLAN AGREEMENT made in Morris Township, New Jersey, United States of America, as of the [DAY] day of [MONTH, YEAR] (the "Award Date") between Honeywell International Inc. (which together with its subsidiaries and affiliates, when the context so indicates, is hereinafter referred to as the "Company") and [EMPLOYEE NAME] (the "Employee").

1. **Grant of Awards.** The Company has granted to you [NUMBER] Growth Plan Units, subject to the terms of this Agreement and the terms of the 2011 Stock Incentive Plan of Honeywell International Inc. and Its Affiliates (the "Plan").
2. **Target and Actual Award.** The number of Growth Plan Units awarded to you represents a target award for the Performance Cycle (as defined below). Each Growth Plan Unit has a target value of \$100 ("Target Value"). Your actual award value (the "Actual Award") is equal to the product of (i) the Target Value, (ii) the Plan Payout Percentage, and (iii) the number of Growth Plan Units awarded to you under this Agreement. For purposes of this Agreement, the "Plan Payout Percentage" shall be based on the achievement of the Performance Measures described in Section 3 below and may range from zero to a maximum of 200%.
3. **Performance Measures.** The Plan Payout Percentage shall be determined based on [PERFORMANCE MEASURES] (collectively the "Performance Measures") for the Performance Cycle. Performance Measures shall be determined at the Company level for eligible employees not assigned to one of the Company's four strategic business groups ("SBG"), and at both the Company and SBG level for other eligible employees. For purposes of this determination, if you transfer from one of the Company's businesses during the Performance Cycle, your award will be prorated for the number of days actively employed in that business.

[INCLUDE AS APPLICABLE: Notwithstanding anything in this Agreement to the contrary, except in the event of a Change in Control (as defined in the Plan), no Growth Plan Unit awards will be paid unless the Company attains a minimum level of [PERFORMANCE MEASURE] during the Performance Cycle. The minimum level of [PERFORMANCE MEASURE] shall be a [AMOUNT OR PERCENTAGE] over the Performance Cycle. In determining [PERFORMANCE MEASURE] for this purpose, the Management Development and Compensation Committee of the Company's Board of Directors (the "Committee") shall [INCLUDE AS APPLICABLE: hold share count constant to [YEAR] for all periods and] exclude from its calculations unusual, infrequently occurring, and extraordinary items [INCLUDE AS APPLICABLE: as well as pension expense or pension income recorded] during the Performance Cycle.]

4. **Performance Cycles.** The two year performance cycle to which this Agreement applies commences on [DATE] and ends on [DATE] (the "Performance Cycle").
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- 5. Timing of Payments.** The payment of Growth Plan Unit awards is contingent upon (i) the achievement of the performance criteria outlined in Section 3 above, and (ii) except as otherwise provided in this Agreement, you remaining actively employed by the Company on the applicable payment dates. Thus, for example, if you are receiving pay from the Company but not actively performing services therefore (including, but not limited to, severance periods, notice periods, and grandfathered vacation periods), you will not be considered “active” for purposes of the payment of Growth Plan Unit awards. To the extent a Growth Plan Unit award is earned, you will receive it in two installments (subject, of course, to the active employment criteria described herein). One-half of your Actual Award will be paid in [MONTH, YEAR]; the second half of your Actual Award will be paid in [MONTH, YEAR]; provided, however, that in no event will a payment be made later than two and one-half months from the end of the year in which the payment vests.
- 6. Form of Payment.** Growth Plan Units may be paid out in either cash or shares of the Company’s common stock (“Shares”), at the discretion of the Committee. Your award will be expressed in U.S. dollars. Payment shall be made in the same currency as your pay (“Local Currency”). In the event you receive pay in more than one Local Currency, the currency used for payment will be at the discretion of the Company or your employer. The Company will normalize your award value for any fluctuation in exchange rates between U.S. dollars and your Local Currency using the rate in effect for compensation planning at the beginning of the Performance Cycle. If your Actual Award is paid in Shares, the number of Shares shall be determined by dividing the Actual Award by the Fair Market Value (as defined in the Plan) of the Shares as of the date the Committee determines the amount of your Actual Award. Fractional Shares will always be paid in cash. No payment amounts will be credited with interest, and you may not defer the payment of any awards hereunder.
- 7. Termination of Employment.** If your employment with the Company is terminated for any reason other than death [or retirement as provided in Section 8] prior to the date a Growth Plan Unit payment is to be made pursuant to Section 5 above, any unpaid amounts shall be forfeited and your rights with respect to any Growth Plan Units will terminate unless the Committee, or its designee, determines otherwise in its sole and absolute discretion.
- 8. Death[, or [Disability] or Retirement].** If your employment with the Company terminates because of death or you incur a Disability (as defined in the Plan) prior to the first installment payment of your Actual Award, you or your estate will receive the prorated value of your Actual Award. The prorated value of the Actual Award shall be determined by multiplying the Actual Award by a fraction, the numerator of which is the number of days you were actively employed by the Company during the Performance Cycle prior to your death or Disability, and the denominator of which is the total number of days from your first eligibility date during the Performance Cycle through the last day of the Performance Cycle. Such prorated Actual Award shall be payable in a single lump sum at the time the first installment payment is paid to other Growth Plan grantees. If your death or Disability occurs after the first installment payment of your Actual Award has been made but before the second installment payment has been made, the Company shall pay the second installment payment in a lump sum as soon as practicable after the date of death or Disability.

[INCLUDE AS APPLICABLE: If you retire from the Company and its Affiliates after you attain age 62 with 25 Years of Service (as defined in the Plan) and after the Performance Cycle ends, (i) but before the first installment of your Actual Award is paid, you will receive

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an amount equal to the sum of (A) the first installment and (B) the prorated value of the second installment, or (ii) but before the second installment of your Actual Award is paid, you will receive an amount equal to the prorated value of the second installment. For purposes of this paragraph, the prorated value of the second installment shall be determined by multiplying the second installment by a fraction, the numerator of which is the number of days you were actively employed by the Company and its Affiliates from the January 1st immediately following the end of the Performance Cycle to your separation from service date and the denominator of which is 439. Subject to Section 19, this amount shall be paid to you as soon as practicable following your separation from service with the Company and its Affiliates.

If you retire from the Company and its Affiliates after you attain age 64 with 25 Years of Service (as defined in the Plan) and after the Performance Cycle ends but before your full Actual Award is paid, you will receive an amount equal to the unpaid portion of your Actual Award, which subject to Section 19, shall be paid to you as soon as practicable following your separation from service with the Company and its Affiliates.]

**9. Change in Control.** Notwithstanding anything in Sections 2 through 8 above to the contrary, in the event of a Change in Control, the following provisions apply:

- a. **Rollover of Growth Plan Units.** If your Growth Plan Units are adjusted or exchanged pursuant to Section 5.3(c), 5.3(d)(ii), 5.3(e) or 5.3(f) of the Plan (concerning rollover of outstanding awards in certain circumstances), then (x) if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntarily Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) during the two-year period following the Change in Control and after the Performance Cycle has ended, the portion of your unpaid Actual Award will be paid (in cash or Shares, as determined by the Committee) no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs and (y) if you incur an involuntary Termination of Employment not for Cause (as defined in Section 2.7 of the Plan) or a voluntarily Termination of Employment for Good Reason (as defined in Section 5.4(d) of the Plan) during the two-year period following the Change in Control and before the Performance Cycle has ended, an amount equal to the Target Value, pro rated to reflect the portion of the full Performance Cycle that elapsed prior to such Termination of Employment will be paid (in cash or Shares, as determined by the Committee) no later than the earlier of 90 days after the Termination of Employment or two and one-half months after the end of the calendar year in which the Termination of Employment occurs.
  - b. **Cashout of Awards.** Unless adjusted or exchanged pursuant to Section 5.3(c), 5.3(d)(ii), 5.3(e) or 5.3(f) of the Plan (concerning rollover of outstanding awards in certain circumstances), an amount equal to the Actual Award, determined based on achievement of the Performance Measures through the date of the Change in Control, as determined by the Committee prior to the Change in Control, pro rated to reflect the portion of the full Performance Cycle that elapsed prior to the Change in Control will be paid (in cash or Shares, as determined by the Committee) no later than the earlier of 90 days after your Termination of Employment or two and one-half months after the end of the calendar year in which the Change in Control occurs.
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**10. Change in Status.** If your role within the Company changes during the Performance Cycle such that you would no longer be eligible to receive Growth Plan Units, this Agreement shall remain in full force and effect as if no such change had occurred.

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

**a. General.** The Award is expressly contingent upon you complying with the terms, conditions and definitions contained in this Section 11 and in any other agreement that governs your noncompetition with Honeywell, your nonsolicitation of Honeywell's employees, customers, suppliers, business partners and vendors, and/or your conduct with respect to Honeywell's trade secrets and proprietary and confidential information. For purposes of this Section 11, the term "Honeywell" is defined as Honeywell International Inc. (a Delaware corporation having a place of business 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 11.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 11.b.1, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse, or derogatory impression about the subject of the statement or representation or

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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 11.b.1. of this Agreement, (i) any Growth Plan payment that has not yet been vested, earned or paid under this Agreement shall immediately be cancelled, and you shall forfeit any rights you have with respect to such payment as of the date of the Committee's determination, and (ii) you shall immediately deliver to the Company cash equal in value to the gross Growth Plan payment you received under this Agreement 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.

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

**13. Adjustments.** Any adjustments to the Growth Plan Units will be governed by Section 5.3 of the Plan.

**14. Transfer of Awards.** You may not transfer any interest in your Growth Plan Units or Actual Award. Any attempt to dispose of your interest in your Growth Plan Units or Actual Award shall be null and void.

**15. Plan Terms Govern.** The vesting of and payment for Growth Plan Units, the disposition of any Shares received for Growth Plan Units, and the treatment of gain on the disposition of any such Shares, are subject to the provisions of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan will control. By accepting the Award, you acknowledge that the Plan and the Plan prospectus, as in effect on the date of this Agreement, have been made available to you for your review.

**16. Personal Data.**

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

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

- a. The Company (and not your local employer) is granting your Growth Plan Units. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
  - b. The Company may administer the Plan from outside your country of residence and United States law will govern all Growth Plan Units granted under the Plan.
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- 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 Growth Plan Units hereunder, and any future grant of Growth Plan Units under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Growth Plan Units nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that except as provided in Section 15, no such amendment, suspension, or termination will adversely affect your rights hereunder.
- f. The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- g. Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

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

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

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

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- 21. 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.
- 22. 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.
- 23. 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 Growth Plan Units, and that any prior agreements, commitments or negotiations concerning the Growth Plan Units are replaced and superseded.
- 24. 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. If you do not wish to accept this Award, you must contact Honeywell International Inc., Executive Compensation/AB-1D, 101 Columbia Road, Morristown, New Jersey 07962 in writing within thirty (30) days of the Award Date.
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**TRANSITION AGREEMENT**

THIS TRANSITION AGREEMENT (this “Agreement”), by and between DAVID J. ANDERSON (“you”), an individual resident at \_\_\_\_\_, and HONEYWELL INTERNATIONAL INC., a Delaware corporation, (the “Company” or “Employer”) and its shareholders, subsidiaries, divisions, affiliates, and/or related business entities, and with respect to each of them, their predecessors, successors and assigns, employee benefit plans or funds, and with respect to each such entity, all of its or their past, present and/or future directors, officers, attorneys, counsel, fiduciaries, agents, trustees, administrators, employees and assigns, whether acting on behalf of the Company or in their individual capacities (collectively the “Company Entities”), made this 7th day of April, 2014.

**1. EMPLOYMENT AND TERMINATION DATE.**

(a) You have communicated your desire to retire from your position with the Company as its Chief Financial Officer (“CFO”). You therefore agree that your employment with the Company shall terminate on May 31, 2014 (the “Separation Date”). As of the Separation Date, you shall have experienced a “separation from service” as provided for in Section 1.409A-1(h) of the Final Regulations under Section 409A of the Internal Revenue Code (as amended) (the “Code”). After the Separation Date, you shall not represent yourself as being an employee, officer, agent or representative of the Company for any purpose. The Separation Date shall be the termination date of your employment and your separation from service for purposes of participation in and coverage under all benefit and pension plans and programs sponsored by or through the Company Entities, except as otherwise provided herein or in the underlying plan documents. Effective as of the Separation Date (or earlier if directed by the Company), you agree to resign from all board memberships and any other positions that you hold in connection with your employment with the Company and to execute any implementing documentation that the Company may reasonably request in connection with such resignations, including signing and delivering to the Company the “omnibus resignation” set forth in Exhibit A attached hereto.

(b) Effective as of April 7, 2014, you shall cease to be the CFO of the Company. Thereafter, you shall remain employed by the Company through the Separation Date in an executive level position and shall perform such duties and tasks as the Company’s CEO may reasonably delegate to you from time to time.

(c) Through the Separation Date, your base salary shall continue to be paid at the current 2014 level (without any adjustment for 2014).

(d) Through the Separation Date, you shall remain eligible to continue to participate in the Company’s employee benefits plans and programs that you were participating in immediately prior to the date hereof; provided, however, in no event shall you be entitled to any further awards of stock options, growth units or restricted units.

(e) The Consulting Agreement attached as Exhibit B hereto (the “Consulting Agreement”) describes the treatment of certain stock options, restricted stock units and Growth Plan awards under the circumstances outlined therein and made a part hereof.

(f) You will be eligible for a pro-rated bonus for 2014 based on the Company and your individual performance, as determined by the Management Development and Compensation Committee of the Company's Board of Directors in its sole discretion, but with a particular emphasis on your efforts to transition your responsibilities to your CFO-successor.

(g) Effective as of April 7, 2014, you shall no longer have the independent authority to bind the Company or any of its divisions or business units without the Company's prior written authorization and you hereby agree and covenant that you will not enter into any agreements or otherwise bind the Company in any manner without the Company's prior written consent.

(h) For purposes of this Agreement, the Company may terminate your employment with Cause upon the occurrence of any one of the following: (i) your failure (other than as a result of your illness, disability or death) or refusal to materially perform your duties to the Company as set forth herein; (ii) your gross negligence or willful misconduct (including, but not limited to, acts of fraud, criminal activity, professional misconduct, dishonesty, or breach of trust or fiduciary duty) in connection with the performance of your duties and responsibilities to the Company or with regard to the Company or its assets; (iii) your indictment for, conviction of, or plea of guilty or nolo contendere to, a felony or other crime involving fraud, dishonesty or moral turpitude; or (iv) your material breach of this Agreement or any other written agreement between you and the Company, or your material violation of any written policy of the Company, which material breach or violation you have not cured within thirty (30) days of written notice to you from Company of the specific acts or omissions comprising such material breach or violation ("Breach Notice"). In such case, you shall be ineligible to receive the Consideration described in Section 3 below.

(i) In the event you voluntarily resign your employment with the Company prior to the Separation Date, this Agreement shall terminate and you shall be ineligible to receive the Consideration described in Section 3 below.

(j) In the event (i) you die, or (ii) the Company terminates your employment other than for Cause (as defined in subparagraph (h) above), prior to the Separation Date, this Agreement shall terminate; provided, however, you or your estate, as the case may be, shall nevertheless be entitled to the Consideration described in Sections 1(e)-(f) above.

## **2. POST TERMINATION CONSULTING AGREEMENT.**

Effective the day after the Separation Date, and subject to the conditions set forth herein, you agree to enter into the Consulting Agreement and the Company shall enter into such Consulting Agreement with you. The agreement between you and the Company to enter into the Consulting Agreement shall be subject to, and contingent upon, the following: (i) the continuation of your employment through the Separation Date or such earlier date of termination of employment without Cause or with Company consent; and (ii) your continued compliance with the terms and conditions of this Agreement and any other agreement between you and the Company.

## **3. CONSIDERATION.**

The Company has agreed to enter into this Agreement in reliance on your full and strict compliance with the terms and conditions set forth herein. The provisions of this Agreement, including the agreement by the Company to continue your employment through the Separation

Date, the treatment of certain compensation items under Section 1 above, and the agreement to enter into the Consulting Agreement effective as of the Separation Date, constitute additional consideration above and beyond what you otherwise are entitled to under existing circumstances and your existing agreements with the Company, and all such additional amounts (collectively, the “Consideration”) constitute value that will be available to you only in return for your execution and performance under this Agreement (and the exhibits attached hereto). If you choose not to sign and comply with this Agreement in the form provided to you, you will not be entitled to the full Consideration. Instead, you will be treated as having voluntarily retired from the Company under all applicable severance plans, employee benefit plans, stock plans and personnel policies.

#### **4. GENERAL RELEASE OF CLAIMS.**

(a) In exchange for entering into this Agreement (including the Exhibits attached hereto) and the Consideration set forth herein, you do hereby waive and do hereby release, knowingly and willingly, the Company, the Company Entities, and, with respect to each and all of them, their predecessors, successors and assigns (collectively the “Honeywell Group”), from any and all claims of any nature whatsoever you have arising out of your employment and/or the termination of your employment with the Honeywell Group, known or unknown, including but not limited to any claims you may have under federal, state or local employment, labor, or anti-discrimination laws, statutes and case law and specifically claims arising under the federal Age Discrimination in Employment Act, the Civil Rights Acts of 1866 and 1964, as amended, the Americans with Disabilities Act, Executive Order 11246, the Employee Retirement Income Security Act of 1974 (“ERISA”), the Family and Medical Leave Act, the Rehabilitation Act of 1973, the Fair Labor Standards Act, the Labor-Management Relations Act, the Equal Pay Act and the Worker Adjustment Retraining and Notification Act, the New Jersey Law Against Discrimination, N.J.S.A. 10:15-1, et seq., the New Jersey Conscientious Employee Protection Act, N.J.S.A. 34:19-1 to 19-8, the New Jersey Wage and Hour Act, N.J.S.A. 34-11-56a, et seq., New Jersey common law and any and all other applicable state, county or local ordinances, statutes or regulations, including claims for attorneys’ fees; provided, however, that this release does not apply to claims under ERISA Section 502(a)(1)(B) for benefits under Honeywell Group sponsored benefit plans covered under ERISA (other than claims for severance and severance related benefits), does not apply to claims arising out of obligations expressly undertaken in this Agreement, and does not apply to claims arising out of any act or omission occurring after the date you sign this Agreement. All claims, including contingent claims, for incentive compensation awards under any Honeywell Group plan or payroll practice, along with any claims under any state wage and hour laws, are specifically subject to this release of claims. Any rights to benefits (other than severance benefits) under Honeywell Group sponsored benefit plans are governed exclusively by the written plan documents.

**By virtue of the foregoing, you agree that you have waived any damages and other relief available to you (including, without limitation, monetary damages, equitable relief and reinstatement) with respect to any claim or cause of action released in this Section 4. Therefore, you agree that you will not accept any award or settlement from any source or proceeding (including, but not limited to, any proceeding brought by any other person or by any governmental agency) with respect to any claim or right waived in this Agreement.**

**Notwithstanding the foregoing, nothing in this Agreement shall be construed to prevent you from filing a charge with, or participating in an investigation conducted by, the Equal Employment Opportunity Commission (“EEOC”); provided, however, you agree and covenant that should you or any other person, organization, or other entity file, charge,**

claim, or cause or permit to be filed any charge with the EEOC against the Honeywell Group involving any matter occurring at any time in the past, you will not seek or accept any personal relief (including, but not limited to, any monetary award, recovery, relief or settlement).

You acknowledge and understand that you have accepted the Consideration referenced in this Agreement in full satisfaction of all claims and obligations of the Honeywell Group to you regarding any matter or incident up to the date you execute this Agreement (except to the extent expressly excepted from the terms of this Agreement) and you affirmatively intend to be legally bound thereby.

You hereby agree and acknowledge that you are not entitled to receive any additional payments or benefits from the Honeywell Group related to your employment or termination of employment other than as expressly provided herein.

(b) Representation. You represent that you have not filed or permitted to be filed against the Honeywell Group, individually or collectively, any lawsuits and you covenant and agree that you will not do so at any time hereafter with respect to the subject matter of this Agreement and claims released pursuant to this Agreement (including, without limitation, any claims relating to, or arising from, the termination of your employment). As of the date you sign this Agreement, you represent that you have no physical or mental disability resulting from your employment with the Honeywell Group which would form the basis for a workers' compensation claim against the Honeywell Group.

**5. TRANSITION.**

You agree that it is an essential term and condition of this Agreement that you cooperate fully with the Company prior to and up to the Separation Date (and thereafter pursuant to the Consulting Agreement) to assist in any and all transition matters associated with your retirement and replacement as the Company's CFO.

**6. CONFIDENTIALITY.**

You acknowledge and agree that any agreements signed by you relating to intellectual property and confidential information acquired by you as a result of your employment with the Company Entities remain in full force and effect and place legal obligations upon you that continue beyond your employment with the Company Entities. In further exchange for the Consideration you receive under this Agreement, you agree to abide by the covenants as set forth herein and with respect to any knowledge or information you may have acquired during your employment with the Company Entities.

Nothing in this Agreement (or any exhibit or attachment thereto) shall be construed to prohibit you from reporting any accounting, internal accounting control, or auditing matter to any federal regulatory agency, any federal law enforcement agency, or any Member of Congress or any committee or subcommittee of Congress. Nor shall this Agreement (or any exhibit or attachment thereto) be construed to prohibit you from engaging in any activity protected by 18 U.S.C. § 1514A.

You agree that neither this Agreement nor any version of this Agreement shall be admissible in any forum as evidence against the Company or you except in a proceeding to enforce this Agreement.

**7. RETURN OF PROPERTY.**

As of the Separation Date (or earlier if requested by the Company), you shall surrender to the Company all files, correspondence, memoranda, notes, records, manuals or other documents or data pertaining to the Company's business (including, but not limited to, customer lists, business plans, technology roadmaps, AOP presentations, STRAPs, etc.) or your employment (including all copies thereof) however prepared and whether maintained in paper or electronic format. You will also leave with the Company all materials involving any confidential information of the Company Entities. You also shall surrender all other Company material in your possession (including any computers, pagers, card keys, PDAs, cellular phones, etc.). All such information and materials, whether or not made or developed by you, shall be the sole and exclusive property of the Company, and you hereby assign to the Company all of your right, title and interest in and to any and all of such information and materials. Further, at the Company's request, you shall represent in a writing satisfactory to the Company that, as of the Separation Date (or the date of such representation), you have returned to the Company all property belonging to the Company Entities.

**8. NON-DISPARAGEMENT.**

At no time on or after the date hereof will you make any statement, publicly or privately (including, without limitation, to members of the business press or equity analysts, but excepting your legal advisors), which would be disparaging (as defined below) to the Company Entities, businesses, strategies, prospects, condition, or reputation or that of directors, employees, officers or members; *provided, however*, that nothing contained in any provision of this Agreement 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. For purposes of this Agreement, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation. For the avoidance of doubt, you agree that you will not write or contribute to a book, article or other media publication, whether in written or electronic format, that is in any way descriptive of the Company Entities or your career with the Company without submitting a draft thereof, at least thirty (30) days in advance, to the Company's Senior Vice President and General Counsel, whose judgment about whether such book, article or other media publication is disparaging shall be determinative.

At no time on or after the date hereof will the Company (by any of its officers, directors or other senior managers or persons with knowledge of this Agreement) make any statement, publicly or privately, which would be disparaging to you; *provided, however*, that nothing contained in any provision of this Agreement shall preclude the Company from making any statement in good faith that is required by any applicable law or regulation or the order of a court or other governmental body.

**9. MATERIAL BREACH.**

(a) Any breach by you of the provisions of Sections 6, 7 and 8 above shall be considered a material breach (“Material Breach”) of this Agreement. In the event that you have committed a Material Breach, you consent to the entry by the Company Entities of injunctive relief against you, provided that any injunctive relief shall be in addition to the Company Entities’ right to pursue any and all of their remedies under the law. You further agree that the Company Entities may obtain injunctive relief without the posting of a bond.

(b) You understand that your Material Breach shall excuse the Company from performing further under this Agreement (and the Consulting Agreement), and the Company shall be entitled to repayment of the Consideration provided hereunder or thereunder upon demand as expressly provided herein.

(c) In the event of a Material Breach, where possible, the time periods set forth in the relevant provisions hereof shall be extended for the period of time you remain in violation of such provisions. Furthermore, you also agree to indemnify and hold the Company harmless from any and all losses suffered by the Company as a result of any violation or threatened violation of any of your representations, warranties, covenants or undertakings set forth in this Agreement, and you agree to pay the Company’s reasonable attorneys’ fees and other expenses incurred to enforce this Agreement.

(d) Any material breach by the Company of any of its obligations under this Agreement, which material breach the Company has not cured within thirty (30) days of written notice to the Company of the specific acts or omissions comprising such material breach shall enable you to seek any and all remedies at law or in equity.

**10. BINDING EFFECT.**

This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

**11. GOVERNING LAW AND CERTAIN INCIDENTS OF ENFORCEMENT.**

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

**12. TIME TO CONSIDER AGREEMENT AND EFFECTIVE DATE.**

You have twenty-one (21) days from the date of this Agreement (as indicated on the first page hereof) to review and consider this Agreement and to the extent that you have elected to execute and deliver this Agreement sooner you acknowledge that you have done so voluntarily and knowingly. You may accept this Agreement by signing it prior to the expiration of the twenty-one (21) day review period and returning an executed original to Kevin M. Covert, Honeywell International Inc, 101 Columbia Road, Morristown, New Jersey 07962. You have seven (7) days after signing this Agreement to revoke your decision by indicating your desire to do so in a written revocation notice delivered to Kevin M. Covert prior to the expiration of such revocation period.

This Agreement shall be fully effective and binding upon all parties hereto immediately following the expiration of the revocation period, so long as you have not revoked this Agreement during such time.

**13. ACKNOWLEDGMENTS.**

You acknowledge that you: (a) have carefully read this Agreement in its entirety; (b) are hereby advised by the Company, in this writing, to consult with an attorney of your choice before signing this Agreement; (c) fully understand the significance of all of the terms and conditions of this Agreement and have discussed them with an attorney of your choice, or have had a reasonable opportunity to do so; and (d) are signing this Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

**14. 409A CONSIDERATIONS.**

It is intended that this Agreement be administered in compliance with Section 409A of the Code, including, but not limited to, any future amendments to Code Section 409A, and any other Internal Revenue Service (“IRS”) or other governmental rulings or interpretations issued pursuant to Section 409A (together, “Section 409A”) so as not to subject you to payment of interest or any additional tax under Section 409A. The parties intend for any payments under this Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Agreement shall be construed and interpreted accordingly. In furtherance thereof, if payment or provision of any amount or benefit hereunder that is subject to Section 409A at the time specified herein would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or provision of such amount or benefit can be made without incurring such additional tax. In addition, to the extent that Section 409A or any IRS guidance issued under Section 409A would result in you being subject to the payment of interest or any additional tax under Section 409A, the parties agree, to the extent reasonably possible, to amend this Agreement to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall minimize any negative economic effect on you and be reasonably determined in good faith by the Company and you. As a “specified employee” as defined in Section 409A, any amounts payable under this Agreement that would be subject to the special rule regarding payments to “specified employees” under Section 409A(a)(2)(B) of the Code shall not be paid before the expiration of a period of six (6) months following the date of the termination of your employment. In such case, you shall receive all such deferred amounts retroactively in a single sum and the balance thereof as otherwise provided. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on you by Code Section 409A or any damages for failing to comply with Section 409A; provided that, in the event that any excise tax or interest amount (“409A Amount”) is imposed on you as a result of any negligent act or omission by the Company, the Company shall reimburse you for any such 409A Amount, grossed-up for taxes at an assumed total tax rate of forty percent (40%).

**15. HEADINGS AND CAPTIONS.**

The headings and captions in this Agreement are provided for reference and convenience only. They shall not be considered part of the Agreement and shall not be employed in the construction of the Agreement.

**16. NOTICES.**

All notices provided under this Agreement shall be sent by commercial overnight courier, signature required, or by certified mail, signature required, as follows:

**To the Company:**

Kevin M. Covert, Esquire  
Vice President and Deputy General Counsel  
Human Resources  
Honeywell International Inc.  
101 Columbia Road  
Morristown, New Jersey 07962 USA

**To the Executive:**

David J. Anderson

**With a Copy to:**

Todd Garvelink, Esquire  
Morrison Cohen LLP  
909 Third Avenue  
New York, NY 10022-4784  
[tgarvelink@morrisoncohen.com](mailto:tgarvelink@morrisoncohen.com)

**17. COUNTERPARTS.**

This Agreement may be executed in any number of original or facsimile counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

**18. SEVERABILITY AND INTERPRETATION.**

If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, void or unenforceable, such provision shall have no effect; however, the remaining provisions shall be enforced to the maximum extent possible. Further, if a court should determine that any portion of this Agreement is overbroad or unreasonable, such provision shall be given effect to the maximum extent possible by narrowing or enforcing in part that aspect of the provision found overbroad or unreasonable. Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or constructing this Agreement shall not apply a presumption against one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.

IN WITNESS WHEREOF, the parties hereto have approved and executed this Agreement as of the dates set forth below:

/s/ David J. Anderson

Date: April 7, 2014

**DAVID J. ANDERSON**

**HONEYWELL INTERNATIONAL INC.**

By: /s/ Mark R. James

Date: April 7, 2014

**MARK R. JAMES**

Senior Vice President

Human Resources, Communications and Procurement

**EXHIBIT A**

**Omnibus Resignation Letter**

Kevin M. Covert, Esquire  
Vice President and Deputy General Counsel  
Honeywell International Inc.  
101 Columbia Road  
Morristown, New Jersey 07962

May 31, 2014

Ladies and Gentlemen:

Effective as of the close of business on May 31, 2014 (the "Separation Date"), I hereby resign my employment with Honeywell International Inc. and all of its affiliates and subsidiaries (the "Company"). In addition, I hereby resign from any and all other capacities, offices and positions with the Company effective as of the Separation Date.

Sincerely,

David J. Anderson

**EXHIBIT B**

**Consulting Agreement**

[attached]

**CONSULTING AGREEMENT**

**AGREEMENT** made effective as of the 1st day of June, 2014 by and between David J. Anderson (hereinafter referred to as “Consultant”), and Honeywell International Inc., a corporation organized under the laws of the state of Delaware (hereinafter referred to as “Honeywell” or the “Company”).

**WITNESSETH:**

**WHEREAS**, Consultant has been a senior executive of the Company for approximately eleven years; and

**WHEREAS**, the Consultant, in his role as the Company’s Chief Financial Officer, became intimately familiar with the Company’s significant business strategies and challenges; and

**WHEREAS**, the Consultant has announced his retirement from the Company effective at the close of business on May 31, 2014; and

**WHEREAS**, the Company is desirous of engaging Consultant to help in the transition of his former duties and the management of certain projects and initiatives on an ad hoc basis; and

**WHEREAS**, Consultant is desirous of working on certain such projects and initiatives on a part-time basis and according to his own schedule;

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

1. The Company hereby retains Consultant as an independent contractor to perform the services set forth in Exhibit A, attached hereto and made a part hereof, as well as other similar and appurtenant duties as may be assigned to Consultant while performing such services. Company and Consultant shall confer from time to time to review and revise, as appropriate, the list of services set forth in Exhibit A. Subject to the provisions of Paragraph 2, Consultant agrees to comply with applicable Company policies in the performance of his services hereunder. The term of this Agreement shall begin on June 1, 2014 (“Effective Date”) and end on May 31, 2016 (“Termination Date”), unless earlier terminated as provided herein. The term of this Agreement may be further extended by the written agreement of Consultant and the Company.

2. Consultant shall provide to the Company, in accordance with the format requested by the Company’s CEO, written periodic reports of his activities in sufficient detail to evidence the nature and scope of the services provided, and will provide supporting documentation in the form of related work records, meeting reports and similar documents as requested by the Company. Consultant shall be free to determine his own means and manner of accomplishing the purposes of the parties, as more fully set forth in Exhibit A, provided he performs his services hereunder in a

manner acceptable to Honeywell, as determined in accordance with Paragraph 7 hereof, and provided he complies fully with all laws and regulations applicable to Honeywell's operations and Consultant's services. Honeywell shall not exercise or retain the right to control, direct or supervise the manner in which Consultant performs services for Honeywell.

3. Consultant shall perform the services specified in Exhibit A at such locations as shall be necessary, convenient or appropriate to the performance of such services.

4. As full and complete payment for all services rendered hereunder, the Management Development and Compensation Committee of the Board of Directors has approved the following compensation package (the "Consideration"), which compensation package shall apply to the specific elements hereof notwithstanding any contrary provisions in the applicable Company compensation plans:

(a) *Pre-existing Stock Option Awards.* All outstanding stock options that are unvested as of the first day of the term of this Agreement shall continue to vest as scheduled as if the Consultant were still actively employed by the Company. Subject to subparagraph (d) below, you shall have three (3) years from the date of vesting to exercise any options that become exercisable by virtue of this subparagraph (a).

(b) *Growth Plan Units.* Consultant will receive the second tranche of his actual earned 2012-2013 Growth Plan award in March 2015.

(c) *Pre-Existing Restricted Stock Unit Awards.* Consultant's restricted stock units that were scheduled to vest in October 2014 and July 2015 shall be allowed to vest as scheduled; provided, however, to the extent allowing any restricted stock units to vest as scheduled would subject you to additional taxes under Section 409A of the Internal Revenue Code, such restricted stock units shall vest not later than the March 1 of the calendar year following the calendar year in which you are deemed to have separated from service with the Company for purposes of Section 409A.

(d) *Extension of Option Exercise Periods.* If, at the end of the term of this Agreement, the Company's CEO has determined, in his sole and absolute discretion, that Consultant has (i) executed his duties hereunder with a high degree of skill and efficiency, and (ii) not violated, in other than a de minimis way, any of the restrictive covenants to which he has agreed herein or in any other agreements between himself and the Company, Consultant shall have the full remaining term to exercise any unexercised options.

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

party by the Consultant shall be authorized in advance by the Company and an itemized statement of the same shall be submitted to the Company with the Consultant's invoice.

6. The Company expressly declares that it would never knowingly request that Consultant perform any task that would subject the Consultant to civil or criminal liability. Thus, notwithstanding any provision herein contained to the contrary, in the event the Company determines that the payment of a fee or the payment of any reimbursement as herein provided is contrary to law or governmental policy of the country or countries out of which the transaction arises, the Consultant hereby waives any right title or interest to the fee or reimbursement to which the Consultant would otherwise be entitled. The Consultant hereby represents to the Company that (i) no part of any fee paid or reimbursement for any disbursement shall be paid, directly or indirectly, to or for the benefit of any employee, agent or representative of any government, governmental agency or commercial customer for an improper purpose or to obtain a benefit for the Company or any of its subsidiaries or affiliates, and (ii) this Agreement and its performance hereunder do not violate the laws or regulations of the United States, any state thereof, or any other country in which Consultant is performing services hereunder, including, without limitation, laws and regulations pertaining to gratuities, conflicts of interest, post-Government employment, or the disclosure of source selection or proprietary information.

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

8. In further exchange for the Consideration detailed in Paragraph 4 of this Agreement, Consultant agrees that the term of this Agreement shall be treated as employment with the Company solely for purposes of any noncompetition agreement he has executed in favor of the Company, and that the post-termination restriction period of any such noncompetition agreement shall not begin to run until this Agreement has been terminated.

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

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

11. The Company does not desire to acquire any secret or confidential knowledge or information from Consultant that may have been acquired from others. Accordingly, Consultant represents and warrants that any and all information, practices or techniques which he will describe, demonstrate, divulge or in any other manner make known to the Company during the performance of services hereunder may be divulged without any obligation to, or violation of, any right of others. Consultant further represents and warrants that any and all practices or techniques which he will disclose and materials prepared by him may be freely used by the Company without violation of any law or payment of any royalty, except as it shall specifically advise to the contrary in writing. Consultant shall exonerate, indemnify and hold harmless the Company from and against any and all liability, loss, cost, expense, damage, claims or demands for actual or alleged violation of the rights of others in any trade secret, know how or other confidential information which is based in whole or in part on the Company's receipt or use of the services or information provided by the Consultant.

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

13. In further exchange for the Consideration detailed in Paragraph 4 of this Agreement, Consultant agrees that the prohibitions on the solicitation of Honeywell customers, vendors, suppliers and employees contained in any agreements he has executed in favor of the Company shall apply during the term of this Agreement and for two (2) years after this Agreement has been terminated.

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

15. Neither party shall assign any right in or obligation arising under this Agreement without the other party's written consent, and any such assignment shall be void. This Agreement

shall be binding on and inure to the benefit of each party's heirs, executors, legal representatives, successors and permitted assigns.

16. This Agreement shall be effective as of the Effective Date and shall terminate on the Termination Date, subject to the right of either party to terminate this Agreement for any reason at any time upon not less than 30 days' prior written notice to the other party. Early termination by the Company shall not affect its obligations hereunder to provide the consideration described in Paragraph 4. Early termination by the Consultant shall not affect his obligations under Paragraphs 6, 7, 9, 10, 11, 12, 13, 14 and 15. In the event of early termination by Consultant other than by reason of death or total and permanent disability, Consultant shall (A) forfeit (i) any outstanding options, (ii) any outstanding restricted units, and (iii) the right to any unpaid Growth Plan award amounts, and (B) repay the compensatory gains from the consideration described in Paragraph 4.

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

(a) If to the Company: Honeywell International Inc.  
101 Columbia Road  
Morristown, New Jersey 07962  
Attn: Kevin M. Covert  
Vice President and Deputy General Counsel

If to Consultant: David J. Anderson

With a Copy to: Todd Garvelink, Esquire  
Morrison Cohen LLP  
909 Third Avenue  
New York, NY 10022-4784  
[tgavelink@morrisoncohen.com](mailto:tgavelink@morrisoncohen.com)

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

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

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

18. Consultant has received a copy of the Company's Code of Business Conduct (the "Code"). Consultant certifies that it has reviewed and understands the Code and will fully comply with its terms and take all necessary steps to assist the Company in complying with it. If the services

provided hereunder are related to a U.S. Department of Defense contract, Consultant shall represent that he has been made aware of the Company's commitment to the Defense Industry Initiative for Federal Procurement Related Services.

19. Without prejudice to the rights and remedies otherwise available to the Company hereunder, the Company shall be entitled to equitable relief by way of injunction or otherwise if Consultant breaches or threatens to breach any of the provisions of this Agreement. In addition, and not by way of limitation, in the event Consultant materially fails to perform his duties hereunder upon notice and request for performance, or otherwise materially breaches the terms of any confidentiality, nonsolicit or noncompetition covenants that Consultant may have executed in favor of the Company, Consultant shall be treated as if he terminated this Agreement early under Paragraph 16.

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

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

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

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

Consultant's Taxpayer No.

By: /s/ David J. Anderson

**DAVID J. ANDERSON**

**HONEYWELL INTERNATIONAL INC.**

By: /s/ Mark James

**MARK JAMES**

Senior Vice President

Human Resources, Communications and Procurement

**EXHIBIT A**

**CONSULTING AGREEMENT BETWEEN  
HONEYWELL INTERNATIONAL INC.  
AND  
DAVID J. ANDERSON**

**Consultant Statement of Work**

Consultant agrees to make himself available to consult with the Chief Executive Officer of the Company, or his designees, at his/their discretion, for up to two hundred (200) hours per annum during the term of this Agreement.

During the term of this Agreement, Consultant may not become employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) any other entity (including, for the sake of clarity, any investment-type entity (e.g., private equity or venture capital firm)) without the express written consent of the Company's Chief Executive Officer. If Consultant accepts any such engagement with another entity during the term of this Agreement without the written consent of the Company's Chief Executive Officer, the Consultant shall forfeit any and all of the Consideration set forth in Paragraph 4 and this Agreement shall otherwise become null and void. In addition, you agree that you will repay to the Company, within thirty (30) days of a demand therefore, any Consideration that you may have already received solely as a result of the terms of this Agreement.



**David M. Cote**                      Honeywell  
Chairman and                      P.O. Box 3000  
Chief Executive Officer        Morristown, NJ 07962-2496

April 7, 2014

Mr. Roger Fradin

Dear Roger:

I am pleased to confirm your promotion to the role of Vice Chairman, Honeywell International Inc., based in Melville, New York and reporting to me.<sup>1</sup> This position is an executive officer position.

As you transition to your new role with Honeywell International Inc. (“Honeywell” or the “Company”), I am pleased to describe below a few additional terms and conditions incident to your long-term incentive grants. The benefits described in this letter (“Letter Agreement”) were approved by the Management Development and Compensation Committee (“MDCC”) of the Board of Directors at its meeting on February 14, 2014 and will be effective as of the date you execute this Letter Agreement. The terms and conditions of these additional benefits can be summarized as follows:

#### **CONTINUED EMPLOYMENT AND COMPENSATION**

Effective April 7, 2014, you will be giving up your responsibilities as President and CEO of Honeywell Automation and Control Solutions and assuming your new responsibilities.<sup>2</sup> Your base salary will be \$1,050,000 and your target incentive compensation opportunity will be continue to be 100% of your annual cash base salary earnings during the year. In addition, you will continue to be eligible for (i) incentive compensation awards, (ii) annual equity awards (with the size and mix determined by the MDCC), and (iii) Growth Plan Unit awards (also subject to MDCC discretion), consistent with your position as an executive officer of Honeywell. The terms of all long-term incentive awards are governed by the terms of the applicable stock plan and the relevant award agreements.

#### **ADDITIONAL CONSIDERATION**

As further consideration for you to accept your new role, the MDCC has approved the following enhancements to your long-term incentive grants.

##### **1. Equity Vesting**

Provided you (i) remain actively employed by Honeywell until February 15, 2017 (the “Retention Date”), and (ii) perform satisfactorily in your new role through your Retention Date (as determined by Honeywell’s CEO in his sole and absolute discretion), any outstanding, unvested stock options

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<sup>1</sup> Such position is not a Board position. That is, you will not, by virtue of this promotion, become a member of the Board of Directors of the Company and you shall have none of the rights and privileges described in Article V, Section 6 of Honeywell’s By-laws.

<sup>2</sup> This promotion serves as affirmation that you have successfully complied with your obligation to provide twelve (12) months of transition services to your successor as CEO and President of ACS, as required under the letter agreement between you and Honeywell dated October 6, 2010.

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or restricted stock units that do not otherwise vest pursuant to the letter agreement between you and Honeywell dated October 6, 2010 (other than those that have been granted within twelve (12) months of the date on which you actually retire from Honeywell, except as may otherwise be determined by Honeywell's CEO in his sole and absolute discretion), shall continue to vest as scheduled; provided, however, to the extent allowing any restricted stock units to vest as scheduled would subject you to additional taxes under Section 409A (as defined hereinafter), such restricted stock units shall vest not later than the March 1 of the calendar year following the calendar year in which you are deemed to have separated from service with the Company for purposes of Section 409A. Notwithstanding the foregoing, any unvested stock options or restricted stock units that are subject to performance conditions shall become vested and payable only to the extent such conditions are satisfied.

## **2. Option Exercise**

Provided you (i) remain actively employed by Honeywell until the Retention Date, and (ii) perform satisfactorily in your new role through your Retention Date (as determined by Honeywell's CEO in his sole and absolute discretion), you shall have the full remaining term to exercise all of your vested stock options. For purposes of this provision, vested stock options includes any stock options that had become vested as a matter of course or pursuant to any other agreement between you and the Company, as well as any stock options that vest pursuant to this Letter Agreement.

## **3. Growth Plan Units**

Provided you remain actively employed by Honeywell until the Retention Date, you shall receive any unpaid tranches of Growth Plan awards for any Growth Plan cycle that has previously been completed. Any amounts payable hereunder shall be paid in the normal course and at the same time such amounts are paid to other Growth Plan participants.

Notwithstanding anything herein to the contrary, Honeywell's CEO may designate a date earlier than February 15, 2017 as the date through which you must remain actively employed by Honeywell in order to be eligible for the ADDITIONAL CONSIDERATION described more fully above. In such case, or in the event you are terminated by the Company other than for Cause prior to February 15, 2017, such revised retention date or termination date, as the case may be, shall be treated as the Retention Date hereunder. In the event Honeywell's CEO accelerates the Retention Date to a date that is earlier than August 15, 2015, you will be eligible for severance benefits under the Honeywell International Inc. Severance Plan for Designated Officers ("Officer Severance Plan") notwithstanding your voluntary retirement under the RETIREMENT section of this Letter Agreement.

In the event you are terminated for Cause (as defined by the Officer Severance Plan) prior to the Retention Date, this Letter Agreement shall become null and void.

In the event David M. Cote ceases to be Honeywell's Chief Executive Officer (i) prior to February 15, 2017, *and* (ii) while you are still employed by Honeywell, the CEO discretion described in subclauses (ii) of 1 and 2 of this ADDITIONAL CONSIDERATION section of this Letter Agreement shall become inoperative, it being the intention of this paragraph that you become vested in such benefits as long as you remain actively employed by Honeywell through the applicable Retention Date.

## **PERSONAL USE OF COMPANY AIRCRAFT**

As part the compensation package applicable to your new role, you shall be entitled to fifty (50) hours of personal use of Company aircraft per calendar year. Such usage shall be subject to imputed income in accordance with IRS guidelines.

## **RETIREMENT**

As part of this Letter Agreement, you agree that you will voluntarily retire from the Company effective on the Retention Date. For the avoidance of doubt, you will not be eligible for severance benefits under any Company-sponsored severance plan, including the Honeywell International Inc. Severance Plan for Designated Officers. Notwithstanding the foregoing, any retirement under this paragraph shall be treated as an involuntary termination other than for Cause solely for purposes of the letter agreement between you and Honeywell dated October 6, 2010.

## **FORFEITURE PROVISIONS**

The benefits described in the ADDITIONAL CONSIDERATION section of this Letter Agreement are subject to the following additional terms and conditions:

- Prior to the Retention Date, you may not accept a position with another company; *and*
- You must limit your participation as an outside board director to two public and/or private entities, with all directorships subject to the prior approval of Honeywell's CEO.

If the Company determines, in its sole judgment, that you have violated any of the terms or conditions of this Letter Agreement, or any confidentiality, nonsolicit or noncompetition covenants that you have executed in favor of the Company, Honeywell may, in addition to availing itself to any other remedies at law or in equity to which it may be entitled, (i) cancel any stock options that have vested under this Letter Agreement, (ii) cancel any of the special vesting provisions with respect to stock options or restricted units contained in this Letter Agreement, (iii) cancel any of the extended exercise provisions related to stock options contained in this Letter Agreement, and (iv) rescind the payment of any Growth Plan payments to which you are entitled solely because of this Letter Agreement. In addition, in the event of such violation you agree that you will repay to the Company, within thirty (30) days of a demand therefore, the gross amount of (x) the "in the money" value of any stock option exercises, (y) any restricted stock awards, and (z) any Growth Plan payments, that you received solely as a result of the terms of this Letter Agreement.

This Letter Agreement is intended to supplement, not supercede, any other rights Honeywell may have to recoup equity awards under the terms of the applicable 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.

## **GENERAL RELEASE OF CLAIMS**

In exchange for entering into this Letter Agreement and the ADDITIONAL CONSIDERATION set forth herein, you do hereby waive and do hereby release, knowingly and willingly, Honeywell International Inc., its future parent corporations, its predecessor companies, its past, present and future divisions, subsidiaries, affiliates and related companies and their successors and assigns and all past, present and future directors, officers, employees and agents of these entities, personally and as directors, officers, employees and agents (collectively the "Honeywell Group"), from any and all claims of any nature

whatsoever you have arising out of your employment and/or the termination of your employment with the Honeywell Group, known or unknown, including but not limited to any claims you may have under federal, state or local employment, labor, or anti-discrimination laws, statutes and case law and specifically claims arising under the federal Age Discrimination in Employment Act, the Civil Rights Acts of 1866 and 1964, as amended, the Americans with Disabilities Act, Executive Order 11246, the Employee Retirement Income Security Act of 1974 (“ERISA”), the Family and Medical Leave Act, the Rehabilitation Act of 1973, the Fair Labor Standards Act, the Labor-Management Relations Act, the Equal Pay Act and the Worker Adjustment Retraining and Notification Act, the New York Executive Law, the New York Human Rights Law, the New York Equal Rights Law, the New York Labor Law and Civil Rights Law, the New York Constitution, New York common law, the Minnesota Human Rights Act, the Minnesota Equal Pay Law, the Minnesota Age Discrimination Law, the Minnesota Constitution, Minnesota common law and any and all other applicable state, county or local statutes, ordinances or regulations, including claims for attorneys’ fees; provided, however, that this release does not apply to claims under ERISA Section 502(a)(1)(B) for benefits under Honeywell Group sponsored benefit plans covered under ERISA (other than claims for severance and severance related benefits) , does not apply to claims arising out of obligations expressly undertaken in this Letter Agreement, and does not apply to claims arising out of any act or omission occurring after the date you sign this Letter Agreement. All claims, including contingent claims, for incentive compensation awards under any Honeywell Group plan or payroll practice, along with any claims under any state wage and hour laws, are specifically subject to this release of claims. Any rights to benefits (other than severance benefits) under Honeywell Group sponsored benefit plans are governed exclusively by the written plan documents.

You have twenty-one (21) days from the date of this Letter Agreement (as indicated on the first page hereof) to review and consider this Letter Agreement and to the extent that you have elected to execute and deliver this Letter Agreement sooner, you acknowledge that you have done so voluntarily and knowingly. You may accept this Letter Agreement by signing it prior to the expiration of the twenty-one (21) day review period and returning an executed original to me. You have fifteen (15) days after signing this Letter Agreement to revoke your decision by indicating your desire to do so in a written revocation notice delivered to Kevin M. Covert prior to the expiration of such revocation period. This Letter Agreement shall be fully effective and binding upon all parties hereto immediately following the expiration of the revocation period, so long as you have not revoked this Letter Agreement during such time.

You acknowledge that you: (a) have carefully read this Letter Agreement in its entirety; (b) are hereby advised by the Company, in this writing, to consult with an attorney of your choice before signing this Letter Agreement; (c) fully understand the significance of all of the terms and conditions of this Letter Agreement and have discussed them with an attorney of your choice, or have had a reasonable opportunity to do so; and (d) are signing this Letter Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

#### **INTELLECTUAL PROPERTY AND NON-COMPETITION AGREEMENTS**

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

Given that your new role is broader in scope than your previous role, your new Noncompete Agreement is more comprehensive than your existing Noncompete Agreement in terms of the potential competitors. Nevertheless, the Company does not intend to treat any Honeywell competitor as a competitor under your new Noncompete Agreement unless, as part of your duties as Vice Chairman or in a previous role, you

perform services that give you direct insight and/or exposure to an industry or business in which that particular Honeywell competitor operates. If you have any questions about whether a Honeywell competitor would constitute a competitor under your new Noncompete Agreement, you may request an advance determination of the Company's Senior Vice President and General Counsel, who may, after consulting with Company management, grant you a specific waiver or declaratory judgment relative to that request.

#### **NON-DISPARAGEMENT**

At no time on or after the date hereof will you make any statement, publicly or privately (including, without limitation, to members of the business press or equity analysts, but excepting your legal advisors), which would be disparaging (as defined below) to the Honeywell Group, its businesses, strategies, prospects, condition or reputation, or that of directors, employees, officers or members; provided, however, that nothing contained in any provision of this Letter Agreement 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. For purposes of this Letter Agreement, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation. For the avoidance of doubt, you agree that you will not write or contribute to a book, article or other media publication, whether in written or electronic format, that is in any way descriptive of the Honeywell Group or your career with the Company without submitting a draft thereof, at least thirty (30) days in advance, to the Company's Senior Vice President and General Counsel, whose judgment about whether such book, article or other media publication is disparaging shall be determinative.

#### **GOVERNING LAW AND CERTAIN INCIDENTS OF ENFORCEMENT**

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

#### **409A CONSIDERATIONS**

It is intended that this Letter Agreement be administered in compliance with Section 409A of the Code, including, but not limited to, any future amendments to Code Section 409A, and any other Internal Revenue Service ("IRS") or other governmental rulings or interpretations issued pursuant to Section 409A (together, "Section 409A") so as not to subject you to payment of interest or any additional tax under Section 409A. The parties intend for any payments under this Letter Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Letter Agreement shall be construed and interpreted accordingly. In furtherance thereof, if payment or provision of any amount or benefit hereunder that is subject to Section 409A at the time specified herein would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or provision of such amount or benefit can be made without incurring such additional tax. In addition, to the extent that Section 409A or any IRS guidance issued under Section 409A would result in you being subject to the payment of interest or any additional tax under Section 409A, the parties agree, to the extent reasonably possible, to amend this Letter Agreement to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall minimize any negative economic effect on you

and be reasonably determined in good faith by the Company and you. As a "specified employee" as defined in Section 409A, any amounts payable under this Letter Agreement that would be subject to the special rule regarding payments to "specified employees" under Section 409A(a)(2)(B) of the Code shall not be paid before the expiration of a period of six (6) months following the date of the termination of your employment. In such case, you shall receive all such deferred amounts retroactively in a single sum and the balance thereof as otherwise provided. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on you by Code Section 409A or any damages for failing to comply with Section 409A; provided that, in the event that any excise tax or interest amount ("409A Amount") is imposed on you as a result of any negligent act or omission by the Company, the Company shall reimburse you for any such 409A Amount, grossed-up for taxes at an assumed total tax rate of forty percent (40%).

Roger, I very much look forward to continuing working with you. Your talent, experience and background are terrific assets to Honeywell.

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

Congratulations,

/s/ David M. Cote

David M. Cote  
Chief Executive Officer and Chairman of the Board  
Honeywell International Inc.

Read and Accepted:

/s/ Roger Fradin

Roger Fradin

Date: April 7, 2014

***For the avoidance of doubt, nothing in this Letter Agreement is intended to supercede or modify, in any way, your rights and obligations under the letter agreement between you and Honeywell dated October 6, 2010.***

# HONEYWELL INTERNATIONAL NONCOMPETE AGREEMENT FOR SENIOR EXECUTIVES

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

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

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

A "Competing Business" shall mean any business, person, entity or group of business entities, regardless of whether organized as a corporation, partnership (general or limited), joint venture, association or other organization, that (i) conducts or is planning to conduct a business

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

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

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

or modifying any overbroad or otherwise invalid terms to the extent necessary to render the terms valid and enforceable and then enforcing the Agreement as so reformed or modified.

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

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

**5. Binding Agreement, Amendment, Successors.** I acknowledge that the provisions of this Agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing employment or other agreement with Honeywell. This Agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection provided by all agreements I have with Honeywell. The terms of the restriction in Paragraph 1 and the other terms in this Agreement are to be read consistent with the terms of any other noncompete or other agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given

effect. No waiver of this Agreement will be effective unless it is in writing and signed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement may not be superseded or amended by any other agreement between myself and Honeywell unless such agreement specifically and expressly states that it is intended to supersede this Agreement and is executed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns.

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

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

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

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

**10. Additional Definitions.**

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

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

"Program" refers to the noncompete initiative implemented by Honeywell requiring that employees occupying certain jobs in Salary Bands 5 – 7 (Senior Executives) execute this noncompete Agreement.

"Trade Secrets, Proprietary and Confidential Information" means information which is not generally known in the industry in which Honeywell International is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result

of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, business systems, strategic plans, plans for acquisition or disposition of products, expansion plans, financial status and plans, financial data, personnel information, customer lists or data, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell International or held by Honeywell International in confidence.

“Termination of Employment” means any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for t  
be the last day I actively perform services for Honeywell.

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

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

/s/ Roger Fradin  
**ROGER FRADIN**

Date: April 7, 2014

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

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

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

as my agent and attorney-in-fact, to act for and on my behalf to execute and file any such application or applications, and to do all other lawfully-permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by me.

5. **Pre-employment Inventions.** On Schedule A, which is an integral part of this agreement, I have completely identified (without disclosing any trade secret, proprietary or other confidential information) every Invention I Made before my employment by Honeywell in which I have an ownership interest and which is not the subject of a printed publication at the time I sign this agreement. I will not assert any rights against Honeywell with respect to any Invention Made before my employment by Honeywell.

6. **Honeywell's Trade Secrets, Proprietary and Confidential Information.** I will never, directly or indirectly, during or after my employment with Honeywell misappropriate, use or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information except in furthering Honeywell's business nor will I disclose or disseminate at any time Honeywell's Trade Secrets, Proprietary and Confidential Information to anyone who is not an officer, director, employee, attorney or authorized agent of Honeywell without the prior written consent of Honeywell's Law Department unless the specific item of Honeywell's Trade Secrets, Proprietary and Confidential Information (a) is now in, or hereafter, (through no breach of this agreement) becomes general public knowledge, or (b) prior to my disclosure, dissemination or use, was lawfully acquired by me without any obligation to retain the information in confidence. In this connection, I will not publish any of Honeywell's Trade Secrets, Proprietary and Confidential Information for dissemination outside Honeywell or file any patent application relating to any Invention I Made during the period of time I am employed by Honeywell without the prior written approval of Honeywell's Law Department. I will execute any agreement relating to the protection of Honeywell's Trade Secrets, Proprietary and Confidential Information or such information of any third party whose information I have access to solely for performing the duties of my employment by Honeywell. I will protect the confidentiality of their content and comply with all security policies and procedures, which may, from time to time, be established by Honeywell. I will return all of them and all copies, facsimiles and specimens of them and any other tangible forms of Honeywell's Trade Secrets, Proprietary and Confidential Information in my possession, custody or control to Honeywell before leaving the employment of Honeywell.

I understand that I have the right to use or practice any skill or expertise generally associated with my employment but not special or unique to Honeywell, but that I do not have the right to use, practice or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information for my own benefit or for the benefit of any third party.

7. **Trade Secrets, Proprietary or Confidential Information from Previous Employment.** I certify that I have not, and will not, disclose or use during my employment by Honeywell, any trade secrets, proprietary or confidential information which I acquired as a result of any previous employment or under a contractual obligation of confidentiality before my employment by Honeywell. I understand that Honeywell has no interest in and will not accept disclosure by me of any trade secrets, proprietary or confidential information, which belongs to a third party. If I am ever placed in a position where I will be required or am given an assignment that will require me to use, directly or indirectly, any trade secrets, proprietary or confidential

8. **Prior Restrictive Obligation.** On Schedule B, which is an integral part of this agreement, I have completely identified all prior obligations (written and oral), which restrict my ability to perform the duties of my employment by Honeywell, including all confidentiality agreements and covenants restricting future employment.
9. **Nonsolicitation of Honeywell Employees.** I acknowledge that Honeywell has invested, and will continue to invest, significant time and money to recruit and retain its employees. Therefore, recognizing that in the course of my employment I have obtained valuable information following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, (i) solicit (or assist another in soliciting) for employment or for the performance of services, (ii) offer or cause to be offered employment or other service engagement, or (iii) participate in any manner in the employment or hiring for services of any current or former Honeywell employee with whom I had contact or of whom I became aware in my last two years of Honeywell employment, unless it has been more than 12 months since that individual left Honeywell. Nor will I, for my own account or for others, in any way induce or attempt to induce such individual to leave the employment of Honeywell.
10. **Nonsolicitation of Honeywell Customers, Suppliers, Business Partners and Vendors.** I acknowledge that Honeywell has invested and will continue to invest significant time and money to develop valuable, continuing relationships with existing and prospective clients and customers of Honeywell. Therefore, recognizing that in the course of my employment I have obtained and/or will obtain valuable information about Honeywell customers, suppliers, business partners, and/or vendors, and their requirements, I agree that during my employment and for a period of two years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit), (i) any existing clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact, or of whom I became aware while employed by Honeywell during the two-year period prior to my Termination of Employment, or (ii) any prospective clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact and with whom Honeywell took significant steps to do business during the two-year period prior to my Termination of Employment, for the purpose or effect of inducing such existing or prospective clients, customers, suppliers, business partners, and/or vendors to cease doing business or reduce their business with Honeywell or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered by Honeywell.
11. **Notice to Future Employers.** For the period of two years immediately following the end of my employment by Honeywell, I will inform each new employer, prior to accepting employment, of the existence of this agreement and provide that employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this agreement and to provide any future employers with a copy of it.
12. **Copyright.** As to all works prepared by me which are: (i) within the scope of my employment, or (ii) based upon information I acquired from Honeywell which is not normally made available to the public, or (iii) commissioned by Honeywell, but not within my scope of employment, I hereby agree to:
- (a) Submit to Honeywell's Law Department and to my supervisor for approval for publication or oral dissemination;

- (b) Assign all right, title and interest in and to the copyright in all such works to Honeywell; and
- (c) Waive any claim of moral rights, author's rights, droit moral, or any equivalent rights to the extent necessary or permitted by law.

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

13. **Acknowledgement of Receipt.** I acknowledge that I have received a copy of this agreement prior to accepting employment, continued employment or other consideration as recited herein and that execution of this agreement was an express condition of my employment, continued employment or receipt of other consideration recited herein.
14. **Effectiveness of Agreement.** I acknowledge that the provisions of this agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing agreement with Honeywell. This agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection and the most effective and complete assignment of inventions provided by all agreements I have with Honeywell. The terms of this agreement are to be read consistent with the terms of any other intellectual property, trade secret or confidentiality agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be read in concert and construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given effect. This agreement shall be  
  
Honeywell and my obligations will continue after, and survive, the end of my employment by Honeywell.
15. **Identity of Future Employer.** Upon termination of my employment for any reason, if reasonably requested by Honeywell, I shall advise Honeywell of the name and address of my intended future employer.
16. **Remedies.** I acknowledge that a remedy at law for any breach or threatened breach of the provisions of this Agreement would be inadequate and therefore agree that Honeywell shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that I have breached or threatened to breach this agreement, I agree to reimburse Honeywell for all attorneys' fees and costs incurred in enforcing the terms of the agreement. However, nothing contained herein shall be construed as prohibiting Honeywell from pursuing any other remedies available for any such breach or threatened breach against me or my then-current employer which may also include but not be limited to contract damages, lost profits and punitive damages.
17. **Successors; Binding Agreement.** This agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns. Only a written amendment executed by both Honeywell and me can modify this agreement.
18. **Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law.
19. **Validity.** It is the desire and intent of the parties hereto that the provisions of this agreement shall be enforced to the fullest extent legally-permissible. Accordingly, if any particular provision(s) of this agreement shall be adjudicated to be invalid or unenforceable, the court may modify or sever such provision(s), such modification or deletion to apply only with respect to the operation of such provision(s) in the particular jurisdiction in which such adjudication is made. In addition, if any one or more of the provisions contained

in this agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. The remaining provisions of this agreement shall remain in full force and effect.

**20. Definitions**

- (a) "Honeywell" collectively identifies Honeywell International Inc. (a Delaware corporation having a place of business at Columbia Road and Park Avenue, Morris Township, Morris County, New Jersey), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of stock, merger or otherwise.
- (b) "Trade Secrets, Proprietary and Confidential Information" means information which is not generally known in the industry in which Honeywell is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, customer lists, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell or held by Honeywell in confidence.
- (c) "Invention" includes not only inventions (including, but not limited to, copyright works, trademarks, domain names, URLs, keywords, social media account or identification names, business networking/media account or identification names and mask works), but also innovations, improvements, discoveries, ideas and all other forms of intellectual property (including, but not limited to, copyright works and mask works) – whether or not any of the foregoing constitutes trade secret or other confidential information.
- (d) "Make" or "Made" when used in relation to Invention includes any one or any combination of (i) conception, (ii) reduction to practice, or (iii) development of an Invention and is without regard to whether I am a sole or joint inventor.
- (e) "Termination of Employment" shall be defined as any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for termination. The termination date for purposes of this Agreement shall be the last day I actively perform services for Honeywell.
- (f) "Solicit" or "soliciting" includes contacting, communicating with, marketing to, engaging or otherwise interacting with (whether initiated by me or not).

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

/s/ Roger Fradin  
**ROGER FRADIN**

April 7, 2014  
Date

**SCHEDULE A**

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

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

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

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[Attach additional sheets if more space is needed.]

**SCHEDULE B**

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

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

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

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[Attach additional sheets if more space is needed.]

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

**ROGER FRADIN  
EMPLOYED AS  
Vice Chairman  
Honeywell International Inc.**

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

Based on your current role and responsibilities with Honeywell as Vice Chairman, Honeywell International Inc., the following companies are considered key competitors, and therefore, fall within the definition of a Competing Business as that term is used in your Noncompete Agreement:

**General Electric, United Technologies, Rockwell Collins, Lockheed Martin, Northrop Grumman, Garmin, Thales, Williams, Emerson, Invensys, Johnson Controls, Schneider Electric, Siemens, Yamatake, Ingersoll Rand, Rockwell Automation, Bosch, Mine Safety Appliances, 3M, Tyco, ABB, Yokogawa, Philips, Motorola Solutions (Symbol), Arkema, Axens, BASF, DSM, Dupont, Shell/Criterion, Albermarle, Sinopec, Chevron Lummus Global, Solvay, Fluor, Celanese, Borg-Warner, Holset, IHI, MHI, Bosch-Mahle JV, SchaefflerContinental, Voight, APB, Cummins, Behr, Modine, Valeo, Advics, Akebono, Continental, Federal-Mogul, ITT Corp., JBI, Nisshinbo, TMD Friction, TRW, Saxid, Affina, Centric**

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



Provided you remain actively employed by Honeywell until February 15, 2017 (or your death, if earlier) (the "Retention Date"), and (ii) perform satisfactorily in your new role through your Retention Date (as determined by Honeywell's CEO in his sole and absolute discretion), any outstanding, unvested stock options or restricted stock units (other than those that have been granted within twelve (12) months of the date on which you actually retire from Honeywell except as may otherwise be determined by Honeywell's CEO in his sole and absolute discretion) shall continue to vest as scheduled after the Retention Date as if you had continued to be employed by Honeywell; provided, however, to the extent allowing any restricted stock units to vest as scheduled would subject you to additional taxes under Section 409A (as defined hereinafter), such restricted stock units shall vest not later than the March 1 of the calendar year following the calendar year in which you are deemed to have separated from service with the Company for purposes of Section 409A. Notwithstanding the foregoing, any unvested stock options or restricted stock units that are subject to performance conditions shall become vested and payable only to the extent such conditions are satisfied.

## **2. Option Exercise**

Provided you (i) remain actively employed by Honeywell until the Retention Date, and (ii) perform satisfactorily in your new role through your Retention Date (as determined by Honeywell's CEO in his sole and absolute discretion), you shall have the full remaining term to exercise all of your vested stock options. For purposes of this provision, vested stock options includes any stock options that had become vested as a matter of course or pursuant to any other agreement between you and the Company, as well as any stock options that vest pursuant to this Letter Agreement.

## **3. Growth Plan Units**

Provided you remain actively employed by Honeywell until the Retention Date, you shall receive any unpaid tranches of Growth Plan awards for any Growth Plan cycle that has previously been completed. Any amounts payable hereunder shall be paid in the normal course and at the same time such amounts are paid to other Growth Plan participants.

Notwithstanding anything herein to the contrary, Honeywell's CEO may designate a date earlier than February 15, 2017 as the date through which you must remain actively employed by Honeywell in order to be eligible for the ADDITIONAL CONSIDERATION described more fully above. In such case, or in the event you are terminated by the Company other than for Cause prior to February 15, 2017, such revised retention date or termination date, as the case may be, shall be treated as the Retention Date hereunder. In the event Honeywell's CEO accelerates the Retention Date to a date that is earlier than August 15, 2015, you will be eligible for severance benefits under the Honeywell International Inc. Severance Plan for Designated Officers ("Officer Severance Plan") notwithstanding your voluntary retirement under the RETIREMENT section of this Letter Agreement.

In the event you are terminated by the Company for Cause (as defined by the Honeywell International Inc. Severance Plan for Designated Officers as of the date this Letter Agreement is executed) prior to the Retention Date, this Letter Agreement shall become null and void.

In the event David M. Cote ceases to be Honeywell's Chief Executive Officer (i) prior to February 15, 2017, *and* (ii) while you are still actively employed by Honeywell, the CEO discretion described in subclauses (ii) of 1 and 2 of this ADDITIONAL CONSIDERATION section of this Letter Agreement shall become inoperative, it being the intention of this paragraph that you become vested in such benefits as long as you remain actively employed by Honeywell through the applicable Retention Date.

## **PERSONAL USE OF COMPANY AIRCRAFT**

As part the compensation package applicable to your new role, you shall be entitled to fifty (50) hours of personal use of Company aircraft per calendar year. Such usage shall be subject to imputed income in accordance with IRS guidelines.

## **RETIREMENT**

As part of this Letter Agreement, and subject to its terms, you agree that you will voluntarily retire from the Company effective on the Retention Date. For the avoidance of doubt, and except as expressly provided in this Letter Agreement, you will not be eligible for severance benefits under any Company-sponsored severance plan, including the Honeywell International Inc. Severance Plan for Designated Officers.

## **FORFEITURE PROVISIONS**

The benefits described in the ADDITIONAL CONSIDERATION section of this Letter Agreement are subject to the following additional terms and conditions:

- Prior to the Retention Date, you may not accept a position with another company; *and*
- Prior to the Retention Date, you must limit your participation as an outside board director to two public and/or private entities, with all directorships subject to the prior approval of Honeywell's CEO.

If the Company determines, in its sole judgment, that you have materially violated any of the terms or conditions of this Letter Agreement, or any confidentiality, nonsolicit or noncompetition covenants that you have executed in favor of the Company, which violation has not been cured within fifteen (15) calendar days of a written request to do so, Honeywell may, in addition to availing itself to any other remedies at law or in equity to which it may be entitled, (i) cancel any stock options that have vested under this Letter Agreement, (ii) cancel any of the special vesting provisions set forth in this Letter Agreement with respect to stock options or restricted units, (iii) cancel any extended stock option exercise period provided in this Letter Agreement, and (iv) cancel the payment of any Growth Plan payments to which you are entitled solely because of this Letter Agreement. In addition, in the event of such material uncured or incurable violation you agree that you will repay to the Company, within thirty (30) days of a demand therefore, the gross amount of (x) the "in the money" value of any stock option exercises, (y) any restricted stock awards, and (z) any Growth Plan payments, that you received solely as a result of the terms of this Letter Agreement.

This Letter Agreement is intended to supplement, not supercede, any other rights Honeywell may have to recoup equity awards under the terms of the applicable 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.

## **GENERAL RELEASE OF CLAIMS**

In exchange for entering into this Letter Agreement and the ADDITIONAL CONSIDERATION set forth herein, you do hereby waive and do hereby release, knowingly and willingly, Honeywell International Inc., its future parent corporations, its predecessor companies, its past, present and future divisions, subsidiaries, affiliates and related companies and their successors and assigns and all past, present and

future directors, officers, employees and agents of these entities, personally and as directors, officers, employees and agents (collectively the “Honeywell Group”), from any and all claims of any nature whatsoever you have arising out of your employment and/or the termination of your employment with the Honeywell Group, known or unknown, including but not limited to any claims you may have under federal, state or local employment, labor, or anti-discrimination laws, statutes and case law and specifically claims arising under the federal Age Discrimination in Employment Act, the Civil Rights Acts of 1866 and 1964, as amended, the Americans with Disabilities Act, Executive Order 11246, the Employee Retirement Income Security Act of 1974 (“ERISA”), the Family and Medical Leave Act, the Rehabilitation Act of 1973, the Fair Labor Standards Act, the Labor-Management Relations Act, the Equal Pay Act and the Worker Adjustment Retraining and Notification Act, the New York Executive Law, the New York Human Rights Law, the New York Equal Rights Law, the New York Labor Law and Civil Rights Law, the New York Constitution, New York common law, the New Jersey Law Against Discrimination, the New Jersey Equal Pay Act, the New Jersey Constitution, the New Jersey Conscientious Employee Protection Act, New Jersey common law and any and all other applicable state, county or local statutes, ordinances or regulations, including claims for attorneys’ fees; provided, however, that this release does not apply to claims under ERISA Section 502(a)(1)(B) for benefits under Honeywell Group sponsored benefit plans covered under ERISA (other than claims for severance and severance related benefits), does not apply to claims arising out of obligations expressly undertaken in this Letter Agreement, and does not apply to claims arising out of any act or omission occurring after the date you sign this Letter Agreement. All claims, including contingent claims, for incentive compensation awards under any Honeywell Group plan or payroll practice, along with any claims under any state wage and hour laws, are specifically subject to this release of claims. Any rights to benefits (other than severance benefits) under Honeywell Group sponsored benefit plans are governed exclusively by the written plan documents.

You have twenty-one (21) days from the date of this Letter Agreement (as indicated on the first page hereof) to review and consider this Letter Agreement and to the extent that you have elected to execute and deliver this Letter Agreement sooner, you acknowledge that you have done so voluntarily and knowingly. You may accept this Letter Agreement by signing it prior to the expiration of the twenty-one (21) day review period and returning an executed original to me. You have seven (7) days after signing this Letter Agreement to revoke your decision by indicating your desire to do so in a written revocation notice delivered to Kevin M. Covert prior to the expiration of such revocation period. This Letter Agreement shall be fully effective and binding upon all parties hereto immediately following the expiration of the revocation period, so long as you have not revoked this Letter Agreement during such time.

You acknowledge that you: (a) have carefully read this Letter Agreement in its entirety; (b) are hereby advised by the Company, in this writing, to consult with an attorney of your choice before signing this Letter Agreement; (c) fully understand the significance of all of the terms and conditions of this Letter Agreement and have discussed them with an attorney of your choice, or have had a reasonable opportunity to do so; and (d) are signing this Letter Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

#### **INTELLECTUAL PROPERTY AND NON-COMPETITION AGREEMENTS**

As part of this Letter Agreement, you are required to execute, in the form attached hereto, (i) Honeywell’s “Employee Agreement Relating to Trade Secrets, Proprietary and Confidential Information” (“IP Agreement”), and (ii) the “Honeywell International Inc. Noncompete Agreement for Senior Executives” (“Noncompete Agreement”), both of which are attached hereto and both of which, once executed, shall be treated for all purposes as part of this Agreement.

Given that your new role is broader in scope than your previous role, your new Noncompete Agreement is more comprehensive than your existing Noncompete Agreement in terms of the potential competitors. Nevertheless, the Company does not intend to treat any Honeywell competitor as a competitor under your new Noncompete Agreement unless, as part of your duties as Vice Chairman or in a previous role, you perform services that give you direct insight and/or exposure to an industry or business in which that particular Honeywell competitor operates. If you have any questions about whether a Honeywell competitor would constitute a competitor under your new Noncompete Agreement, you may request an advance determination of the Company's Senior Vice President and General Counsel, who may, after consulting with Company management, grant you a specific waiver or declaratory judgment relative to that request.

#### **NON-DISPARAGEMENT**

At no time on or after the date hereof will you make any statement, publicly or privately (including, without limitation, to members of the business press or equity analysts, but excepting your legal advisors), which would be disparaging (as defined below) to the Honeywell Group, its businesses, strategies, prospects, condition or reputation, or that of directors, employees, officers or members; provided, however, that nothing contained in any provision of this Letter Agreement shall preclude you from making any truthful statement in good faith that is (i) required by any law, regulation, subpoena, court order, agency request, or the like, or (ii) reasonably necessary in connection with the enforcement of your rights under this Letter Agreement. For purposes of this Letter Agreement, the term "disparaging" shall mean any statement or representation (whether oral or written and whether true or untrue) which, directly or by implication, tends to create a negative, adverse or derogatory impression about the subject of the statement or representation or which is intended to harm the reputation of the subject of the statement or representation. For the avoidance of doubt, you agree that you will not write or contribute to a book, article or other media publication, whether in written or electronic format, that is in any way descriptive of the Honeywell Group or your career with the Company without submitting a draft thereof, at least thirty (30) days in advance, to the Company's Senior Vice President and General Counsel, whose judgment about whether such book, article or other media publication is disparaging shall be determinative.

Similarly, at no time on or after the date hereof will the Company (by any of its officers, directors or other senior managers or persons with knowledge of this Letter Agreement) make any statement, publicly or privately, which would be disparaging to you; provided, however, that nothing contained in any provision of this Letter Agreement shall preclude the Company from making any truthful statement in good faith that is (i) required by any law, regulation, subpoena, court order, agency request, or the like, or (ii) reasonably necessary in connection with the enforcement of its rights under this Letter Agreement.

#### **GOVERNING LAW AND CERTAIN INCIDENTS OF ENFORCEMENT**

This Letter Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey without regard to the principles of conflict of laws. Additionally, any action to enforce the terms of this Letter Agreement shall be commenced exclusively in the federal or state courts of the State of New Jersey. Both parties consent to the exclusive jurisdiction of the federal and state courts in the State of New Jersey and waive any objections under the doctrine of forum non conveniens.

#### **409A CONSIDERATIONS**

It is intended that this Letter Agreement be administered in compliance with Section 409A of the Code, including, but not limited to, any future amendments to Code Section 409A, and any other Internal Revenue Service ("IRS") or other governmental rulings or interpretations issued pursuant to Section 409A

(together, "Section 409A") so as not to subject you to payment of interest or any additional tax under Section 409A. The parties intend for any payments under this Letter Agreement either to satisfy the requirements of Section 409A or to be exempt from the application of Section 409A, and this Letter Agreement shall be construed and interpreted accordingly. In furtherance thereof, if payment or provision of any amount or benefit hereunder that is subject to Section 409A at the time specified herein would subject such amount or benefit to any additional tax under Section 409A, and a delay would avoid incurring such additional tax, then the payment or provision of such amount or benefit shall be postponed to the earliest date on which the payment or provision of such amount or benefit can be made without incurring such additional tax. In addition, to the extent that Section 409A or any IRS guidance issued under Section 409A would result in you being subject to the payment of interest or any additional tax under Section 409A, the parties agree, to the extent reasonably possible, to amend this Letter Agreement to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall minimize any negative economic effect on you and be reasonably determined in good faith by the Company and you. As a "specified employee" as defined in Section 409A, any amounts payable under this Letter Agreement that would be subject to the special rule regarding payments to "specified employees" under Section 409A(a)(2)(B) of the Code shall not be paid before the expiration of a period of six (6) months following the date of the termination of your employment. In such case, you shall receive all such deferred amounts retroactively in a single sum and the balance thereof as otherwise provided. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on you by Code Section 409A or any damages for failing to comply with Section 409A; provided that, in the event that any excise tax or interest amount ("409A Amount") is imposed on you as a result of any negligent act or omission by the Company, the Company shall reimburse you for any such 409A Amount, grossed-up for taxes at an assumed total tax rate of forty percent (40%).

Andreas, I very much look forward to continuing working with you. Your talent, experience and background are terrific assets to Honeywell.

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

Congratulations,

/s/ David M. Cote

David M. Cote

Chief Executive Officer and Chairman of the Board

Honeywell International Inc.

Read and Accepted:

/s/ Andreas Kramvis

Andreas Kramvis

Date: April 7, 2014

# HONEYWELL INTERNATIONAL NONCOMPETE AGREEMENT FOR SENIOR EXECUTIVES

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

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

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

A "Competing Business" shall mean any business, person, entity or group of business entities, regardless of whether organized as a corporation, partnership (general or limited), joint venture, association or other organization, that (i) conducts or is planning to conduct a business

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

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

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

or modifying any overbroad or otherwise invalid terms to the extent necessary to render the terms valid and enforceable and then enforcing the Agreement as so reformed or modified.

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

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

**5. Binding Agreement, Amendment, Successors.** I acknowledge that the provisions of this Agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing employment or other agreement with Honeywell. This Agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection provided by all agreements I have with Honeywell. The terms of the restriction in Paragraph 1 and the other terms in this Agreement are to be read consistent with the terms of any other noncompete or other agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given

effect. No waiver of this Agreement will be effective unless it is in writing and signed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement may not be superseded or amended by any other agreement between myself and Honeywell unless such agreement specifically and expressly states that it is intended to supersede this Agreement and is executed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns.

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

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

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

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

**10. Additional Definitions.**

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

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

"Program" refers to the noncompete initiative implemented by Honeywell requiring that employees occupying certain jobs in Salary Bands 5 – 7 (Senior Executives) execute this noncompete Agreement.

"Trade Secrets, Proprietary and Confidential Information" means information which is not generally known in the industry in which Honeywell International is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result

of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, business systems, strategic plans, plans for acquisition or disposition of products, expansion plans, financial status and plans, financial data, personnel information, customer lists or data, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell International or held by Honeywell International in confidence.

“Termination of Employment” means any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for t  
be the last day I actively perform services for Honeywell.

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

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

/s/ Andreas Kramvis  
**ANDREAS KRAMVIS**

Date: April 7, 2014

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

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

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

as my agent and attorney-in-fact, to act for and on my behalf to execute and file any such application or applications, and to do all other lawfully-permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by me.

5. **Pre-employment Inventions.** On Schedule A, which is an integral part of this agreement, I have completely identified (without disclosing any trade secret, proprietary or other confidential information) every Invention I Made before my employment by Honeywell in which I have an ownership interest and which is not the subject of a printed publication at the time I sign this agreement. I will not assert any rights against Honeywell with respect to any Invention Made before my employment by Honeywell.

6. **Honeywell's Trade Secrets, Proprietary and Confidential Information.** I will never, directly or indirectly, during or after my employment with Honeywell misappropriate, use or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information except in furthering Honeywell's business nor will I disclose or disseminate at any time Honeywell's Trade Secrets, Proprietary and Confidential Information to

Law Department unless the specific item of Honeywell's Trade Secrets, Proprietary and Confidential Information: (a) is now in, or hereafter, (through no breach of this agreement) becomes general public knowledge, or (b) prior to my disclosure, dissemination or use, was lawfully acquired by me without any obligation to retain the information in confidence. In this connection, I will not publish any of Honeywell's Trade Secrets, Proprietary and Confidential Information for dissemination outside Honeywell or file any patent application relating to any Invention I Make during the period of time I am employed by Honeywell without the prior written approval of Honeywell's Law Department. I will execute any agreement relating to the protection of Honeywell's Trade Secrets, Proprietary and Confidential Information or such information of any third party whose intellectual property Honeywell is under a legal obligation to protect if Honeywell requests that I do so. I will not engage without the prior written consent of Honeywell's Law Department, either during the period of time I am employed by Honeywell or for a period of two years following my Termination of Employment for any reason, in any activity or employment in the faithful performance of which it could be reasonably anticipated that I would use or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information. All documents and tangible things embodying or containing Honeywell's Trade Secrets, Proprietary and Confidential Information are Honeywell's exclusive property. I have access to them solely for performing the duties of my employment by Honeywell. I will protect the confidentiality of their content and comply with all security policies and procedures, which may, from time to time, be established by Honeywell. I will return all of them and all copies, facsimiles and specimens of them and any other tangible forms of Honeywell's Trade Secrets, Proprietary and Confidential Information in my possession, custody or control to Honeywell before leaving the employment of Honeywell.

I understand that I have the right to use or practice any skill or expertise generally associated with my employment but not special or unique to Honeywell, but that I do not have the right to use, practice or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information for my own benefit or for the benefit of any third party.

7. **Trade Secrets, Proprietary or Confidential Information from Previous Employment.** I certify that I have not, and will not, disclose or use during my employment by Honeywell, any trade secrets, proprietary or confidential information which I acquired as a result of any previous employment or under a contractual obligation of confidentiality before my employment by Honeywell. I understand that Honeywell has no interest in and will not accept disclosure by me of any trade secrets, proprietary or confidential information, which belongs to a third party. If I am ever placed in a position where I will be required or am given an assignment that will require me to use, directly or indirectly, any trade secrets, proprietary or confidential

8. **Prior Restrictive Obligation.** On Schedule B, which is an integral part of this agreement, I have completely identified all prior obligations (written and oral), which restrict my ability to perform the duties of my employment by Honeywell, including all confidentiality agreements and covenants restricting future employment.
9. **Nonsolicitation of Honeywell Employees.** I acknowledge that Honeywell has invested, and will continue to invest, significant time and money to recruit and retain its employees. Therefore, recognizing that in the course of my employment I have obtained valuable information following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, (i) solicit (or assist another in soliciting) for employment or for the performance of services, (ii) offer or cause to be offered employment or other service engagement, or (iii) participate in any manner in the employment or hiring for services of any current or former Honeywell employee with whom I had contact or of whom I became aware in my last two years of Honeywell employment, unless it has been more than 12 months since that individual left Honeywell. Nor will I, for my own account or for others, in any way induce or attempt to induce such individual to leave the employment of Honeywell.
10. **Nonsolicitation of Honeywell Customers, Suppliers, Business Partners and Vendors.** I acknowledge that Honeywell has invested and will continue to invest significant time and money to develop valuable, continuing relationships with existing and prospective clients and customers of Honeywell. Therefore, recognizing that in the course of my employment I have obtained and/or will obtain valuable information about Honeywell customers, suppliers, business partners, and/or vendors, and their requirements, I agree that during my employment and for a period of two years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit), (i) any existing clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact, or of whom I became aware while employed by Honeywell during the two-year period prior to my Termination of Employment, or (ii) any prospective clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact and with whom Honeywell took significant steps to do business during the two-year period prior to my Termination of Employment, for the purpose or effect of inducing such existing or prospective clients, customers, suppliers, business partners, and/or vendors to cease doing business or reduce their business with Honeywell or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered by Honeywell.
11. **Notice to Future Employers.** For the period of two years immediately following the end of my employment by Honeywell, I will inform each new employer, prior to accepting employment, of the existence of this agreement and provide that employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this agreement and to provide any future employers with a copy of it.
12. **Copyright.** As to all works prepared by me which are: (i) within the scope of my employment, or (ii) based upon information I acquired from Honeywell which is not normally made available to the public, or (iii) commissioned by Honeywell, but not within my scope of employment, I hereby agree to:
- (a) Submit to Honeywell's Law Department and to my supervisor for approval for publication or oral dissemination;

- (b) Assign all right, title and interest in and to the copyright in all such works to Honeywell; and
- (c) Waive any claim of moral rights, author's rights, droit moral, or any equivalent rights to the extent necessary or permitted by law.

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

13. **Acknowledgement of Receipt.** I acknowledge that I have received a copy of this agreement prior to accepting employment, continued employment or other consideration as recited herein and that execution of this agreement was an express condition of my employment, continued employment or receipt of other consideration recited herein.
14. **Effectiveness of Agreement.** I acknowledge that the provisions of this agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing agreement with Honeywell. This agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection and the most effective and complete assignment of inventions provided by all agreements I have with Honeywell. The terms of this agreement are to be read consistent with the terms of any other intellectual property, trade secret or confidentiality agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be read in concert and construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given effect. This agreement shall be  
  
Honeywell and my obligations will continue after, and survive, the end of my employment by Honeywell.
15. **Identity of Future Employer.** Upon termination of my employment for any reason, if reasonably requested by Honeywell, I shall advise Honeywell of the name and address of my intended future employer.
16. **Remedies.** I acknowledge that a remedy at law for any breach or threatened breach of the provisions of this Agreement would be inadequate and therefore agree that Honeywell shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that I have breached or threatened to breach this agreement, I agree to reimburse Honeywell for all attorneys' fees and costs incurred in enforcing the terms of the agreement. However, nothing contained herein shall be construed as prohibiting Honeywell from pursuing any other remedies available for any such breach or threatened breach against me or my then-current employer which may also include but not be limited to contract damages, lost profits and punitive damages.
17. **Successors; Binding Agreement.** This agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns. Only a written amendment executed by both Honeywell and me can modify this agreement.
18. **Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law.
19. **Validity.** It is the desire and intent of the parties hereto that the provisions of this agreement shall be enforced to the fullest extent legally-permissible. Accordingly, if any particular provision(s) of this agreement shall be adjudicated to be invalid or unenforceable, the court may modify or sever such provision(s), such modification or deletion to apply only with respect to the operation of such provision(s) in the particular jurisdiction in which such adjudication is made. In addition, if any one or more of the provisions contained

in this agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. The remaining provisions of this agreement shall remain in full force and effect.

**20. Definitions**

- (a) "Honeywell" collectively identifies Honeywell International Inc. (a Delaware corporation having a place of business at Columbia Road and Park Avenue, Morris Township, Morris County, New Jersey), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of stock, merger or otherwise.
- (b) "Trade Secrets, Proprietary and Confidential Information" means information which is not generally known in the industry in which Honeywell is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, customer lists, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell or held by Honeywell in confidence.
- (c) "Invention" includes not only inventions (including, but not limited to, copyright works, trademarks, domain names, URLs, keywords, social media account or identification names, business networking/media account or identification names and mask works), but also innovations, improvements, discoveries, ideas and all other forms of intellectual property (including, but not limited to, copyright works and mask works) – whether or not any of the foregoing constitutes trade secret or other confidential information.
- (d) "Make" or "Made" when used in relation to Invention includes any one or any combination of (i) conception, (ii) reduction to practice, or (iii) development of an Invention and is without regard to whether I am a sole or joint inventor.
- (e) "Termination of Employment" shall be defined as any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for termination. The termination date for purposes of this Agreement shall be the last day I actively perform services for Honeywell.
- (f) "Solicit" or "soliciting" includes contacting, communicating with, marketing to, engaging or otherwise interacting with (whether initiated by me or not).

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

/s/ Andreas Kramvis  
**ANDREAS KRAMVIS**

April 7, 2014  
Date

**SCHEDULE A**

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

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

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

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[Attach additional sheets if more space is needed.]

**SCHEDULE B**

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

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

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

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[Attach additional sheets if more space is needed.]

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

**ANDREAS KRAMVIS  
EMPLOYED AS  
Vice Chairman  
Honeywell International Inc.**

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

Based on your current role and responsibilities with Honeywell as Vice Chairman, Honeywell International Inc., the following companies are considered key competitors, and therefore, fall within the definition of a Competing Business as that term is used in your Noncompete Agreement:

**General Electric, United Technologies, Rockwell Collins, Lockheed Martin, Northrop Grumman, Garmin, Thales, Williams, Emerson, Invensys, Johnson Controls, Schneider Electric, Siemens, Yamatake, Ingersoll Rand, Rockwell Automation, Bosch, Mine Safety Appliances, 3M, Tyco, ABB, Yokogawa, Philips, Motorola Solutions (Symbol), Arkema, Axens, BASF, DSM, Dupont, Shell/Criterion, Albermarle, Sinopec, Chevron Lummus Global, Solvay, Fluor, Celanese, Borg-Warner, Holset, IHI, MHI, Bosch-Mahle JV, SchaefflerContinental, Voight, APB, Cummins, Behr, Modine, Valeo, Advics, Akebono, Continental, Federal-Mogul, ITT Corp., JBI, Nisshinbo, TMD Friction, TRW, Saxid, Affina, Centric**

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

April 7, 2014

Mr. Thomas Szlosek  
101 Columbia Road  
Morristown, New Jersey 07962

Dear Tom:

I am pleased to confirm our offer to you to become Honeywell's Chief Financial Officer, located in Morristown, New Jersey, and reporting to Dave Cote. In this position, you will become an Executive Officer of Honeywell. The effective date of your promotion will be April 7, 2014 ("Effective Date"), subject to the terms and conditions of this letter agreement ("Agreement").

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

### **COMPENSATION**

**Base Salary:** As of the Effective Date, your annual base salary will be increased to \$800,000. Base salary reviews occur annually (beginning in 2015) and adjustments are based on your performance and other relevant factors.

**Annual Incentive Compensation:** As of the Effective Date, your target incentive compensation opportunity will be increased to 100% of your annual cash base salary earnings during the year. Incentive compensation awards are paid in the first quarter of the following year. In addition, for 2014, your incentive compensation award will be prorated based on the number of days your target incentive was 75%, and the number of days your target incentive will be 100% .

**Long-Term Incentive Awards:** You will be eligible for annual equity awards with the size and mix determined by the MDCC based on your performance and future career potential with Honeywell. Any stock option awards generally vest ratably over four years. In addition, as a recognized member of Honeywell's leadership team, you will be eligible to receive Growth Plan Units under the Growth Plan. The terms of all long-term incentive awards are governed by the terms of the applicable stock plan and the relevant award agreements.

### **OTHER EXECUTIVE BENEFITS**

You will also be entitled to the following Executive Benefits:

- *Vacation:* You will be eligible for four (4) weeks vacation.
- *Excess Liability Insurance:* Honeywell will pay the annual premium for an Excess Liability Insurance policy that provides \$10,000,000 of coverage per occurrence.

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

**STOCK OWNERSHIP GUIDELINES FOR HONEYWELL OFFICERS**

As an Officer of the Corporation, you will be required to hold four (4) times your annual base salary in Honeywell shares in accordance with the Corporation’s Stock Ownership Guidelines. The following table provides an overview of the Stock Ownership Guidelines. A copy of the Stock Ownership Guidelines policy document will be separately provided to you.

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

Note that you currently satisfy the 4x multiple requirement based on your current holdings.

**ACCEPTANCE OF OFFER**

As a condition of this employment offer, you are required to execute, in the form attached hereto, Honeywell’s “Employee Agreement Relating to Trade Secrets, Proprietary and Confidential Information” (“IP Agreement”). This IP Agreement replaces, in its entirety, any previous intellectual property agreement that you may have executed while an employee of Honeywell.

In addition, your offer of employment with Honeywell as described herein is contingent upon your signing and returning a copy of the “Honeywell International Inc. Noncompete Agreement for Senior Executives” (“Noncompete Agreement”) before your start date. A copy of this Noncompete Agreement is attached. This Noncompete Agreement replaces, in its entirety, any previous noncompetition agreement that you may have executed while an employee of Honeywell.

Honeywell has a long and distinguished history. But, more importantly, we are a company with a terrific future and a great place to work. Our performance culture drives growth for us and competitive advantage for our customers. We hire the best people; give them every possible

opportunity to learn, grow, and develop; and reward them for their contributions. We offer career paths that span product lines, job types, businesses, and countries.

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

Finally, please print and sign this Agreement, the IP Agreement and the Noncompete Agreement and return them to me as soon as possible.

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

Congratulations,

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

Read and Accepted:

/s/ Thomas Szlosek  
\_\_\_\_\_  
THOMAS SZLOSEK

April 7, 2014  
\_\_\_\_\_  
Date

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

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

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

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

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

as my agent and attorney-in-fact, to act for and on my behalf to execute and file any such application or applications, and to do all other lawfully-permitted acts to further the prosecution and issuance of patents, copyrights, or similar protections thereon with the same legal force and effect as if executed by me.

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

I understand that I have the right to use or practice any skill or expertise generally associated with my employment but not special or unique to Honeywell, but that I do not have the right to use, practice or disclose Honeywell's Trade Secrets, Proprietary and Confidential Information for my own benefit or for the benefit of any third party.

7. **Trade Secrets, Proprietary or Confidential Information from Previous Employment.** I certify that I have not, and will not, disclose or use during my employment by Honeywell, any trade secrets, proprietary or confidential information which I acquired as a result of any previous employment or under a contractual obligation of confidentiality before my employment by Honeywell. I understand that Honeywell has no interest in and will not accept disclosure by me of any trade secrets, proprietary or confidential information, which belongs to a third party. If I am ever placed in a position where I will be required or am given an assignment that will require me to use, directly or indirectly, any trade secrets, proprietary or confidential

information of any person, previous employer or any third party, I will promptly inform Honeywell's Law Department and my supervisor before I undertake any activity that would involve the use or disclosure of such information or present the appearance to any such third party that I have used or disclosed such information. If I fail to do so, Honeywell may elect not to indemnify me in the event of litigation and may take such other actions, as it deems appropriate, up to and including termination of my employment.

8. **Prior Restrictive Obligation.** On Schedule B, which is an integral part of this agreement, I have completely identified all prior obligations (written and oral), which restrict my ability to perform the duties of my employment by Honeywell, including all confidentiality agreements and covenants restricting future employment.
9. **Nonsolicitation of Honeywell Employees.** I acknowledge that Honeywell has invested, and will continue to invest, significant time and money to recruit and retain its employees. Therefore, recognizing that in the course of my employment I have obtained valuable information about Honeywell employees, their respective talents and areas of expertise, I agree that, during my employment and for a period of two years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, (i) solicit (or assist another in soliciting) for employment or for the performance of services, (ii) offer or cause to be offered employment or other service engagement, or (iii) participate in any manner in the employment or hiring for services of any current or former Honeywell employee with whom I had contact or of whom I became aware in my last two years of Honeywell employment, unless it has been more than 12 months since that individual left Honeywell. Nor will I, for my own account or for others, in any way induce or attempt to induce such individual to leave the employment of Honeywell.
10. **Nonsolicitation of Honeywell Customers, Suppliers, Business Partners and Vendors.** I acknowledge that Honeywell has invested and will continue to invest significant time and money to develop valuable, continuing relationships with existing and prospective clients and customers of Honeywell. Therefore, recognizing that in the course of my employment I have obtained and/or will obtain valuable information about Honeywell customers, suppliers, business partners, and/or vendors, and their requirements, I agree that during my employment and for a period of two years following my Termination of Employment from Honeywell for any reason, I will not directly or indirectly, for my own account or for others, solicit or assist others in soliciting or attempt to solicit (or assist others in attempting to solicit), (i) any existing clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact, or of whom I became aware while employed by Honeywell during the two-year period prior to my Termination of Employment, or (ii) any prospective clients, customers, suppliers, business partners, and/or vendors of Honeywell with whom I had contact and with whom Honeywell took significant steps to do business during the two-year period prior to my Termination of Employment, for the purpose or effect of inducing such existing or prospective clients, customers, suppliers, business partners, and/or vendors to cease doing business or reduce their business with Honeywell or to purchase, lease or utilize products or services that are competitive with, similar to, or that may be used as substitutes for any products or services offered by Honeywell.
11. **Notice to Future Employers.** For the period of two years immediately following the end of my employment by Honeywell, I will inform each new employer, prior to accepting employment, of the existence of this agreement and provide that employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this agreement and to provide any future employers with a copy of it.
12. **Copyright.** As to all works prepared by me which are: (i) within the scope of my employment, or (ii) based upon information I acquired from Honeywell which is not normally made available to the public, or (iii) commissioned by Honeywell, but not within my scope of employment, I hereby agree to:
  - (a) Submit to Honeywell's Law Department and to my supervisor for approval for publication or oral dissemination;

- (b) Assign all right, title and interest in and to the copyright in all such works to Honeywell; and
- (c) Waive any claim of moral rights, author's rights, droit moral, or any equivalent rights to the extent necessary or permitted by law.

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

- 13. **Acknowledgement of Receipt.** I acknowledge that I have received a copy of this agreement prior to accepting employment, continued employment or other consideration as recited herein and that execution of this agreement was an express condition of my employment, continued employment or receipt of other consideration recited herein.
- 14. **Effectiveness of Agreement.** I acknowledge that the provisions of this agreement shall be enforceable, and shall be construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law. The terms of this agreement shall be enforceable and shall be construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law. The terms of this agreement shall be enforceable and shall be construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law. The terms of this agreement shall be enforceable and shall be construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law.
- 15. **Identity of Future Employer.** Upon termination of my employment for any reason, if reasonably requested by Honeywell, I shall advise Honeywell of the name and address of my intended future employer.
- 16. **Remedies.** I acknowledge that a remedy at law for any breach or threatened breach of the provisions of this Agreement would be inadequate and therefore agree that Honeywell shall be entitled to injunctive relief in case of any such breach or threatened breach. In the event that a court determines that I have breached or threatened to breach this agreement, I agree to reimburse Honeywell for all attorneys' fees and costs incurred in enforcing the terms of the agreement. However, nothing contained herein shall be construed as prohibiting Honeywell from pursuing any other remedies available for any such breach or threatened breach against me or my then-current employer which may also include but not be limited to contract damages, lost profits and punitive damages.
- 17. **Successors; Binding Agreement.** This agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns. Only a written amendment executed by both Honeywell and me can modify this agreement.
- 18. **Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to its principles of conflicts of law.
- 19. **Validity.** It is the desire and intent of the parties hereto that the provisions of this agreement shall be enforced to the fullest extent legally-permissible. Accordingly, if any particular provision(s) of this agreement shall be adjudicated to be invalid or unenforceable, the court may modify or sever such provision(s), such modification or deletion to apply only with respect to the operation of such provision(s) in the particular jurisdiction in which such adjudication is made. In addition, if any one or more of the provisions contained

in this agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear. The remaining provisions of this agreement shall remain in full force and effect.

**20. Definitions**

- (a) "Honeywell" collectively identifies Honeywell International Inc. (a Delaware corporation having a place of business at Columbia Road and Park Avenue, Morris Township, Morris County, New Jersey), its predecessors, designees and successors and its past, present and future operating companies, divisions, subsidiaries, affiliates and other business units, including businesses acquired by purchase of stock, merger or otherwise.
- (b) "Trade Secrets, Proprietary and Confidential Information" means information which is not generally known in the industry in which Honeywell is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, customer lists, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell or held by Honeywell in confidence.
- (c) "Invention" includes not only inventions ( including, but not limited to, copyright works, trademarks, domain names, URLs, keywords, social media account or identification names, business networking/media account or identification names and mask works ), but also innovations, improvements, discoveries, ideas and all other forms of intellectual property (including, but not limited to, copyright works and mask works) – whether or not any of the foregoing constitutes trade secret or other confidential information.
- (d) "Make" or "Made" when used in relation to Invention includes any one or any combination of (i) conception, (ii) reduction to practice, or (iii) development of an Invention and is without regard to whether I am a sole or joint inventor.
- (e) "Termination of Employment" shall be defined as any separation from employment with Honeywell regardless of the reason, including any and all voluntary and involuntary reasons for termination. The termination date for purposes of this Agreement shall be the last day I actively perform services for Honeywell.
- (f) "Solicit" or "soliciting" includes contacting, communicating with, marketing to, engaging or otherwise interacting with (whether initiated by me or not).

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

/s/ Thomas Szlosek  
**THOMAS SZLOSEK**

April 7, 2014  
Date

**SCHEDULE A**

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

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

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

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[Attach additional sheets if more space is needed.]

**SCHEDULE B**

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

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

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

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[Attach additional sheets if more space is needed.]

# HONEYWELL INTERNATIONAL NONCOMPETE AGREEMENT FOR SENIOR EXECUTIVES

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

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

I agree that, during my employment and for a period of one (1) year following my Termination of Employment with Honeywell for any reason, I will not become employed by, perform services for, or otherwise become associated with (as an employee, officer, director, principal, agent, manager, partner, co-partner or consultant or any other individual or representative role) a Competing Business (as defined below). This restriction shall apply to any Competing Business that conducts business in the same or substantially similar geographic area in which any Honeywell business, for which I was employed or performed services in a job covered by this Program during the Look Back Period, conducts business or plans to conduct business as of my Termination of Employment. I acknowledge (i) that Honeywell's business is conducted throughout the United States and around the world, (ii) notwithstanding the state of incorporation or principal office of Honeywell, it is expected that Honeywell will have business activities and have valuable business relationships within its industry throughout the United States and around the world, and (iii) as part of my responsibilities, I may be conducting business throughout the United States and around the world in furtherance of Honeywell's business and its relationships.

A "Competing Business" shall mean any business, person, entity or group of business entities, regardless of whether organized as a corporation, partnership (general or limited), joint venture, association or other organization, that (i) conducts or is planning to conduct a business

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

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

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

or modifying any overbroad or otherwise invalid terms to the extent necessary to render the terms valid and enforceable and then enforcing the Agreement as so reformed or modified.

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

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

**5. Binding Agreement, Amendment, Successors.** I acknowledge that the provisions of this Agreement are in addition to, and in no way intended to limit, restrict or narrow any prior or existing employment or other agreement with Honeywell. This Agreement does not replace or supersede any prior or existing employment or other agreement with Honeywell, but rather, shall be read in conjunction with such prior or existing agreements and shall be interpreted in a manner to provide Honeywell the maximum protection provided by all agreements I have with Honeywell. The terms of the restriction in Paragraph 1 and the other terms in this Agreement are to be read consistent with the terms of any other noncompete or other agreements that I have executed with Honeywell; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to Honeywell, even if such construction would require provisions of more than one such agreement to be given

effect. No waiver of this Agreement will be effective unless it is in writing and signed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement may not be superseded or amended by any other agreement between myself and Honeywell unless such agreement specifically and expressly states that it is intended to supersede this Agreement and is executed by Honeywell International's Senior Vice President for Human Resources and Communications or his/her designee. This Agreement binds my heirs, executors, administrators, legal representatives and assigns and inures to the benefit of Honeywell and its successors and assigns.

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

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

**8. Notice to Future Employers.** For the period of one (1) year immediately following the end of my employment with Honeywell, I will inform each new employer, prior to accepting employment, of the existence of this Agreement and provide that employer with a copy of it. Honeywell has the right to inform any future employer of the existence of this Agreement and to provide any future employers with a copy of it.

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

**10. Additional Definitions.**

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

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

"Program" refers to the noncompete initiative implemented by Honeywell requiring that employees occupying certain jobs in Salary Bands 5 – 7 (Senior Executives) execute this noncompete Agreement.

"Trade Secrets, Proprietary and Confidential Information" means information which is not generally known in the industry in which Honeywell International is engaged, which may be disclosed to me or which I may learn, observe, discover or otherwise acquire during, or as a result

of, my employment by Honeywell and which includes, without limitation, any information, whether patentable, patented or not, relating to any existing or contemplated products, inventions, services, technology, ideas, concepts, designs, patterns, processes, compounds, formulae, programs, devices, tools, compilations of information, methods, techniques, and including information relating to any research, development, manufacture, purchasing, engineering, know-how, business plans, sales or market methods, methods of doing business, business systems, strategic plans, plans for acquisition or disposition of products, expansion plans, financial status and plans, financial data, personnel information, customer lists or data, customer usages or requirements, or supplier information, which is owned or licensed by Honeywell International or held by Honeywell International in confidence.

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

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

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

/s/ Thomas Szlosek  
**THOMAS SZLOSEK**

Date: April 7, 2014

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

**THOMAS SZLOSEK  
EMPLOYED AS  
Honeywell International Inc.  
Chief Financial Officer**

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

Based on your current role and responsibilities with Honeywell as Chief Financial Officer, the following companies are considered key competitors, and therefore, fall within the definition of a Competing Business as that term is used in your Noncompete Agreement:

**General Electric, United Technologies, Rockwell Collins, Lockheed Martin, Northrop Grumman, Garmin, Thales, Williams, Emerson, Invensys, Johnson Controls, Schneider Electric, Siemens, Yamatake, Ingersoll Rand, Rockwell Automation, Bosch, Mine Safety Appliances, 3M, Tyco, ABB, Yokogawa, Philips, Motorola Solutions (Symbol), Arkema, Axens, BASF, DSM, Dupont, Shell/Criterion, Albermarle, Sinopec, Chevron Lummus Global, Solvay, Fluor, Celanese, Borg-Warner, Holset, IHI, MHI, Bosch-Mahle JV, SchaefflerContinental, Voight, APB, Cummins, Behr, Modine, Valeo, Advics, Akebono, Continental, Federal-Mogul, ITT Corp., JBI, Nisshinbo, TMD Friction, TRW, Saxid, Affina, Centric**

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

**HONEYWELL INTERNATIONAL INC.**  
**STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES**  
**Three Months Ended**  
**March 31, 2014**  
**(Dollars in millions)**

<b>Determination of Earnings:</b>	
Income before taxes	\$ 1,411
Add (Deduct):	
Amortization of capitalized interest	5
Fixed charges	90
Equity income, net of distributions	(6)
<b>Total earnings, as defined</b>	<b><u>\$ 1,500</u></b>
<b>Fixed Charges:</b>	
Rents <sup>(a)</sup>	\$ 11
Interest and other financial charges	79
	<u>90</u>
Capitalized interest	5
<b>Total fixed charges</b>	<b><u>\$ 95</u></b>
<b>Ratio of Earnings to Fixed Charges</b>	<b>15.79</b>

(a) Denotes the equivalent of an appropriate portion of rentals representative of the interest factor on all rentals other than for capitalized leases.

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April 17, 2014

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We are aware that our report dated April 17, 2014 on our review of interim financial information of Honeywell International Inc. (the "Company") for the three month periods ended March 31, 2014 and 2013 and included in the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2014 is incorporated by reference in its Registration Statements on Form S-3 (No.033-55425, 333-22355, 333-101455, 333-165036, and 333-186695), Form S-8 (No. 033-51455, 033-58347, 333-57515, 333-57517, 333-57519, 333-83511, 333-49280, 333-57868, 333-105065, 333-108461, 333-136083, 333-136086, 333-146932, 333-148995, 333-175260 and the S-8 filed on April 17, 2014) and Form S-4 (No. 333-82049).

Very truly yours,

/s/ PricewaterhouseCoopers LLP  
Florham Park, New Jersey

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

I, David M. Cote, Chief Executive Officer, certify that:

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

Date: April 17, 2014

By: /s/ David M. Cote  
David M. Cote  
Chief Executive Officer

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

I, Thomas A. Szlosek, Chief Financial Officer, certify that:

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

Date: April 17, 2014

By: /s/ Thomas A. Szlosek  
Thomas A. Szlosek  
Chief Financial Officer

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

In connection with the Quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ending March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David M. Cote, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

By: /s/ David M. Cote  
David M. Cote  
Chief Executive Officer  
April 17, 2014

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

In connection with the Quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ending March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Thomas A. Szlosek, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

By: /s/ Thomas A. Szlosek  
Thomas A. Szlosek  
Chief Financial Officer  
April 17, 2014

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