

HONEYWELL INTERNATIONAL INC
Form DEF 14A
March 14, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Honeywell International Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:

- 2) Aggregate number of securities to which transaction applies:

- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- 4) Proposed maximum aggregate value of transaction:

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- 2) Form, Schedule or Registration Statement No.

3) Filing Party:

4) Date Filed:

Table of Contents

Table of Contents

Table of Contents

March 14, 2019

Dear Shareowners:

You are cordially invited to attend the Annual Meeting of Shareowners of Honeywell International Inc., which will be held at 10:30 a.m. on Monday, April 29, 2019, at our headquarters located at 115 Tabor Road, Morris Plains, New Jersey 07950.

The accompanying Notice of Meeting and Proxy Statement describe the matters to be voted on at the meeting. At this year's meeting, you will be asked to elect directors, cast an advisory vote on executive compensation, approve the appointment of the independent accountants, and consider two shareowner proposals.

The Board of Directors recommends that you vote **FOR Proposals 1 through 3:**

Proposal 1: Election of Directors

Proposal 2: Advisory Vote to Approve Executive Compensation

Proposal 3: Approval of Independent Accountants

The Board of Directors recommends that you vote **AGAINST Proposals 4 and 5:**

Proposal 4: Right to Act by Written Consent

Proposal 5: Report on Lobbying Payments and Policy

YOUR VOTE IS IMPORTANT. I encourage you to read the Proxy Statement and vote your shares as soon as possible. Shareowners may vote via the Internet, by telephone, by completing and returning a proxy card, or by scanning the QR code provided on the next page in the Notice of Annual Meeting of Shareowners or on the proxy card. Specific voting instructions are set forth in the Proxy Statement and on both the Notice of Internet Availability of Proxy Materials and proxy card.

On behalf of the Board of Directors, I want to thank you for your continued support of Honeywell.

Sincerely,

Darius Adamczyk

Chairman and Chief Executive Officer

| Notice and Proxy Statement | 2019

Table of Contents

NOTICE OF ANNUAL

MEETING OF SHAREOWNERS

DATE April 29, 2019

TIME 10:30 a.m. EDT

PLACE Honeywell's Headquarters
115 Tabor Road, Morris Plains, NJ 07950

RECORD DATE Close of business on March 1, 2019

MEETING AGENDA

Election to the Board of Directors of the 12 nominees listed in the Proxy Statement

An advisory vote to approve executive compensation

Approval of the appointment of Deloitte & Touche LLP as independent accountants for 2019

If properly raised, two shareowner proposals described on pages 86-91 of the Proxy Statement

Transact any other business that may properly come before the meeting

Important Notice of Internet Availability of Proxy Materials

The Securities and Exchange Commission's Notice and Access rule enables Honeywell to deliver a Notice of Internet Availability of Proxy Materials to shareowners in lieu of a paper copy of the Proxy Statement, related materials, and our Annual Report to Shareowners. It contains instructions on how to access our Proxy Statement and 2018 Annual Report and how to vote online.

Shares cannot be voted by marking, writing on, and/or returning the Notice of Internet Availability. Any Notices of Internet Availability that are returned will not be counted as votes.

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We encourage shareowners to vote promptly as this will save the expense of additional proxy solicitation. Shareowners of record on the Record Date are entitled to vote at the meeting by telephone, by mail, online, or by scanning the QR code on your proxy card.

This Notice of Annual Meeting of Shareowners and related Proxy Materials are being distributed or made available to shareowners beginning on or about March 14, 2019.

By Order of the Board of Directors,

Anne T. Madden

Senior Vice President, General Counsel and Corporate Secretary

By Telephone

In the U.S. or Canada, you can

vote your shares by calling

+1 (800) 690-6903.

By Internet

You can vote your shares online at www.proxyvote.com. You will need the 16-digit control number on the Notice of Internet Availability or proxy card.

By Mail

You can vote by mail by marking, dating, and signing your proxy card or voting instruction form, and returning it in the postage-paid envelope.

By Scanning

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You can vote your shares online by scanning the QR code on your proxy card. You will need the 16-digit control number on the Notice of Internet Availability or proxy card. Additional software may need to be downloaded.

| Notice and Proxy Statement | 2019

Table of Contents

TABLE OF	i <u>Proxy Summary</u>	Pg 1
CONTENTS		
	01 <u>Proposal 1: Election of Directors</u>	Pg 7
	<u>Director Skills and Qualifications</u>	7
	<u>Board Skillset Matrix</u>	8
	<u>Commitment to Board Integrity, Diversity, and Independence</u>	9
	<u>Nomination and Election Process</u>	9
	<u>Nominees for Election</u>	10
	02 <u>Corporate Governance</u>	Pg 16
	<u>Shareowner Outreach and Engagement</u>	17
	<u>Board Leadership Structure</u>	19
	<u>Director Independence</u>	20
	<u>Board's Role in Risk Oversight</u>	22
	<u>Board Practices and Procedures</u>	23
	<u>Board Committees</u>	25
	03 <u>Corporate Responsibility and Sustainability</u>	Pg 29
	<u>Performance Culture</u>	29
	<u>Sustainability</u>	31
	<u>Honeywell Hometown Solutions</u>	32
	<u>Political Engagement and Contributions</u>	33
	04 <u>Director Compensation</u>	Pg 34
	<u>Elements of Compensation</u>	34
	<u>2018 Director Compensation Table</u>	35
	<u>Stock Ownership Guidelines</u>	36
	05 <u>Proposal 2: Advisory Vote to Approve Executive Compensation</u>	Pg 37
	06 <u>Compensation Discussion and Analysis</u>	Pg 38
	<u>Our Named Executive Officers</u>	39
	<u>Performance Summary</u>	39
	<u>Our Compensation Program</u>	41
	<u>2018 Compensation Decisions</u>	47
	<u>2018 Annual Incentive Compensation Plan Decisions</u>	50
	<u>2018 Long-Term Incentive Compensation Decisions</u>	56
	<u>Other Compensation and Benefit Programs</u>	59
	<u>Compensation Practices and Policies</u>	60
	<u>Risk Oversight Considerations</u>	61
	<u>Management Development and Compensation Committee Report</u>	63
	07 <u>Executive Compensation Tables</u>	Pg 64
	<u>Summary Compensation Table</u>	64
	<u>Other Compensation Tables</u>	66
	<u>CEO Pay Ratio</u>	83
	08 <u>Proposal 3: Approval of Independent Accountants</u>	Pg 84
	<u>Independent Accounting Firm Fees</u>	84
	<u>Non-Audit Services</u>	84
	<u>Audit Committee Report</u>	85

	09 <u>Proposal 4: Shareowner Proposal Right to Act by Written Consent</u>	Pg 86
	<u>Board Recommendation</u>	87
	10 <u>Proposal 5: Shareowner Proposal Report on Lobbying Payments and Policy</u>	Pg 89
	<u>Board Recommendation</u>	90
	11 <u>Additional Information</u>	Pg 92
	<u>Other Business</u>	92
	<u>Certain Relationships and Related Transactions</u>	92
	<u>Stock Ownership Information</u>	93
	<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	94
	<u>Notice and Access</u>	94
	<u>Voting Procedures</u>	94
	<u>Attendance at the Annual Meeting</u>	96
	<u>Shareowner Proposals and Board Nominees</u>	96
	<u>Where Shareowners Can Find More Information</u>	97
<i>Reconciliation, notes, and definitions of non-GAAP financial measures used in the Compensation Discussion and Analysis section and elsewhere in this proxy statement, other than as part of disclosure of target levels, can be found on page 38 or in Appendix A.</i>	A-1 <u>Appendix A: Reconciliation of Non-GAAP Financial Measures</u>	Pg A-1

(i)

| Notice and Proxy Statement | 2019

Table of Contents

i |

PROXY

SUMMARY

PROXY SUMMARY

This proxy summary is intended to provide a broad overview of our 2018 performance, corporate governance, and compensation highlights. As this is only a summary, we encourage you to read the entire Proxy Statement for more information prior to voting.

ANNUAL MEETING OF SHAREOWNERS

- I TIME AND DATE** April 29, 2019, 10:30 a.m. EDT
 - I PLACE** Honeywell s Headquarters, 115 Tabor Road, Morris Plains, New Jersey 07950
 - I RECORD DATE** Shareowners as of March 1, 2019 are entitled to vote
 - I ADMISSION** Please follow the advance registration instructions on page 96
- MEETING AGENDA AND VOTING MATTERS**

Proposal	Board s Voting Recommendation	Page Reference
No. 1 <u>Election of Directors</u>	FOR (each nominee)	p. 7
No. 2 <u>Advisory Vote to Approve Executive Compensation</u>	FOR	p. 37
No. 3 <u>Approval of Independent Accountants</u>	FOR	p. 84
No. 4 <u>Shareowner Proposal-Right to Act by Written Consent</u>	AGAINST	p. 86
No. 5 <u>Shareowner Proposal-Report on Lobbying Payments and Policy</u>	AGAINST	p. 89

2018 PERFORMANCE HIGHLIGHTS

FINANCIAL RESULTS DELIVERED ON OUR COMMITMENTS TO SHAREOWNERS

Organic sales growth of 6%

Adjusted earnings per share growth of 12%
60 basis points of segment margin expansion

100% adjusted free cash flow conversion

Reconciliation, notes, and definitions of non-GAAP financial measures used in the Compensation Discussion and Analysis section and elsewhere in this Proxy Statement, other than as part of disclosure of target levels, can be found on page 38 or in Appendix A.

Table of Contents

i |

PROXY

SUMMARY

KEY LEADERSHIP APPOINTMENTS DEEP LEADERSHIP BENCH SUPPORTED BY ROBUST SUCCESSION PLANNING

Gregory P. Lewis appointed as Senior Vice President and Chief Financial Officer in charge of maintaining superior financial integrity while driving key financial performance metrics such as organic sales growth, segment margin expansion, and adjusted free cash flow conversion; seamless transition enabled by robust succession planning, which was overseen by our Board of Directors and followed the process and protocols developed by the Management Development and Compensation Committee

Vimal Kapur appointed as President and CEO of Honeywell Building Technologies; Vimal has established a successful track record in his 29 years with Honeywell including leading Honeywell Process Solutions where he transformed Honeywell Connected Plant capabilities

Torsten Pilz appointed as Senior Vice President and Chief Supply Chain Officer with a focus on integrated supply chain transformation and performance, and working capital improvements

Que Dallara appointed as President and CEO of Honeywell Connected Enterprise in charge of our connected software efforts and transformation to a technology-industrial company

PORTFOLIO TRANSFORMATION COMPLETED TRANSPORTATION SYSTEMS AND HOMES AND GLOBAL DISTRIBUTION SPINS

Successfully spun Garrett Motion Inc. and Resideo Technologies, Inc., representing ~\$8B in sales

Spun businesses better positioned to maximize shareowner value through focused strategic decision making and tailored capital allocation strategies

New Honeywell portfolio consists of high-growth businesses with strong operational and technology synergies, with the ability for all businesses to leverage our IT stack, Honeywell Sentience, as a foundation to build out customer-focused connected solutions

More focused portfolio poised for further outperformance in our core end markets:

**CAPITAL DEPLOYMENT EXECUTED SMART AND DISCIPLINED PLAN DURING VOLATILE
MARKET CONDITIONS**

Announced a 10% dividend increase while completing two spins that reduced sales by nearly 20% - since 2010, we've increased the dividend rate nine times by 10% or more

Deployed over \$0.5 billion to M&A with the addition of Transnorm and Ortloff Engineers, Ltd.

Repurchased \$4.0 billion in Honeywell shares, lowering weighted average share count by more than 2%

Deployed more than \$0.8 billion to high-return capital expenditures

Table of Contents

i |

PROXY**SUMMARY****CREATING VALUE FOR OUR SHAREOWNERS****Cumulative Total Shareowner Return (TSR)****Total Shareowner Return Percentile Rank Versus Peers**

One-Year	Three-Year	Five-Year	Ten-Year
Multi-Industry Peers = 100th Percentile	Multi-Industry Peers = 100th Percentile	Multi-Industry Peers = 100th Percentile	Multi-Industry Peers = 100th Percentile
Compensation Peers = 82nd Percentile	Compensation Peers = 64th Percentile	Compensation Peers = 67th Percentile	Compensation Peers = 88th Percentile

Source: S&P Capital IQ

TSR is calculated by the growth in capital from purchasing a share in the company and assuming the dividends and share distributions received from any spins are reinvested in the applicable company at the time they are paid.

In 2018, we continued to stay the course and executed on our commitments to shareowners. We made substantial progress in advancing our strategic initiatives, transformed the Honeywell portfolio through two spins, gave back to the community, and upgraded the working experience for our employees. While our work in the community, for our customers, for our employees, and for our shareowners is not over, we are proud of the outstanding achievements we accomplished throughout the year.

Table of Contents

i |

PROXY**SUMMARY**

OUR 2019 DIRECTOR NOMINEES

Nominee	Title	Years of Service	Independent	No. of Current Public Company Boards (including Honeywell)	Committee Memberships
Darius Adamczyk (Chairman and CEO)	Chairman and Chief Executive Officer Honeywell International Inc.	2	No	1	
Jaime Chico Pardo (Lead Director)	President and Chief Executive Officer ENESA, S.A. de C.V.	19	Yes	3	CGRC Retirement Plans <i>Ex officio:</i> Audit, MDCC
Duncan B. Angove	Chief Executive Officer and Managing Partner Warmaug	1	Yes	1	MDCC Retirement Plans

Partners LLC

William S. Ayer	Retired Chairman and Chief Executive Officer Alaska Air Group, Inc.	4	Yes	1	CGRC MDCC
Kevin Burke	Retired Chairman, President and Chief Executive Officer Consolidated Edison, Inc.	9	Yes	1	Audit Retirement Plans
D. Scott Davis	Retired Chairman and Chief Executive Officer United Parcel Service, Inc.	13	Yes	2	MDCC (Chair) Audit
Linnet F. Deily	Former Deputy United States Trade Representative and Ambassador	13	Yes	1	CGRC (Chair) Audit
Judd Gregg	Former Governor and U.S. Senator of New Hampshire	8	Yes	2	Audit CGRC
Clive Hollick		15	Yes	1	MDCC

	Former Chief Executive Officer				Retirement Plans
	United Business Media				
Grace D. Lieblein	Former Vice President-Global Quality	6	Yes	3	CGRC MDCC
	General Motors Corporation				
George Paz	Retired Chairman and Chief Executive Officer	10	Yes	2	Audit (Chair) CGRC
	Express Scripts Holding Company				
Robin L. Washington	Executive Vice President and Chief Financial Officer	6	Yes	2	Retirement Plans (Chair) Audit
	Gilead Sciences, Inc.				

CGRC refers to Corporate Governance and Responsibility Committee, and MDCC refers to Management Development and Compensation Committee.

Table of Contents

i |

PROXY

SUMMARY

CORPORATE GOVERNANCE HIGHLIGHTS

SHAREOWNER	15% threshold for shareowners to call a special meeting
EMPOWERMENT AND ENGAGEMENT	Majority vote to amend Certificate of Incorporation and By-laws Annual election of all directors, with majority voting in uncontested director elections No poison pill – we will seek shareowner approval if a shareowner rights plan is adopted Robust year-round shareowner engagement, with Lead Director participation in shareowner discussions
DIVERSE AND INDEPENDENT BOARD OF DIRECTORS	Proxy access enabling shareowner(s) holding 3% of our stock for three years to include up to two director nominees (or nominees representing 20% of the Board) in our proxy All director nominees are independent, except our CEO; no nominees with disclosable related-party transactions Leader in Board diversity vis-à-vis personal characteristics (3 women, 3 Hispanics, 1 African-American, 2 non-U.S. citizens) and experiences (industry, profession, public service, geography) Range of tenures to facilitate effective oversight and balance between historical experience and fresh perspectives Skills and background aligned to our strategic direction Clear, transparent director recruitment and selection process that formally prioritizes skills and qualifications and emphasizes leadership traits, work ethic, independence, business experience, and diversity of background No director may serve on more than four public company boards (including the Honeywell Board)
BEST-IN-CLASS BOARD STRUCTURE	Independent Lead Director elected by independent directors, with expanded duties and responsibilities, including formal responsibility for working with the Corporate Governance and Responsibility Committee (CGRC) to lead new director selection and joint leadership of annual Board self-evaluation process

AND PROCESSES	<p>Regular executive sessions of independent directors</p> <p>All members of all committees are independent directors</p> <p>Lead Director and Chair of the CGRC empowered to call special Board meetings at any time for any reason</p> <p>Annual self-assessment to enable adequate Board refreshment and appropriate evolution of Board skills, experience and perspectives; results shared and discussed in executive session of independent directors</p> <p>Annual refresh of Corporate Governance Guidelines to ensure alignment with best practices</p> <p>Director stock ownership guidelines require equity holdings of at least 5x annual cash retainer (actual ownership average of 29x as of December 31, 2018)</p>
ROBUST OVERSIGHT OF RISKS AND OPPORTUNITIES	<p>Board responsible for risk oversight, with specific responsibility for key risk areas delegated to relevant Board committees</p> <p>Robust Enterprise Risk Management (ERM) program to enable Board identification and monitoring of key risks</p> <p>Purposeful inclusion of key risk areas on Board and/or committee agendas, enabling continuous Board oversight of risk mitigation</p> <p>Annual engagement with business leaders to discuss both short-term plans, long-term strategic opportunities and their associated risks</p> <p>Incentive compensation not overly leveraged and with maximum payout caps and design features intended to balance pay for performance with the appropriate level of risk-taking</p> <p>Clawbacks in the event of a significant restatement or violations of non-competition or non-solicitation agreements</p>
COMMITMENT TO SUSTAINABILITY AND CORPORATE RESPONSIBILITY	<p>Code of Business Conduct applies to all directors, officers, and employees</p> <p>Suppliers expected to comply with published Supplier Code of Conduct, including conflict minerals, anti-human trafficking, business integrity, and health, safety, and environmental policies</p> <p>Uncompromising adherence to foundational principles of Integrity and Ethics, Supporting Diversity, and Workplace Respect, while fostering a performance culture based on our 8 Behaviors</p> <p>Over 50% of executive officers are diverse by ethnic background, place of birth (non-U.S.) or gender</p> <p>No use of corporate funds for political contributions and careful oversight and transparency with respect to political lobbying activities</p> <p>Demonstrated track record of exceeding our published greenhouse gas reduction and energy efficiency goals</p> <p>Health, Safety, Environment, Product Stewardship, and Sustainability management operating system, with quarterly CEO reviews and regular Board oversight drive our establishment and achievement of sustainability goals</p> <p>Honeywell Hometown Solutions, our corporate citizenship initiative, delivers high-impact social sustainability programming around the world</p>

Table of Contents

i |

PROXY

SUMMARY

EXECUTIVE COMPENSATION SNAPSHOT

I WHAT WE DO

Pay for Performance. We closely align pay and performance, as a significant portion of target total direct compensation is at-risk. The Management Development and Compensation Committee (MDCC) validates this alignment annually and ensures performance-based compensation comprises a significant portion of executive compensation.

Robust Performance Goals. We establish clear and measurable goals and targets and hold our executives accountable for achieving specified targets to earn a payout under our incentive plans. Performance goals are linked to operating priorities designed to create long-term shareowner value.

Double Trigger in the Event of a Change-in-Control (CIC). We have double trigger vesting on equity and severance for CIC; executives will not receive cash

I WHAT WE DON'T DO

No Excessive Perks. We do not provide perquisites except in cases where there is a compelling business or security reason, nor do we provide gross-ups, except in limited cases for relocation.

No Guaranteed Annual Salary Increases or Bonuses. Annual salary increases are based on evaluations of individual performance and the competitive market. In addition, we do not provide guarantees on bonus payouts.

No New Excise Tax Gross-Ups and No Accelerated Bonus Payments Upon CIC. We eliminated gross-ups for excise taxes upon a CIC for any new officers since

severance nor will equity vest in the event of a CIC unless accompanied by qualifying termination of employment.

2009. Plans provide that ICP awards earned in the year of a CIC would be paid at the time they would typically be paid based on business performance rather than target.

Maximum Payout Caps for Incentive Plans. Annual cash incentive compensation plan (ICP) and performance plan payouts are capped.

No Incentivizing of Short-Term Results to the Detriment of Long-Term Goals and Results. Pay mix is heavily weighted towards long-term incentives aligned with the interests of shareowners.

Clawback Practice. We maintain a policy that allows for recoupment of incentive compensation for any significant financial restatement or if an executive leaves the Company to join a competitor.

No Excessive Risks. Compensation practices are appropriately structured and avoid incentivizing employees to engage in excessive risk-taking.

Robust Stock Ownership Requirements. We require executives to hold meaningful amounts of stock and require them to hold 100% of net shares for one year from exercise or vesting.

No Hedging or Pledging. We do not allow hedging or pledging of our stock.

Independent Compensation Consultant. We retain an independent compensation consultant on behalf of the MDCC to review and advise the MDCC on executive compensation matters. The independent consultant attends all MDCC meetings.

No Consultant Conflicts. Under the MDCC's established policy, the compensation consultant cannot provide any other services to Honeywell without the MDCC's approval. Regular independence reviews are conducted.

I 2018 EXECUTIVE COMPENSATION

The following table reflects 2018 compensation awarded or paid to our Named Executive Officers (NEOs) from the perspective of the MDCC. See Compensation Discussion and Analysis beginning on page 38 for more details on 2018 executive compensation.

NEO	Position	Base Salary	2018-2020				Total Annual Direct Compensation
			Annual Incentive Plan (ICP) ⁽¹⁾	Performance Plan Units ⁽²⁾	Stock Options ⁽³⁾	Restricted Stock Units ⁽⁴⁾	

Darius Adamczyk	Chairman and CEO	\$ 1,571,154	\$ 4,100,000	\$ 6,375,720	\$ 3,185,655	\$ 3,185,495	\$ 18,418,024
Gregory P. Lewis	SVP and Chief Financial Officer	\$ 578,981	\$ 730,000	\$ 525,000	\$ 591,250	\$ 554,742	\$ 2,979,973
Timothy O. Mahoney	President and CEO, Aerospace	\$ 992,788	\$ 1,840,000	\$ 3,057,076	\$ 1,523,060	\$ 1,522,822	\$ 8,935,746
Krishna Mikkilineni	SVP, Engineering and IT	\$ 810,673	\$ 930,000	\$ 2,632,028	\$ 1,307,845	\$ 1,305,276	\$ 6,985,822
Mark R. James	SVP, HR, Security and Communications	\$ 774,231	\$ 1,080,000	\$ 2,354,112	\$ 1,173,040	\$ 1,165,425	\$ 6,546,808
Thomas A. Szlosek⁽⁵⁾	Retired Chief Financial Officer	\$ 560,481	\$	\$ 2,713,768	\$ 1,348,050	\$ 1,336,354	\$ 5,958,653

- (1) Annual ICP payouts determined 80% based on a calculation against pre-set goals. The remaining 20% was based on individual assessments.
- (2) Grant date value of performance stock units (PSUs) issued for a new three-year performance period for all NEOs except Mr. Lewis. The amount for Mr. Lewis is the grant date value of performance cash units for the same three-year performance period, made prior to him becoming an officer of the Company.
- (3) All stock option grants awarded to NEOs vest ratably over four years, have a 10-year term, and are subject to stock ownership and post-exercise holding requirements.
- (4) Restricted stock units vest over six-year periods and are subject to stock ownership and post-vesting holding requirements. The grant to Mr. Lewis, made prior to him becoming an officer of the Company, vests in three years.
- (5) 2018-2020 Performance Plan Units and Stock Options granted to Mr. Szlosek in 2018 were forfeited upon his retirement.

Table of Contents

01 |

PROPOSAL 1:

ELECTION OF DIRECTORS

PROPOSAL 1:

ELECTION OF DIRECTORS

Our Corporate Governance Guidelines set forth a clear vision statement for the composition of Honeywell's Board:

The composition of Honeywell's Board, as well as the perspective and skills of its individual members, needs to effectively support Honeywell's growth and commercial strategy. Collectively, the Board must also be capable of overseeing risk management, capital allocation, and leadership succession. Board composition and the members' perspective and skills should evolve at an appropriate pace to meet the challenges of Honeywell's changing commercial and strategic goals.

Consistent with this vision, the Corporate Governance and Responsibility Committee (CGRC) has responsibility for identifying a slate of director nominees who collectively have the complementary experience, qualifications, skills, and attributes to guide the Company and function effectively as a Board.

The CGRC believes that each of the nominees presented in this proxy has key personal attributes that are important to an effective board: integrity, candor, analytical skills, willingness to engage management and each other in a constructive and collaborative fashion, and ability and commitment to devote significant time and energy to service on the Board and its committees. The CGRC also considered the following specific experiences, qualifications, and skills, which Honeywell believes are critical in light of our strategic priorities, and business objectives, operations, and structure.

DIRECTOR SKILLS AND QUALIFICATIONS

I STRATEGIC SKILLS

Global Experience. Growing revenue outside of the United States, particularly in what we call "high growth regions" or HGRs—such as China, India, Southeast Asia, Africa, and Latin America, is a central part of our long-term strategy for growth. Hence, exposure to markets and economies outside of the United States is an important qualification for our Board. This exposure can take many forms including government affairs, regulatory, managerial, or commercial.

Regulated Industries/Government Experience. Honeywell is subject to a broad array of government regulations, and demand for its products and services can be impacted by changes in law or regulation in areas such as aviation safety, security, and energy efficiency. Several of our directors have experience in regulated industries, providing

them with insight and perspective in working constructively and proactively with governments and agencies globally.

Innovation and Technology. With Honeywell's transformation to a software-industrial company in the digital age, expertise in combining software programming capabilities with leading-edge physical products and domain knowledge is critical to opening and securing new growth paths for all of Honeywell's businesses.

Marketing. Developing new markets for our products and services is critical for driving growth. Our directors who have that expertise provide a much desired perspective on how to better market and brand our products and services.

Industries, End Markets, and Growth Areas. Experience in industries, end markets, and growth areas that Honeywell serves—Commercial Aerospace, Industrial Productivity, Non-Residential, Oil and Gas / Petrochemical, Defense and Space, and Specialty Chemicals—enables a better understanding of the issues facing our businesses.

I CORE COMPETENCIES

Senior Leadership Experience. Experience serving as CEO or a senior executive as well as hands-on leadership experience in core management areas, such as strategic and operational planning, financial reporting, compliance, risk management, and leadership development, provide a practical understanding of complex organizations like Honeywell.

Public Company Board Experience. Service on the boards and board committees of other public companies provides an understanding of corporate governance practices and trends and insights into board management, relations between the board, the CEO and senior management, agenda setting, and succession planning.

Risk Management. In light of the Board's role in risk oversight and our robust Enterprise Risk Management program, we seek directors who can help identify, manage, and mitigate key risks, including cybersecurity, regulatory compliance, competition, financial, brand integrity, human capital, and intellectual property.

Financial Expertise. We believe that an understanding of finance and financial reporting processes is important for our directors to enable them to monitor and assess the Company's operating and strategic performance and to ensure accurate financial reporting and robust controls. We seek directors with background and experience in capital markets, corporate finance, accounting, and financial reporting as well as directors with accounting or related financial management expertise—as defined in the New York Stock Exchange listing standards.

Table of Contents

01 |

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

BOARD SKILLSET MATRIX

In 2018, we adopted a Board skills and experience matrix to facilitate the comparison of our directors' skills versus those skills deemed necessary to oversee our current strategy. We continue to refresh the matrix, and the skills included in the matrix are evaluated against our articulated strategy so that it can serve as an effective tool for identifying director nominees who collectively have the complementary experience, qualifications, skills, and attributes to guide our Company. Our 2019 Board skillset matrix is set forth below.

8

| Notice and Proxy Statement | 2019

Table of Contents

01 |

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

COMMITMENT TO BOARD INTEGRITY,

DIVERSITY, AND INDEPENDENCE

In addition to ensuring that our director nominees possess the requisite skills and qualifications, the CGRC places an emphasis on ensuring that the nominees demonstrate the right leadership traits, personality, work ethic, independence, and diversity of background to align with our performance culture and our long-term strategic vision. Specifically, these criteria include:

Exemplification of the highest standards of personal and professional integrity

Potential contribution to the diversity and culture of the Board, including by virtue of age, educational background, global perspective, gender, ethnicity, and nationality

Independence from management under applicable securities law, listing regulations, and Honeywell's Corporate Governance Guidelines

Willingness to constructively challenge management through active participation in Board and committee meetings

Ability to devote sufficient time to performing their Board and committee duties

While Honeywell's Corporate Governance Guidelines do not prescribe a diversity policy or standards, as a matter of practice, we are committed to enhancing both the diversity of the Board itself and the perspectives and values that are discussed in Board and committee meetings. Our current Board composition reflects this approach and the Board's commitment to diversity.

The CGRC also believes that, in addition to diversity of personal characteristics, and experiences, diversity of service tenures on the Honeywell Board also facilitates effective Board oversight. Directors with many years of service to Honeywell provide the Board with a deep knowledge of our Company, while newer directors lend fresh perspectives. Hence, careful consideration is made to achieve the appropriate balance.

NOMINATION AND ELECTION PROCESS

Honeywell's directors are elected at each Annual Meeting of Shareowners and hold office for one-year terms or until their successors are duly elected and qualified. Honeywell's By-laws provide that in any uncontested election of directors (an election in which the number of nominees does not exceed the number of directors to be elected), any nominee who receives a greater number of votes cast FOR his or her election than votes cast AGAINST his or her election will be elected to the Board of Directors.

The Board has nominated 12 candidates for election as directors. If any nominee should become unavailable to serve prior to the Annual Meeting, the shares represented by a properly signed and returned proxy card or voted by telephone, via the Internet or by scanning the QR code will be voted for the election of such other person as may be designated by the Board. The Board may also determine to leave the vacancy temporarily unfilled or reduce the authorized number of directors in accordance with the By-laws.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES.

Table of Contents

01 |

PROPOSAL NO. 1:**ELECTION OF DIRECTORS**

NOMINEES FOR ELECTION

DARIUS**About****Specific Qualifications, Attributes, Skills,
and Experience****ADAMCZYK**

Chairman and
Chief Executive
Officer,
Honeywell
International Inc.

Mr. Adamczyk has been the Chairman and Chief Executive Officer of Honeywell since April 2018. Mr. Adamczyk was President and Chief Executive Officer from March 2017 to April 2018 and Chief Operating Officer from April 2016 to March 2017. From April 2014 to April 2016, Mr. Adamczyk served as President and CEO of Honeywell Performance Materials and Technologies (PMT). Prior to serving as President and CEO of PMT, Mr. Adamczyk served as President of Honeywell Process Solutions from 2012 to 2014. When he joined Honeywell in 2008, he became President of Honeywell Scanning and Mobility from 2008 to 2012. Mr. Adamczyk began at Honeywell when Metrologic, Inc., where he was the Chief Executive Officer, was acquired by Honeywell. Prior to joining Honeywell, Mr. Adamczyk held several general management assignments at Ingersoll Rand, served as a senior associate at Booz Allen Hamilton, and started his career as an electrical engineer at General Electric.

Senior leadership roles in global organizations, both large and small

Deep understanding of software, both technically and commercially, and a proven track record in growing software-related businesses at Honeywell

Demonstrated ability to deliver financial results as a leader in a variety of different industries, with disparate business models, technologies, and customers

Strategic leadership skills necessary to grow Honeywell sales organically and inorganically while meeting the challenges of a constantly changing environment across Honeywell's diverse business portfolio

DUNCAN B.**About****Specific Qualifications, Attributes, Skills,
and Experience****ANGOVE**

Chief Executive Officer and Managing Partner, Warmaug Partners LLC

Since 2018, Mr. Angove has been CEO and Managing Partner of Warmaug Partners LLC, a private equity firm focused on delivering superior financial returns through the application of financial capital and digital transformation. Previously, from 2010 to 2018, Mr. Angove was President of Infor, Inc., a privately held provider of enterprise software and a strategic technology partner for more than 90,000 organizations worldwide. Infor's software is purpose-built for specific industries, from manufacturing to healthcare, providing complete suites that are designed to support end-to-end business processes and digital transformation. Previously, Mr. Angove served as the Senior Vice President and General Manager of the Retail Global Business Unit for Oracle Corporation, a global technology provider of enterprise software, hardware, and services, from 2005 to 2010. He joined Oracle through its acquisition of Retek Inc., then a publicly traded provider of software solutions and services to the retail industry, where he served in various roles of increasing responsibility from 1997 until 2005.

Senior technology industry leader with global operating experience including in software and digital transformation

Deep understanding of the trends across enterprise cloud, infrastructure software, digital, and the Internet of Things, and skilled at driving value creation

Extensive experience in corporate strategy, M&A, sales, marketing, and business and product development

Table of Contents

01 |

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

WILLIAM S.

About

AYER

Retired Chairman and Chief Executive Officer, Alaska Air Group, Inc.

Mr. Ayer is the retired Chairman of the Board and Chief Executive Officer of Alaska Air Group, Inc. (Alaska Air Group), the parent company of Alaska Airlines and its sister carrier, Horizon Air. Mr. Ayer served as Chief Executive Officer of Alaska Air Group and its subsidiaries through 2012, and as Chairman through 2013. A veteran of more than three decades in aviation, Mr. Ayer began his career with Horizon Air in 1982 where he held a variety of marketing and operations positions. He joined Alaska Airlines in 1995 as Vice President of Marketing and Planning, and subsequently held the posts of Senior Vice President, Chief Operating Officer, and President. In 2002, he became Alaska Air Group's Chief Executive Officer, and, in May 2003, he was appointed Chairman. Mr. Ayer was a director of Puget Sound Energy, Inc. and Puget Energy, Inc., from January 2005 until January 2015 and served as Chairman from January 2009 until January 2015.

Specific Qualifications, Attributes, Skills, and Experience

Deep aerospace industry knowledge as well as sales, marketing, and operations experience through his three decades of leadership roles at Alaska Air Group, recognized for its best-in-class operating metrics among U.S. air carriers

Proven leadership skills in developing a business enterprise that can deliver long-term, sustained excellence based on a management style that includes a relentless focus on the customer, continuous improvement, and building a culture of safety, innovation, sustainability, and diversity

Understanding of the U.S. public utility industry through his service as a director on the Board of Puget Energy

KEVIN

About

BURKE

Retired Chairman,

Mr. Burke joined Consolidated Edison, Inc. (Con Edison), a utility provider of electric, gas, and steam services, in 1973 and held positions of increasing responsibility in

Specific Qualifications, Attributes, Skills, and Experience

Extensive management expertise gained through various executive positions, including senior leadership roles, at Con

<p>President and Chief Executive Officer, Consolidated Edison, Inc.</p>	<p>system planning, engineering, law, nuclear power, construction, and corporate planning. He served as Senior Vice President from July 1998 to July 1999, with responsibility for customer service and for Con Edison's electric transmission and distribution systems. In 1999, Mr. Burke was elected President of Orange and Rockland Utilities, Inc., a subsidiary of Con Edison. He was elected President and Chief Operating Officer of Consolidated Edison Company of New York, Inc., in 2000 and elected Chief Executive Officer in 2005. Mr. Burke served as President and Chief Executive Officer of Con Edison from 2005 through 2013, and was elected Chairman in 2006. Mr. Burke became non-executive Chairman of Con Edison in December 2013 and served in that capacity until April 2014. Mr. Burke was a member of the Board of Directors of Con Edison and a member of the Board of Trustees of Consolidated Edison Company of New York, Inc., which is a subsidiary of Con Edison, until May 2015.</p>	<p>Edison</p> <p>Wealth of experience in energy production and distribution, energy efficiency, alternative energy sources, engineering and construction, government regulation, and development of new service offerings</p> <p>Significant expertise in developing clean and renewable energy infrastructure technology used in clean energy, solar generation, and other energy efficient products and services</p> <p>Oversaw the implementation of financial and management information systems, utility operational systems, and process simulators</p> <p>Deep knowledge of corporate governance and regulatory issues facing the energy, utility, and service industries</p>
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Table of Contents

01 |

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

JAIME	About	Specific Qualifications, Attributes, Skills, and Experience
CHICO PARDO	<p>Mr. Chico Pardo has been President and Chief Executive Officer of ENESA, S.A. de C.V. (ENESA), a private fund investing in the Mexican energy and health care sectors since March 2010. He previously served as Co-Chairman of the Board of Telefonos de Mexico, S.A.B. de C.V. (TELMEX), a telecommunications company based in Mexico City, from April 2009 until April 2010, as its Chairman from October 2006 to April 2009, and as its Vice Chairman and Chief Executive Officer from 1995 until 2006. Mr. Chico Pardo was Co-Chairman of the Board of Impulsora del Desarrollo y el Empleo en América Latina, S.A. de C.V., a publicly listed company in Mexico engaged in investment in and management of infrastructure assets in Latin America, from 2006 until 2010. He also was Chairman of Carso Global Telecom, S.A. de C.V. from 1996 until 2010. Prior to joining TELMEX, Mr. Chico Pardo served as President and Chief Executive Officer of Grupo Condumex, S.A. de C.V. and Euzkadi/General Tire de Mexico, manufacturers of products for the construction, automotive, and telecommunications industries. Mr. Chico Pardo also has spent a number of years in the international and investment banking business. Mr. Chico Pardo is a director of Grupo Bimbo, S.A.B. de C.V. and PROMECAP Acquisition Company, S.A.B. de C.V. He previously served as a</p>	<p>Broad international exposure through senior leadership roles in Latin American companies in the telecommunications, automotive, manufacturing, engineering, and construction industries</p> <p>Expertise in the management of infrastructure assets and international business, operations, and finance focused on Latin America</p> <p>Broad experience with investment strategies in innovation and technology to support the energy, healthcare, and telecommunications industries in Mexico and Latin America</p> <p>Enhanced perspectives on corporate governance, risk management, and other issues applicable to public companies</p>

director of AT&T (2008-2015), Grupo Carso, S.A. de C.V. and several of its affiliates (1991-2013), three mutual funds in the American Funds family of mutual funds (2011-2013) and Honeywell Inc. from September 1998 to December 1999.

D. SCOTT

About

Specific Qualifications, Attributes, Skills, and Experience

DAVIS

Retired Chairman and Chief Executive Officer, United Parcel Service, Inc.

Mr. Davis joined United Parcel Service, Inc. (UPS), a leading global provider of package delivery, specialized transportation, and logistics services in 1986. He served as the non-Executive Chairman of UPS from September 2014 until May 2016. Prior to his retirement as Chief Executive Officer of UPS, Mr. Davis served as Chairman and Chief Executive Officer from January 1, 2008 to September 2014. Prior to this, he served as Vice Chairman since December 2006 and as Senior Vice President, Chief Financial Officer and Treasurer since January 2001. Previously, Mr. Davis held various leadership positions with UPS, primarily in the finance and accounting areas. During his tenure at UPS, Mr. Davis served a critical role in helping UPS to reinvent itself into a technology company. Prior to joining UPS, he was Chief Executive Officer of II Morrow Inc., a technology company and developer of general aviation and marine navigation instruments. Mr. Davis is a Certified Public Accountant. He also is a director of Johnson and Johnson. Mr. Davis previously served on the Board of the Federal Reserve Bank of Atlanta (2003-2009), serving as Chairman in 2009, and as a director of EndoChoice Holdings (2015-2016).

Significant expertise in management, strategy, finance, and operations gained over 25 years at UPS including through senior leadership roles

Financial management expertise, including financial reporting, accounting, and controls

Strong banking experience and a deep understanding of public policy and global economic indicators

Extensive experience in the transportation and logistics services industry

In-depth understanding of technology and software solutions that support automated and web-based shipping, tracking, and specialized transportation logistics

Table of Contents

01 |

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

LINNET F.

About

Specific Qualifications, Attributes, Skills, and Experience

DEILY

Former

Deputy U.S. Trade Representative and Ambassador

Ms. Deily was Deputy U.S. Trade Representative and U.S. Ambassador to the World Trade Organization from 2001 to 2005. From 2000 until 2001, she was Vice Chairman of The Charles Schwab Corp. Ms. Deily served as President of the Schwab Retail Group from 1998 until 2000 and President of Schwab Institutional-Services for Investment Managers from 1996 to 1998. Prior to joining Schwab, she was the Chairman of the Board, Chief Executive Officer, and President of First Interstate Bank of Texas from 1990 until 1996. She retired as a director of Chevron Corporation in May 2018.

Unique global and governmental perspectives regarding international trade, capital markets, public policy, telecommunications, information services, corporate finance, refinery, and petrochemical industries

Extensive experience leading international trade negotiations and detailed knowledge and insight into challenges and opportunities related to government relations

Broad experience managing technology platforms for investment managers and retail clients

Significant financial experience through senior leadership roles in banking, brokerage, and financial services companies

Substantial experience as a Fortune 500 company director

JUDD

About

Specific Qualifications, Attributes, Skills, and Experience

GREGG

Former	<p>Senator Gregg has spent over three decades in public office, most recently serving as the United States Senator from the State of New Hampshire from January 1993 until January 2011. During his tenure in the Senate, Senator Gregg served on a number of key Senate Committees including Budget; Appropriations; Government Affairs; Banking, Housing and Urban Affairs; Commerce, Science and Transportation; Foreign Relations; and Health, Education, Labor and Pensions. He has served as the Chairman and Ranking Member of the Health, Education, Labor and Pensions Committee and the Chairman and Ranking Member of the Senate Budget Committee as well as chairman of various sub-committees. Senator Gregg served as a chief negotiator of the Emergency Economic Stabilization Act of 2008 and was the lead sponsor of the Deficit Reduction Act of 2005, and, along with the late Senator Ted Kennedy, co-authored the No Child Left Behind Act of 2001. In March 2010, Senator Gregg was appointed to President Obama's bipartisan National Commission on Fiscal Responsibility and Reform. From 1989 to 1993, Senator Gregg was the Governor of New Hampshire and prior to that was a U.S. Representative from 1981 to 1989. Senator Gregg was named as Dartmouth College's first distinguished fellow and he teaches at the college and its graduate schools. He also serves as a director of Evoqua Corporation. Senator Gregg previously served as a director of Intercontinental Exchange, Inc. (2011-2013).</p>	<p>Deep understanding and experience in local, state, national, and international issues</p>
Governor and		<p>Extensive experience in government, public policy, financial regulatory reform, banking, tax, capital markets, science, renewable technology and research, environmental protection and conservation, healthcare, and foreign policy</p>
U.S. Senator of New Hampshire		<p>Significant insight into fiscal affairs, governmental relations, legislative, and regulatory issues</p>

Table of Contents

01 |

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

CLIVE	About	Specific Qualifications, Attributes, Skills, and Experience
HOLLICK	<p>Former Chief Executive Officer, United Business Media</p> <p>Lord Hollick was Chief Executive Officer of United Business Media and its predecessor companies from 1974 to 2005. United was a London-based, international information, broadcasting, financial services, and publishing group. From 2005 to 2010, he was a partner, managing director, and adviser to Kohlberg Kravis Roberts and Co., a private equity firm focusing on businesses in the media and financial services sectors. In addition, Lord Hollick was Chairman of the Economic Affairs Committee of the House of Lords. He previously served as a director of ProSiebenSat. 1 Media AG (2007-2014), Gogo Inc. (2013-2014), The Nielsen Company B.V. (2006-2009), Diageo plc (2001-2011), TRW Inc. (2000-2002), and BAE Systems (1992-1997).</p>	<p>Management expertise, diverse perspective on international markets, and media experience gained through over 30 years as the leader of United Business Media</p> <p>Deep knowledge of public policy and trends in the UK and European markets</p> <p>In-depth understanding of the operating environment in the UK and Europe particularly with respect to information and financial services, broadcasting, publishing and online media, marketing and branding, technology, and innovation</p> <p>Substantial experience in mergers and acquisitions in the media and financial services sectors, including in a private equity context</p>
GRACE D. LIEBLEIN	<p>About</p> <p>Ms. Lieblein served as Vice President, Global Quality of General Motors (GM), a</p>	<p>Specific Qualifications, Attributes, Skills, and Experience</p>

Former Vice President-Global	company that designs, manufactures and markets cars, crossovers, trucks, and automobile parts worldwide from November 2014 to March 2016.	Wide-ranging management and operating experience gained through various executive positions during an extensive career at GM
Quality, General Motors Corporation	<p>Ms. Lieblein served as Vice President, Global Purchasing and Supply Chain from December 2012 to November 2014, the GM Brazil President and Managing Director from June 2011 until December 2012, the GM Mexico President and Managing Director from January 2009 until June 2011 and Vehicle Chief Engineer from October 2004 to January 2009.</p> <p>Ms. Lieblein joined GM in 1978 as a co-op student at the General Motors Assembly Division in Los Angeles and has held a variety of leadership positions at GM in engineering, product development and manufacturing. Ms. Lieblein also is a director of Southwest Airlines Co. and American Tower Corporation.</p>	<p>Significant expertise in supply chain management, global manufacturing, engineering, technology, and product design and development</p> <p>International business, operations, and finance experience gained through senior leadership positions in Brazil and Mexico</p>

Table of Contents

01 |

PROPOSAL NO. 1:

ELECTION OF DIRECTORS

GEORGE

About

Specific Qualifications Attributes Skills, and Experience

PAZ

Retired Chairman and Chief Executive Officer, Express Scripts Holding Company

Mr. Paz served as Chairman of the Board of Express Scripts Holding Company (Express Scripts), a pharmacy benefit management company, from May 2006 to its acquisition by Cigna in December 2018, as Chief Executive Officer from April 2005 to May 2016, and as President from October 2003 to February 2014. He first became a director of Express Scripts in January 2004. Mr. Paz joined Express Scripts as Senior Vice President and Chief Financial Officer in January 1998 and continued to serve as its Chief Financial Officer following his election as President until April 2004. Mr. Paz is a Certified Public Accountant. He also is a director of Prudential Financial, Inc.

Significant management and finance experience gained through senior leadership positions at Express Scripts

Financial expertise, including in tax, financial reporting, accounting, and controls

Information technology expertise in the healthcare and pharmaceutical industries and a strong track record of developing automated solutions in the healthcare marketplace

Developed technologies for adjudication, compliance, prior authorization, and safety standards in healthcare

Extensive experience in corporate finance, insurance and risk management, mergers and acquisitions, capital markets, government regulation, and employee health benefits

ROBIN L.

About

Specific Qualifications Attributes Skills, and Experience

WASHINGTON

<p>Executive Vice President and Chief Financial Officer, Gilead Sciences, Inc.</p>	<p>Ms. Washington joined Gilead Sciences, Inc. (Gilead), a research-based biopharmaceutical company, as Senior Vice President and Chief Financial Officer in May 2008. In her current role as Executive Vice President and Chief Financial Officer, she oversees Gilead's Global Finance, Investor Relations, and Information Technology organizations. From 2006-2007, Ms. Washington served as Chief Financial Officer of Hyperion Solutions, an enterprise software company that was acquired by Oracle Corporation in March 2007. Prior to that, Ms. Washington spent nearly 10 years at PeopleSoft, a provider of enterprise application software, where she served in a number of executive positions, most recently in the role of Senior Vice President and Corporate Controller. Ms. Washington is a Certified Public Accountant. She is a director of Salesforce.com Inc. and previously served as a director of Tektronix, Inc. (acquired by Danaher Corporation) (2005-2007) and MIPS Technologies, Inc. (acquired by Imagination Technologies Group PLC) (2008-2013).</p>	<p>Extensive management, operational and accounting experience in the healthcare and information technology industries</p> <p>Financial expertise, including in tax, financial reporting, accounting and controls, corporate finance, mergers and acquisitions, and capital markets</p> <p>Broad experience on corporate governance issues gained through public company directorships</p>
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Table of Contents

02 |

CORPORATE

GOVERNANCE

CORPORATE GOVERNANCE

Honeywell is committed to strong corporate governance policies, practices, and procedures designed to make the Board effective in exercising its oversight role. Our Board of Directors oversees management performance on behalf of our shareowners to ensure that the long-term interests of our shareowners are being served, to monitor adherence to Honeywell standards and policies, and to promote the exercise of responsible corporate citizenship. Our Board values and considers the feedback we receive from our shareowners, and we have taken a number of actions over the last several years to increase shareowner rights, enhance the Board's structure, and augment our commitment to sustainability and corporate responsibility taking into account those perspectives.

The following timeline summarizes the evolution of our corporate governance practices.

Created role of independent Lead Director

Changed our independent auditor after a thorough, competitive vetting process to ensure delivery of value, quality and technology

Proactively adopted proxy access amendment to our By-laws providing that a single shareowner or group of up to 20 shareowners who have held 3% of Honeywell stock for three years may nominate the greater of 20% of the Board or two directors

Significantly increased the responsibilities of the independent Lead Director

Published a Supplier Code of Conduct, which was incorporated as a mandatory flowdown in our supply contracts; used third-party audits to validate compliance with the Supplier Code of Conduct

Published a Human Trafficking Policy

Initiated significant changes to executive compensation plans in response to shareowner preference for longer-term performance awards, better visibility, and less discretion vis-à-vis award determinations, and heavier weighting toward performance-based equity rather than stock options

Replaced two-year Growth Plan with three-year Performance Plan

Shifted 80% of annual bonus to formulaic determination

Shifted weight from stock options to performance stock units

Amended our Corporate Governance Guidelines to improve Board refreshment

Enhanced the Board's self-evaluation process

Further strengthened the role of Lead Director

Instituted a formal Board skills and experience matrix to facilitate comparison of our director's skills versus those skills deemed necessary to oversee our current strategy

Increased Board retirement age to ensure Board continuity through CEO succession and portfolio realignment

Continued evolution of executive compensation plan with further shift from stock options to performance stock units

Relentless, unambiguous communication that Integrity and Ethics, Supporting Diversity, and Workplace Respect are foundational principles of our performance culture required of every employee globally

Instituted enterprise-wide mandatory annual certification of compliance with our updated Code of Business Conduct

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Nominated a new director for election to the Board by our shareowners under an enhanced recruitment process

Inaugural Board skillset matrix included in Proxy Statement

Reduced ownership threshold to call a special meeting of shareowners from 20% to 15%

Adopted executive approval requirements to increase oversight of trade association memberships

Instructed trade associations not to use our membership dues for political contributions

Reduced number of public company boards (including the Honeywell Board) on which any individual director may sit from five to four

Formalized equivalency of independent Lead Director and independent Chairman roles and responsibilities

Table of Contents

02 |

CORPORATE

GOVERNANCE

SHAREOWNER OUTREACH AND ENGAGEMENT

Understanding the issues that are important to our shareowners is critical in ensuring that we address their interests in a meaningful and effective manner. It is also foundational to good corporate governance. In that light, we engage with our shareowners on a regular basis throughout the year to discuss a range of topics, including our performance, strategy, risk management, executive compensation, and corporate governance. We recognize the value of taking our shareowners' views into account. Dialogue and engagement with our shareowners help set goals and expectations for our performance, and facilitate identification of emerging issues that may affect our strategies, corporate governance, compensation practices, and other aspects of our operations.

Our shareowner and investor outreach and engagement take many forms. We participate in numerous investor conferences and analyst meetings, hold our own investor events, some of which focus on individual businesses held at our facilities, and meet one-on-one with our shareowners in a variety of contexts and forums. As part of our governance-focused shareowner engagement program, members of our Board, including our Lead Director, participate in many of these meetings to discuss a range of Environmental, Social, and Governance (ESG) matters, including executive compensation, corporate governance, and sustainability. In addition, our Chairman and CEO, Chief Financial Officer, Vice President of Investor Relations, and other senior management engage with our shareowners on a frequent basis, year-round, to discuss Honeywell's strategy and our financial and business performance and to provide updates on key developments.

Shareowner engagement during 2018 was robust given the implementation of significant portfolio actions that were announced in 2017 and our CFO transition. We held 24 one-on-one meetings with shareowners during the course of 2018 (representing approximately 29% of outstanding shares) to discuss a wide range of business performance, governance, sustainability and compensation topics. In addition, our Chairman and Chief Executive Officer, Chief Financial Officer, and other executive officers hosted 56 one-on-one or small group shareowner meetings to discuss business performance and seek feedback.

I GOVERNANCE-FOCUSED SHAREOWNER ENGAGEMENT PROGRAM

| Notice and Proxy Statement | 2019

17

Table of Contents

02 |

CORPORATE

GOVERNANCE

I YEAR-ROUND SHAREOWNER ENGAGEMENT

39

one-on-one or small-group shareowner meetings **hosted by our Chairman and CEO** to discuss business performance and seek feedback, attended by **105** shareowners

One-on-one shareowner meetings

Shareowner meetings at industry conferences

Roadshows in key regions to meet face-to-face with shareowners

17

one-on-one or small-group shareowner meetings **hosted by our CFO or other executive officers** to discuss business performance and seek feedback, attended by **140** shareowners

I 2018 SHAREOWNER ENGAGEMENT FOCUS AREAS

In 2018, our conversations with shareowners focused on the following key areas:

Board oversight of long-term strategy

Performance in our four strategic business groups, key end market trends, overview of our competitive landscape, and potential impacts to our businesses from changes in the regulatory environment

Updates on the two spin transactions and the process by which Honeywell reached the decision to spin the Transportation Systems business (now Garrett Motion Inc. or Garrett) and the Homes and ADI global distribution businesses (now Resideo Technologies, Inc. or Resideo)

Introduction to our incoming CFO, Gregory P. Lewis, when executing the CFO transition

Board refreshment from a diversity and risk perspective

Recombination of the Chairman and CEO role

A recap of executive compensation program changes that were implemented in 2017 and 2018

Overview of capital deployment strategy following 2018 spins

An overview of our environmental and social policies and initiatives, such as our Inclusion and Diversity, Sustainability, Worker Safety, and New Uses of Legacy Properties programs

I SHAREOWNER FEEDBACK

Again this year, our shareowners welcomed our level of outreach and expressed appreciation for our engagement and our responsiveness to shareowner concerns. Below is a summary of the feedback we received:

Positive feedback on our 2018 financial performance, especially with regard to organic sales growth in Aerospace, defense and warehouse automation, our achievement of 100% adjusted free cash flow conversion, and our successful Intelligrated (SPS) integration and execution

Appreciation for the level of transparency and the speed with which we executed the Garrett and Resideo spins

Positive feedback regarding the changes to our executive compensation program, especially with regard to how the program has evolved in response to shareowner feedback in 2018, approximately 92% of our shareowners voted in favor of Say on Pay

Continued interest in the recombination of the Chairman and CEO roles and in the Lead Director's expanded responsibilities to strengthen the position as a counterbalance to the combined Chairman and CEO position

Increased interest in the beneficial dynamics resulting from the diversity of personal background, skills, and experiences of Honeywell's directors

Emphasis on importance of maintaining alignment of director skillsets with Company strategy

Table of Contents

02 |

CORPORATE

GOVERNANCE

BOARD LEADERSHIP STRUCTURE

I CHAIRMAN OF THE BOARD

Our CEO, Darius Adamczyk, became the Chairman of the Board at the 2018 Annual Meeting of Shareowners following the retirement of our former Chairman, David M. Cote. The decision to appoint Mr. Adamczyk as Chairman and recombine the Chairman and CEO roles followed careful consideration by the Board and extensive engagement with our shareowners. Understanding the importance of this leadership decision to the Company and its shareowners, the Board thoroughly explored the benefits and challenges of this appointment through an open-minded and unbiased decision-making process.

In reaching its decision to recombine the roles of Chairman and CEO under Mr. Adamczyk, the Board considered a wide range of factors as follows:

The benefits of a unified leadership structure during a period when Honeywell is in the process of a major portfolio realignment and a strategic shift designed to focus resources and management's attention on high-growth businesses in six attractive industrial end markets where we can deploy our core technological strengths related to software, data analytics, and the industrial internet of things

An evaluation of the strength of Mr. Adamczyk's character, the quality of his leadership, and the likelihood that Mr. Adamczyk's service as both Chairman and CEO would enhance Company performance—the Board continues to believe that an independent Chairman would not enhance Company performance or improve governance effectiveness under Mr. Adamczyk's leadership

Our longstanding track record of outperformance under a unified leadership structure in which the roles of Chairman and CEO were combined

The highly independent nature of our Board where there is only one non-independent director

Steps taken by Honeywell's Board to strengthen the role of the independent Lead Director and the demonstrated ability of our Lead Director to effectively lead the Board

The Board carefully weighed the views of its shareowners as part of its deliberations leading up to our 2018 Annual Meeting of Shareowners and continued to engage with shareowners on this topic during the summer/fall shareowner engagement meetings thereafter. We heard a range of views during those meetings, with most of our shareowners expressing confidence that the Honeywell Board understands the importance of good corporate governance and has

the ability to make the right decision regarding its ongoing leadership structure, specifically the determination of whether and when to separate and combine the roles of Chairman and CEO.

I INDEPENDENT LEAD DIRECTOR

Honeywell's independent Lead Director plays an important role in our governance structure, serving as the de facto leader of the independent directors, the single focal point charged with ensuring that the Board as a whole is providing appropriate independent oversight of management, and an *ex officio* member of each Board committee on which he or she does not otherwise serve. Over the past several years, the Board has continually taken action to strengthen the role of Lead Director, including amendments to our Corporate Governance Guidelines to formalize the role of the Lead Director in the recruitment and selection of new Board members and in the annual self-evaluation process.

The roles and responsibilities of the Lead Director are described in our Corporate Governance Guidelines, which the Board further amended to formalize the equivalency of independent Lead Director and independent Chairman roles and responsibilities. The guidelines now explicitly acknowledge that, in the absence of an independent Chairman, the Lead Director would assume the same roles and responsibilities. These roles and responsibilities include the following:

As and when the Board considers adding new members, work with the CEO, the CGRC and the full Board to help identify and prioritize the specific skill sets, experience, and knowledge that candidates for election to the Board must possess

Review, and when appropriate, make changes to Board meeting agendas and Board meeting schedules to ensure there is sufficient time for discussion of all agenda items

Review, and when appropriate, make changes to presentation material and other written information provided to directors for Board meetings

Preside at all meetings at which the Chairman is not present, including executive sessions of the independent directors, and apprise the Chairman of the issues considered

Serve as liaison between the Chairman and the independent directors

Be available for consultation and direct communication with the Company's shareowners

Call meetings of the independent directors when necessary and appropriate

Table of Contents

02 |

CORPORATE

GOVERNANCE

Retain outside professionals on behalf of the Board

Consult with management about what information is to be sent to the Board

Identify key strategic direction and operational issues upon which the Board's annual core agenda is based

Serve as an *ex officio* member of each committee on which he does not otherwise serve

The Lead Director is selected biennially by Honeywell's independent directors, taking into account the Lead Director Selection Criteria memorialized in our Corporate Governance Guidelines. These criteria include:

Qualifies as independent, in accordance with relevant listing standards

Ability to commit the time and level of engagement required to fulfill the substantial responsibilities of the role

Effective communication skills to facilitate discussions among Board members, including between the independent directors and the Chairman and CEO, and to engage with shareowners and other key stakeholders

Strong rapport with other members of the Board

High personal integrity and ethical character

Skills and experience broadly in line with Honeywell's corporate strategy, including, as relevant, leadership experience within a large, complex organization, international experience, exposure to a variety of markets, and expertise aligned with key growth initiatives

Our current Lead Director, Mr. Jaime Chico Pardo, was re-elected by our independent directors in 2017 to serve a second two-year term which will expire in 2020. In addition to satisfying each of the criteria listed above, Mr. Chico Pardo has worked tirelessly on behalf of Honeywell including assisting Honeywell in its efforts to increase organic sales growth in Mexico and across Latin America, meeting with shareowners, and participating in various external governance and lead director programs to stay current on best practices and investor concerns. Mr. Chico Pardo is

extremely well regarded by his fellow Board members for, among other things, his encyclopedic knowledge of Honeywell, listening and communication skills, excellent judgment, and ability to build consensus for informed decision making.

DIRECTOR INDEPENDENCE

Our Corporate Governance Guidelines state that the Board intends that, at all times, a substantial majority of its directors will be considered independent under relevant NYSE and SEC guidelines.

I AFFIRMATIVE DETERMINATION OF INDEPENDENCE

To fulfill this intent, the Board regularly reviews the independence of each non-employee director to make an affirmative determination of independence. Specifically, the CGRC conducts an annual review of the independence of the directors and reports its findings to the full Board. This year, based on the report and recommendation of the CGRC, the Board has determined that each of the non-employee nominees standing for election to the Board at the Annual Meeting Messrs. Angove, Ayer, Burke, Chico Pardo, Davis, Gregg, Hollick, and Paz and Meses. Deily, Lieblein, and Washington satisfies the independence criteria in the applicable NYSE listing standards and SEC rules (including, where applicable, the enhanced criteria with respect to members of the Audit Committee and the MDCC). Each Board committee member qualifies as a non-employee director within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act).

I CRITERIA FOR DIRECTOR INDEPENDENCE

For a director to be considered independent, the Board must determine that the director does not have any material relationships with Honeywell, either directly as a partner, shareowner, or officer of an organization that has a relationship with Honeywell, other than as a director and shareowner. Material relationships can include vendor, supplier, consulting, legal, banking, accounting, charitable, and family relationships, among others. The Board considered all relevant facts and circumstances in making its determinations, including the following:

No non-employee director or nominee receives any direct compensation from Honeywell other than under the director compensation program described in this Proxy Statement.

No immediate family member (within the meaning of the NYSE listing standards) of any non-employee director or nominee receives direct compensation from Honeywell other than compensation received for service as a non-executive employee.

No non-employee director or nominee is affiliated with Honeywell or any of its subsidiaries or affiliates.

No non-employee director or nominee is an employee of Honeywell's independent accountants and no non-employee director or nominee (or any of their respective immediate family members) is a current partner of Honeywell's independent accountants, or was within the last three years, a partner or employee of Honeywell's independent accountants and personally worked on Honeywell's audit.

Table of Contents

02 |

CORPORATE

GOVERNANCE

No non-employee director or nominee is a member, partner, or principal of any law firm, accounting firm, or investment banking firm that receives any consulting, advisory, or other fees from Honeywell.

No Honeywell executive officer is on the compensation committee of the board of directors of a company that employs any of our non-employee directors or nominees (or any of their respective immediate family members) as an executive officer.

No non-employee director or nominee (or any of their respective immediate family members) is indebted to Honeywell, nor is Honeywell indebted to any non-employee director or nominee (or any of their respective immediate family members).

No non-employee director or nominee is an executive officer of a charitable or other tax-exempt organization that received contributions from Honeywell.

Honeywell has commercial relationships (purchase and/or sale of products and services) with companies at which our directors serve or have served as officers within the past three years (Mr. Angove Infor, Ms. Lieblein General Motors, Mr. Paz Express Scripts, and Ms. Washington Gilead Sciences). In each case:

The relevant products and services were provided on terms and conditions determined on an arm's-length basis and consistent with those provided by or to similarly situated customers and suppliers;

The relevant director did not initiate or negotiate the relevant transaction, each of which was in the ordinary course of business of both companies; and

The combined amount of such purchases and sales was less than 0.05% of the consolidated gross revenue of each of Honeywell and the other company in each of the last three completed fiscal years. This level is significantly below the requirements of the NYSE listing standards for director independence, which uses a 2% of consolidated gross revenue threshold and applies it to each of purchases and sales rather than the combination of the two.

While a non-employee director's or nominee's service as an outside director of another company with which Honeywell does business would generally not be expected to raise independence issues, the Board also considered those relationships and confirmed the absence of any material commercial relationships with any such company. Specifically, those commercial relationships were in the ordinary course of business for Honeywell and the other companies involved and were on terms and conditions available to similarly situated customers and suppliers.

The above information was derived from Honeywell's books and records and responses to questionnaires completed by the director nominees in connection with the preparation of this Proxy Statement.

Table of Contents

02 |

CORPORATE

GOVERNANCE

BOARD'S ROLE IN RISK OVERSIGHT

While senior management has primary responsibility for managing risk, the Board as a whole has responsibility for risk oversight with specific risk areas delegated to relevant Board committees who report on their deliberations to the Board. The specific risk areas of focus for the Board and each of its committees are summarized below.

Board/Committee

Primary Areas of Risk Oversight

Full Board

Oversee the Company's risk governance framework, including an enterprise-wide culture that supports appropriate risk awareness and the identification, escalation, and appropriate management of risk

Integrity, ethics, and compliance with our Code of Business Conduct

General strategic and commercial risks such as new product launch, capital spend, raw material price increases, foreign currency fluctuation, diminished customer demand, technology obsolescence, reductions to government spending, and a slowdown in economic growth

Disruption, including disruptive technologies, emerging competition, and changing business models

M&A integration and the M&A competitive landscape

Legal risks such as those arising from litigation and intellectual property matters

Audit Committee

Oversee the Company's Enterprise Risk Management (ERM) and Crisis Incident Management programs

Cybersecurity, including protection of customer and employee data, trade secrets, and other proprietary "crown jewel" information, ensuring the security of data on the cloud, persistent threats, and cyber risks associated with our own software products

Accounting, controls, and financial disclosure

Tax and liquidity management

Product integrity and product security

Vendor risk, including supply chain disruption

Operational business continuity, including catastrophic risks such as natural disasters and plant accidents

**Corporate Governance and
Responsibility Committee
(CGRC)**

Political contributions and lobbying

Regulatory compliance, such as data privacy, sanctions and export compliance, government contracts compliance, and counterfeit parts

Integrity and compliance programs and policies

Geopolitical risk, including political, economic or military conflicts and tariffs

Health, safety, environmental, product stewardship, and sustainability

**Management Development
and Compensation
Committee (MDCC)**

Succession planning

Compensation plans, programs, and arrangements and other employment practices
and policies

Recruitment and retention of key talent

Labor compliance and progress in implementing our diversity goals and objectives

Workplace respect and culture

Workplace violence

Retirement Plans Committee

Funding of our employee pension and saving plans

I ENTERPRISE RISK MANAGEMENT PROGRAM

The Board uses the ERM program as a key tool for understanding the inherent risks facing Honeywell as well as assessing whether management's processes, procedures, and practices for mitigating those risks are effective. The ERM assessment deployed by management is robust, based on both an enterprise-wide top down and bottom up view of commercial, strategic, legal, compliance, cyber, and reputational risks and strategies for mitigating those risks. In 2018, the ERM program included interviews with each director, each executive officer, and 57 risk owners across all businesses and functions.

Table of Contents

02 |

CORPORATE**GOVERNANCE**

Both the Audit Committee and the full Board review the results of the annual ERM assessment. During the reviews, Honeywell's CFO and General Counsel jointly present the results of the ERM assessment in a manner designed to provide full visibility into the risks facing Honeywell and how management is mitigating those risks, thereby enabling the Board to effectively exercise its oversight function. To facilitate continued monitoring and oversight by the Board, key risk areas identified during the ERM process and management's associated mitigation activities become part of Board and/or committee meeting agendas for the following year.

Every three years, the ERM process includes one-on-one meetings with each Board member to discuss each director's top-down view of risks facing the enterprise, to solicit the director's recommendations for improving the ERM process, and to ensure that the universe of risks and the metrics for identifying key risks, in terms of likelihood of occurrence and potential financial impact, is both realistic and appropriate. Feedback from the one-on-one interviews with the individual Board members is presented to the full Board and incorporated in our ERM program and risk mitigation efforts.

I OVERSIGHT OF STRATEGY

One of the Board's primary responsibilities is overseeing management's establishment and execution of the Company's strategy and the associated risks. The full Board oversees strategy and strategic risk through robust and constructive engagement with management, taking into consideration our key priorities, global trends impacting our business, regulatory developments, and disruptors in our industries. The Board's oversight of our strategy primarily occurs through deep-dive annual reviews of the long-term strategic plans and annual operating plans of each of our businesses. During these reviews, management provides the Board with its view of the key commercial and strategic risks faced by each business unit, and the Board provides management with robust feedback on whether management has identified the key risks and is taking appropriate actions to mitigate risk. In addition to the review of each business strategic and annual plans, specific areas of risk and opportunity are tabled for further Board and/or committee discussion as specific risks arise or as requested by management or individual Board members to ensure additional Board engagement on the areas of risk that are most impactful to Honeywell's strategic direction.

The Board's oversight of strategy was prominent during the portfolio review process that ultimately led to the Garrett and Resideo spins. With the ultimate goal of achieving an outcome that would promote long-term shareholder value, the Board engaged in a rigorous, thorough, and unbiased review of our portfolio, devoting a substantial amount of time and resources to reviewing and pressure testing the financial and strategic analyses prepared by management and external advisors. The Board then monitored management's execution of the spin transactions to ensure world-class execution.

I OVERSIGHT OF HUMAN CAPITAL AND CULTURE

The Board and the MDCC provide oversight over human capital, with particular focus on culture, talent development and assessment as well as succession planning. Honeywell fosters a performance culture where all directors, officers, and employees are expected to uphold our foundational principles of Integrity and Ethics, Supporting Diversity, and Workplace Respect, and build meaningful careers based on our 8 Behaviors: Have a Passion for Winning, Be A

Zealot for Growth, Think Big Then Make It Happen, Act With Urgency, Be Courageous, Go Beyond, Inspire Greatness, and Become Your Best. The strength of our culture is essential to fulfilling our strategic vision, and the Board and the MDCC work with management to monitor compliance with the foundational principles and measure progress against the 8 Behaviors.

The Board also is closely engaged in the development and management of human capital. The Board's involvement in leadership development and succession planning is systematic and ongoing, and the Board provides input on important decisions in each of these areas. The Board has primary responsibility for succession planning for the CEO and oversight over succession planning for other executive officer positions. The MDCC oversees the development of the process and protocols regarding succession plans for our executive officers, and annually reviews and updates these protocols to reflect input from Board members. To assist the Board, the CEO annually provides an assessment of senior managers and their potential to succeed to the position of CEO. In addition, the Board meets regularly with high-potential executives, both in small group and one-on-one settings.

BOARD PRACTICES AND PROCEDURES

I BOARD AND COMMITTEE MEETINGS

Agenda. The Board and its committees perform an annual review of the agenda items to be considered for each meeting. During that review, each Board and committee member is free to raise topics that are not on the agenda at any meeting and to suggest items for inclusion on future agendas.

Number of Meetings and Attendance. In 2018, the Board held seven meetings and the committees of the Board collectively held 24 meetings. The Board had 100% meeting attendance, and the directors' average attendance rate at meetings of the committees on which they have been appointed was 98%. Each of the directors participated in at least 75% of the aggregate of the total number of Board meetings held during the period for which he or she was a director, and the total number of meetings held by all Board committees on which he or she served (during the period that he or she served).

Table of Contents

02 |

CORPORATE

GOVERNANCE

Special Meetings. The Chairman, the Lead Director, the Chair of the Corporate Governance and Responsibility Committee, and at the request of two independent directors, the Corporate Secretary, are permanently empowered and authorized to call special meetings of the Board at any time and for any reason.

Board Meeting Materials. Each director is provided in advance with written material to be considered at every meeting of the Board and of the committees on which he or she is a member and has the opportunity to provide comments and suggestions.

I SELF-EVALUATION

Objective. The Board and each of its committees conduct a comprehensive evaluation of their effectiveness throughout the year. Committee members have the opportunity to provide input directly to the Lead Director, committee chairs, or to management. A more formal self-evaluation is launched in January of each year and the feedback gleaned from the evaluation is utilized to facilitate and enable adequate Board refreshment and an appropriate evolution of Board skills, experiences, and perspectives specifically with a view toward eliciting feedback on whether our directors' skills are matched to Honeywell's strategic needs and its risk profile.

Process. The Lead Director, together with the Chair of the CGRC, are jointly responsible for leading the self-evaluation process—a process that includes the development and approval of the evaluation by the CGRC, its administration through a third party, summarization of the results, and its report out to the full Board on an anonymous basis.

I OTHER BEST PRACTICE BOARD PROCEDURES

Annual Shareowner Meeting Attendance. Our Corporate Governance Guidelines encourage all directors to attend our Annual Meeting of Shareowners. Generally, Board and committee meetings are held immediately preceding and following the Annual Meeting, with directors attending the Annual Meeting. All of our directors attended last year's Annual Meeting.

Engagement with Management. The Board and its committees provide feedback to management, and management is required to answer questions raised by the directors during Board and committee meetings. Our

senior management meets regularly with the Board, including yearly reviews of each business' long-term strategic plan and annual operating plan.

Director Education. Our Board believes that director education is vital to the ability of directors to fulfill their roles and supports Board members in their continuous learning. Directors may enroll in continuing education programs at Honeywell's expense on corporate governance and critical issues associated with a director's service on a public company board. Our Board also hears regularly from management on numerous subjects, including investor sentiments, shareowner activism, regulatory developments, data privacy, and cybersecurity. In addition, the Board periodically participates in site visits to Honeywell's facilities. For example, in 2018, Board members visited Honeywell's new software center in Atlanta, Georgia, and attended its annual Technology Symposium.

Director Orientation. All new directors participate in our director orientation program during the first year on our Board. New directors receive an extensive suite of onboarding materials covering director responsibilities, corporate governance practices and policies, business strategies, leadership structure, and long-term plans. They then participate in a series of meetings over time with management representatives from all of our businesses and functional areas to review and discuss information about Honeywell's strategic plans, financial statements, and key issues, policies, and practices. Based on feedback from our directors, we believe this graduated onboarding approach over the first year of Board service, coupled with participation in regular Board and committee meetings, provides new directors with a strong foundation for understanding our businesses, connects directors with members of management with whom they will interact, and accelerates their effectiveness to engage fully in Board deliberations. Directors have access to additional orientation and educational opportunities upon acceptance of new or additional responsibilities on the Board and in committees.

Table of Contents

02 |

CORPORATE**GOVERNANCE****BOARD COMMITTEES**

The Board currently has four committees. All of the members of each committee are independent, non-employee directors. Each committee operates under a written charter, which is available on our website at www.honeywell.com (see [Investors/Corporate Governance/Board Committees](#)). The table below lists the current membership of each committee and the number of committee meetings held in 2018.

Name	Audit	Corporate Governance and Responsibility	Management Development and Compensation	Retirement Plans
Mr. Angove				
Mr. Ayer				
Mr. Burke				
Mr. Chico Pardo*	<i>ex officio</i>		<i>ex officio</i>	
Mr. Davis			Chair	
Ms. Deily		Chair		
Mr. Gregg				
Mr. Hollick				

Ms. Lieblein

Mr. Paz

Chair

Ms. Washington

Chair

2018 Meetings

11

4

6

3

* Lead Director is an *ex officio* member of each committee on which he does not otherwise serve.

I AUDIT COMMITTEE

Appoint (subject to shareowner approval), and be directly responsible for the compensation, retention and oversight of, the firm that serves as independent accountants to audit our financial statements and to perform services related to the audit; this includes resolving disagreements between management and the independent accountants regarding financial reporting;

Review the scope and results of the audit with the independent accountants;

Consider the accountants' independence;

Review with management and the independent accountants, prior to filing, the annual and interim financial results (including Management's Discussion and Analysis) to be included in Forms 10-K and 10-Q;

Consider the adequacy and effectiveness of our internal control over financial reporting and auditing procedures;

Review, approve, and establish procedures for the receipt, retention, and treatment of complaints received by Honeywell regarding accounting, internal control over financial reporting or auditing matters and for the confidential, anonymous submission by employees of

concerns regarding questionable accounting or auditing matters;

Review material legal and compliance matters, the effectiveness of the Company's integrity and compliance program and significant health, safety, or environmental incidents; and

Together with the full Board, exercise oversight over management's enterprise risk management (ERM) process and assess whether mitigation strategies for the risks identified through the ERM process are adequate, including for such risks as cybersecurity, import-export compliance, and foreign corrupt practices.

Audit committee oversight of independent accountants

The Audit Committee seeks to ensure the exercise of appropriate professional skepticism by the independent accountants by reviewing and discussing, among other things, management and auditor reports regarding significant estimates and judgments and the results of peer quality review and Public Company Accounting Oversight Board inspections of the independent accountants. The Audit Committee also reviews and pre-approves all audit and non-audit services provided to Honeywell by the independent accountants in order to determine that such services would not adversely impact auditor independence and objectivity. The Audit Committee also holds separate executive sessions at each in-person meeting with representatives of our independent accountants, and with Honeywell's Chief Financial Officer and Vice President-Corporate Audit.

Table of Contents

02 |

CORPORATE

GOVERNANCE

**I CORPORATE GOVERNANCE AND
RESPONSIBILITY COMMITTEE
(CGRC)**

Identify and evaluate potential director candidates and recommend to the Board the nominees to be proposed by the Company for election to the Board;

Review and make a recommendation to the Board regarding whether to accept a resignation tendered by a Board nominee who does not receive a majority of votes cast for his or her election in an uncontested election of directors;

Review annually and recommend changes to the Corporate Governance Guidelines;

Together with the Lead Director, lead the Board in its annual review of the performance of the Board and its committees;

Review policies and make recommendations to the Board concerning the size and composition of the Board, the qualifications and criteria for election to the Board, retirement from the Board, compensation and benefits of non-employee directors, the conduct of business between Honeywell and any person or entity affiliated with a director, and the structure and composition of Board committees; and

Review Honeywell's policies and programs relating to health, safety, and environmental matters; sustainability; political contributions and lobbying, inclusion and diversity and such other matters, including the Company's Code of Business Conduct, as may be brought to the attention of the committee regarding Honeywell's role as a responsible corporate citizen.

Evaluation and Nomination of Director Candidates

Primary responsibility for identifying and evaluating director candidates and for recommending re-nomination of incumbent directors resides with the CGRC, which consists entirely of independent directors under applicable SEC rules and NYSE listing standards. Our independent Lead Director also is formally charged with responsibility for new director recruitment, including the responsibility of working with the Chairman and CEO, CGRC, and the full Board to help identify and prioritize the specific skill sets, experience, and knowledge that director candidates must possess. The CGRC and Lead Director then establish criteria for director nominees based on these inputs.

Nomination of New Candidates. Potential director candidates meeting the criteria established by the CGRC and Lead Director are then identified either by reputation, existing Board members, or shareowners. The CGRC is also authorized, at the expense of Honeywell, to retain search firms to identify potential director candidates, as well as other external advisors, including for purposes of performing background reviews of potential candidates. Search firms retained by the CGRC shall be provided guidance as to the particular experience, skills, or other characteristics that the Board is then seeking. The CGRC may delegate responsibility for day-to-day management and oversight of a search firm engagement to the Chairman of the Board and/or the Senior Vice President, Human Resources, Security and Communications.

Candidates are interviewed multiple times by the Chairman and CEO, Lead Director, and other members of the Board to ensure that candidates not only possess the requisite skills and characteristics, but also the personality, leadership traits, work ethic, and independence of thought to effectively contribute as a member of the Board. After this process, the Board nominates the successful candidate for election to the Board at the Annual Meeting of Shareowners. Director candidates are principally identified and evaluated in anticipation of upcoming director elections and other potential or expected Board vacancies. From time to time, the Board fills vacancies in its membership which arise between annual meetings of shareowners using the same process described above.

Re-nomination of Incumbents. To ensure that the Board continues to evolve and be refreshed in a manner that serves the changing business and strategic needs of Honeywell, before recommending for re-nomination a slate of incumbent directors for an additional term, the CGRC also evaluates whether incumbent directors possess the requisite skills and perspective, both individually and collectively. This evaluation is based primarily on the results of the annual review it performs with the Board of the requisite skills and characteristics of Board members, as well as the composition of the Board as a whole, and the results of the Board's annual self-evaluation.

Table of Contents

02 |

CORPORATE

GOVERNANCE

**I MANAGEMENT DEVELOPMENT
AND COMPENSATION
COMMITTEE**

(MDCC)

Evaluate and approve executive compensation plans, policies, and programs, including review and approval of executive compensation-related corporate goals and objectives;

Sole authority to retain and terminate a compensation consultant to assist in the evaluation of CEO or senior executive compensation;

Review and approve the individual goals and objectives of the Company's executive officers;

Evaluate the CEO's performance relative to established goals and objectives and, together with the other independent directors, determine and approve the CEO's compensation level;

Review and determine the annual salary and other remuneration (including incentive compensation and equity-based plans) of all other officers;

Review and discuss with management, the Compensation Discussion and Analysis and other executive compensation disclosure included in this Proxy Statement;

Produce the annual Committee Report included in this Proxy Statement;

Form and delegate authority to subcommittees when appropriate;

Review the management development program, including executive succession plans; and

Review or take such other action as may be required in connection with the bonus, stock, and other benefit plans of Honeywell and its subsidiaries.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2018, all of the members of the MDCC were independent directors, and no member was an employee or former employee of Honeywell. No MDCC member had any relationship requiring disclosure under Certain Relationships and Related Transactions on page 92 of this Proxy Statement. During fiscal year 2018, none of our executive officers served on the compensation committee (or its equivalent) or board of directors of another entity whose executive officer served on the MDCC.

Administration of Executive Compensation Program

The MDCC administers the Executive Compensation Program, including determination of the elements of the program and their relative weighting, incentive compensation plan targets, and award amounts. When administering the program, the MDCC takes into account recommendations from senior management with regard to the overall executive compensation program and the individual compensation of the executive officers. As part of Honeywell's annual planning process, the CEO, CFO, and Senior Vice President, Human Resources, Security and Communications develop targets for Honeywell's incentive compensation programs and present them to the MDCC. These targets are reviewed by the MDCC to ensure alignment with our strategic and annual operating plans, taking into account the targeted year-over-year and multi-year improvements as well as identified opportunities and risks. The CEO recommends base salary adjustments and cash and equity incentive award levels for Honeywell's other executive officers. These recommendations are based on performance appraisals (including an assessment of the achievement of pre-established financial and non-financial management objectives) together with a review of supplemental performance measures and prior compensation levels relative to performance.

Retention of Independent Compensation Consultant

The MDCC has sole authority to retain a compensation consultant to assist the MDCC in the evaluation of director, CEO, or senior executive compensation, but only after considering all factors relevant to the consultant's independence from management. In addition, the MDCC is directly responsible for approving the consultant's compensation, evaluating its performance, and terminating its engagement. Under the MDCC's established policy, its consultant cannot provide any other services to Honeywell without the MDCC's approval, as delegated to the MDCC Chair. Since October 2009, the MDCC has retained Pearl Meyer (PM) as its independent compensation consultant.

The MDCC regularly reviews the services provided by its outside consultants and performs an annual assessment of the independence of its compensation consultant to determine whether the compensation consultant is independent. The MDCC conducted a specific review of its relationship with PM in 2019, and determined that PM is independent in providing Honeywell with executive compensation consulting and limited other employee benchmarking services, and that PM's work for the MDCC did not raise any conflicts of interest, consistent with SEC rules and NYSE listing standards.

Table of Contents

02 |

CORPORATE

GOVERNANCE

In making this determination, the MDCC reviewed information provided by PM on the following factors:

Any other services provided to Honeywell by PM;

Fees received by PM from Honeywell as a percentage of PM's total revenue;

Policies or procedures maintained by PM to prevent a conflict of interest;

Any business or personal relationship between the individual PM consultants assigned to the Honeywell relationship and any MDCC member;

Any business or personal relationship between the individual PM consultants assigned to the Honeywell relationship, or PM itself, and Honeywell's executive officers; and

Any Honeywell stock owned by PM or the individual PM consultants assigned to the Honeywell relationship. In particular, the MDCC noted that PM did not provide any services to the Company or its management other than service to the MDCC and limited other employee benchmarking services. Unless approved by the MDCC Chair, it does not provide, directly or indirectly through affiliates, any non-executive compensation services, including, but not limited to, pension consulting or human resources outsourcing. The MDCC will continue to monitor the independence of its compensation consultant on a periodic basis.

PM compiles information and provides advice regarding the components and mix (short-term/long-term; fixed/variable; cash/equity) of the executive compensation programs of Honeywell and its Compensation Peer Group (see pages 43-44 of this Proxy Statement for further detail regarding the Compensation Peer Group) and analyzes the relative performance of Honeywell and the Compensation Peer Group with respect to stock performance and the financial metrics generally used in the programs. PM also provides the MDCC with information regarding emerging trends and best practices in executive compensation, as well as a specialized survey related to executive aircraft operations. In addition to information compiled by PM, the MDCC also reviews general survey data compiled and published by third parties. Neither the MDCC nor Honeywell has any input into the scope of or the companies included in these third-party surveys.

While the MDCC reviews information provided by PM regarding compensation paid by the Compensation Peer Group, as well as third-party survey data, as a general indicator of relevant market conditions, the MDCC does not target a specific competitive position relative to the market in making its compensation determination.

PM reports to the MDCC Chair, has direct access to MDCC members, attends MDCC meetings either in person or by telephone, and meets with the MDCC in executive session without management present.

**I RETIREMENT PLANS
COMMITTEE**

Appoint the trustees for funds of the employee pension benefit plans of Honeywell and certain subsidiaries;

Review funding strategies;

Review investment policy for fund assets; and

Oversee members of management that direct the investment of pension fund assets.

Table of Contents

03 |

CORPORATE RESPONSIBILITY

AND SUSTAINABILITY

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Honeywell takes seriously its commitment to corporate social responsibility, protection of our environment, and creation of sustainable opportunity everywhere it operates. This unwavering commitment underlies the principle that good business, economic growth, and social responsibility go hand-in-hand. Honeywell's Environmental, Social, and Governance (ESG) initiatives are aligned with the Company's long-term strategy, both informing and supporting Honeywell's strategic plans. This alignment emerges from the inclusion of Environmental and Social (E&S) considerations in scenario planning and other strategic planning processes where E&S-related business risks and opportunities are identified and addressed.

The Board's well-informed and proactive oversight extends to E&S initiatives in three principle ways:

The Corporate Governance and Responsibility Committee (CGRC) has primary jurisdiction for managing risks and opportunities associated with E&S, meeting at least once a year with the Corporate Vice President for Health, Safety, Environment, Product Stewardship and Sustainability (HSEPS), the Senior Vice President for Government Relations, the Senior Vice President for Human Resources, Security and Communications, and other leaders with responsibility for E&S to present and discuss various E&S topics.

Direct Audit Committee and Board engagement with E&S risk areas through a robust and comprehensive Enterprise Risk Management program.

Direct Board engagement on select E&S topics. In the past 12 months, management has presented to the Board on a variety of E&S initiatives such as employee diversity, sexual harassment compliance, safety, business continuity, and environmental matters.

PERFORMANCE CULTURE

Honeywell's performance culture is defined by a set of 8 Behaviors. At their foundation is a commitment to Integrity and Ethics, Supporting Diversity, and Workplace Respect, fundamental values that underlie everything Honeywell does.

Table of Contents

03 |

**CORPORATE RESPONSIBILITY
AND SUSTAINABILITY**

Honeywell's foundational principles reflect our vision and values and help our employees, representatives, contractors, consultants, and suppliers comply with a high standard of conduct globally. At their core is the Company's Code of Business Conduct (the Code) that applies to all of our directors, officers and employees across the Company in all businesses and in all countries. The Code is a baseline set of requirements that enables employees to recognize and be aware of how to report integrity, compliance, and legal issues. In addition, the Code outlines our pledge to recognize the dignity of each individual, respect each employee, provide compensation and benefits that are competitive, promote self-development through training that broadens work-related skills, and value diversity of perspectives and ideas.

All employees are required to complete Code of Business Conduct training and certify each year that they will comply with the Code.

I INTEGRITY AND ETHICS

The Code provides guidance and outlines expectations in a number of key integrity and compliance areas, including how employees should treat each other, conflicts of interest, Health, Safety, Environment, Product Stewardship and Sustainability (HSEPS), books and records, anti-corruption and proper business practices, trade compliance, insider trading, data privacy, respect for human rights, and the appropriate use of information technology and social media. In addition to the Code, Honeywell provides comprehensive training on key compliance topics, develops training scenarios, provides mechanisms for employees and third parties to report concerns (including anonymously), and ensures timely and fair reviews of integrity and compliance concerns through a best-in-class process to report and investigate allegations. Honeywell responds to 100% of reported allegations.

Moreover, the integrity and compliance program includes, among other elements, a Supplier Code of Conduct that flows down to Honeywell's global supply chain to reinforce Honeywell's expectation that its suppliers also will abide by our high standards of integrity and compliance, including our Conflict Minerals, Anti-Human Trafficking, Business Integrity, and Health, Safety, and Environmental policies. Suppliers are monitored via quality, ethics, and good manufacturing practices. When a supplier is found to be in violation of any Honeywell standard, they are either replaced or issued a corrective action plan. If the violation is related to unethical or illegal activities, the supplier is removed as a viable supply source.

Honeywell's Code of Business Conduct applies to all directors, officers (including the Chief Executive Officer, Chief Financial Officer, and Controller) and employees. Amendments to or waivers of the Code of Business Conduct applicable or granted to any of Honeywell's directors or executive officers will be published on our website. We foster a culture of integrity, ethics, and workplace respect by setting the tone at the top and by unambiguously and repeatedly reinforcing our expectations.

I SUPPORTING DIVERSITY

The Board believes that its diversity (three women, three Hispanics, one African-American and two non-U.S.) and the diversity of Honeywell's executive leadership (over 50% diverse by gender or ethnicity) supports our evolving

business strategy. The Company's commitment to inclusion and diversity enables better decision making, helps build competitive advantages, and furthers long-term success.

Honeywell has many inclusion and diversity councils and is involved in several professional organizations including the Society of Women Engineers, the National Society of Black Engineers, the Society of Hispanic Engineers, Anita Borg Institute, the Leadership Council on Legal Diversity, and NJ LEEP, a college access and success program serving students in the greater Newark, New Jersey, area. Honeywell leaders have won several prestigious diversity awards from the Society of Women Engineers, Diversity Journal, and NJ LEEP, as well as many others. The Company also introduced a new company-wide diversity program this January at our annual senior leadership meeting that focuses on the development and advancement of women leaders at Honeywell.

I WORKPLACE RESPECT

Fostering a respectful workplace environment is a key priority for Honeywell. While the Company's Code of Business Conduct and other policies have long prohibited harassment, in 2018, the Company issued a revised global harassment policy to reaffirm our commitment to maintain a respectful workplace for all. This new policy provides more explicit guidance on the expectations for each employee and makes clear that all employees who experience or witness harassment are expected to report such conduct. Our Chairman and CEO and our General Counsel communicated the launch of this updated policy in a video distributed to all employees, as well as through town hall meetings. The message continues to be reinforced through training programs, such as a sexual harassment training program that was developed in tandem with the revised policy and is being deployed globally.

Table of Contents

03 |

**CORPORATE RESPONSIBILITY
AND SUSTAINABILITY**

SUSTAINABILITY

>60%	>50%	4,350	127	0.42	~3,000
reduction in greenhouse gas intensity since 2013, exceeding our third public five-year goal and achieving 58 MT CO2e/\$M at the end of 2018	energy efficiency improvement since 2013 to 132 MWh/\$M (or 0.45 BBTU/\$M) at the end of 2018	greenhouse gas and energy efficiency projects completed since 2010 saving an annualized \$80M	million gallons of water saved in water-stressed regions since 2013 from 150 projects	total case incident rate (TCIR) , a safety record over 4x better than the weighted average TCIR of the industries in which we operate	acres remediated and restored as valuable community assets

Latest estimate of greenhouse gas intensity and energy efficiency pending external review.

Honeywell’s Sustainable Opportunity policy is based on the principle that by integrating health, safety, and environmental considerations into all aspects of its business, Honeywell:

Protects its people and the environment;

Drives compliance with all applicable regulations;

Achieves sustainable growth and accelerated productivity; and

Develops technologies that expand the sustainable capacity of our world. Honeywell invents and manufactures technologies that address some of the world’s most critical challenges around energy, safety, security, productivity, and global urbanization.

The Honeywell Operating System (HOS), which drives sustainable improvements and the elimination of waste in manufacturing operations to generate exceptional performance, is a critical component in how the Company thinks about sustainability. HOS is a lean-based system with roles and ownership for all employees from the plant floor to the Board room to engage in careful planning and analysis, continuous employee engagement and improvement, and thorough follow through. Honeywell has built sustainability directly into HOS so the tools, personnel, activities, and culture are used to drive sustainability with the same focus used to drive other critical operational objectives, like quality, delivery, inventory, and cost. This ensures that sustainability is an integral part of the Honeywell work experience every day.

In addition, progress on our sustainability program is considered, along with other factors, in determining annual incentive compensation for senior leadership.

I HEALTH, SAFETY, ENVIRONMENT, PRODUCT STEWARDSHIP, AND SUSTAINABILITY (HSEPS)

Honeywell's HSEPS matters are managed by a global team of trained professionals with extensive knowledge and hundreds of years of collective experience in occupational health, chemistry, hydrology, geology, engineering, safety, industrial hygiene, materials management, and energy efficiency.

Honeywell's Vice President of HSEPS reports to the Company's Senior Vice President and General Counsel and has overall responsibility for HSEPS programs. A Corporate Energy and Sustainability Team, led by the Vice President of HSEPS, the Vice President of Global Real Estate, and the Director of Sustainability, helps drive the Company's sustainability goals. Progress on these goals is reported to Honeywell's CEO on a quarterly basis and is reviewed with the Board's Corporate Governance and Responsibility Committee at least annually.

The Company utilizes a comprehensive HSEPS Management System based on recognized third-party-certified standards, including ISO 14001 and ISO 45001, and industry best practices. The system is fully integrated into HOS, the Company's blueprint for continuous, sustainable operational improvement. Compliance with standards and regulatory requirements is monitored through a company-wide, HSEPS-led audit process. The timely development and implementation of process improvement and corrective action plans are closely monitored.

Table of Contents

03 |

CORPORATE RESPONSIBILITY

AND SUSTAINABILITY

I HIGHLIGHTS OF OUR ENVIRONMENTAL ACHIEVEMENTS

Greenhouse Gas Reduction and Energy Efficiency. Honeywell reports on its global greenhouse gas emissions publicly through CDP, various regulatory agencies, and its website, www.honeywell.com/citizenship/sustainability. A qualified third party has provided limited assurance per ISO 14064-3 of Honeywell's 2011-2017 Scope 1 and Scope 2 greenhouse gas emissions inventories. Overall, our sustainability program has reduced our greenhouse gas intensity by more than 90%.

Honeywell exceeded its first public goal to reduce global greenhouse gases by more than 30% and improve energy efficiency by more than 20% between 2004 and 2011.

A second five-year goal, set to reduce greenhouse gas emissions by an additional 15% per dollar of revenue from 2011 levels, was met three years early.

Honeywell exceeded its third goal to reduce greenhouse gas emissions per dollar of revenue from 2013 levels by an additional 10% by end of 2018.

Water and Waste. Honeywell has developed a global inventory of water usage in its manufacturing operations and implements water conservation projects in areas experiencing water stress. Since 2013, the Company has implemented 150 water conservation projects in water stressed areas, saving more than 127 million gallons. Each of our businesses is required to establish annual waste targets for reducing hazardous waste, as normalized by revenue, and diverting non-hazardous waste from landfills.

Safety. The safety of our employees, contractors and partners is a top priority, and we use our HOS-based approach to maintain our safety record. Our global TCIR (the number of occupational injuries and illnesses per 100 employees) was 0.42 at the end of 2018. According to the U.S. Bureau of Labor Statistics, the weighted average TCIR of the industries in which Honeywell operates is over 2.0. In other words, our safety record is four times better than the average of the industries in which we operate. Honeywell has received worker safety awards from governments and organizations around the world.

New Uses from Legacy Properties. Honeywell has legacy manufacturing operations dating back to the 19th century, like other companies with long, successful histories. The Company's dedicated, cross-functional team resolves our cleanup responsibilities while at the same time creating shared value with our communities. Technical excellence, scientific rigor, and community engagement drive our work. We integrate site re-use with remediation to create solutions that are both protective and marketable. Over the last decade, we have made tremendous progress cleaning up and then helping to create reuse opportunities. At Honeywell, we do not believe that our cleanup is complete until the legacy property has been transformed into a valuable asset for the surrounding community. For example:

Baltimore, Maryland. Former chemical plant was remediated and has become a new downtown community, Harbor Point. Harbor Point is now home to Exelon, a leading energy provider, Morgan Stanley, and Johns Hopkins Medicine.

Syracuse, New York. Allied Chemical, Honeywell's predecessor, operated on the shores of Onondaga Lake for about 100 years. At one point the lake was considered the Most Polluted Lake in North America. Honeywell completed the cleanup in 2017, and in 2015 was presented with an Audubon New York award for its leadership in one of the most ambitious environmental reclamation projects in the United States. About 1,800 acres of wetlands have already been restored and preserved and ~1.1 million native plants are being planted. More than 250 wildlife species are now calling these areas home, and more than 120 unique bird species have been identified in and around Onondaga Lake.

Jersey City, New Jersey. Former 95-acre waste site in Jersey City has been cleaned up; in January 2019, the site was purchased by the City of Jersey City for Bayfront, a live-work-play development with waterfront access and 20+ acres of open space.

HONEYWELL HOMETOWN SOLUTIONS

Honeywell demonstrates its commitment to Corporate Social Responsibility and community involvement through Honeywell Hometown Solutions, our unique global corporate citizenship program that emphasizes STEM education, inclusion and diversity, sustainability, child safety, and humanitarian relief. These programs have delivered significant and meaningful results in communities around the world:

Approximately five million students have participated in Honeywell's science, technology, engineering, and math (STEM) programs; 19 Atlanta teachers received computation and coding training at the new STEM Teacher Leadership Program at Georgia Tech, earning Georgia STEM School Certification; and Honeywell Control Labs in six universities in Turkey, Romania, and Indonesia are focused on IoT technologies, serving 10,000+ students.

Students have received unique learning opportunities and educators gain valuable teaching tools to promote environmental science in the classroom through partnerships with environmental organizations in Mexico and the United States.

Table of Contents

03 |

**CORPORATE RESPONSIBILITY
AND SUSTAINABILITY**

About one million U.S. students have learned potentially life-saving lessons to help avoid abduction and preventable childhood injuries with KidSmartz, and about three million students have received Safe Kids at Home fire, burns, and scalds safety training in China, India, and Malaysia.

Nearly 600 homes were repaired for low-income families, the elderly, and the disabled in the U.S. and Mexico.

In 2018, Honeywell employees received financial assistance to help recover from Hurricanes Florence and Michael in the eastern United States. Honeywell also donated \$1.5 million in safety products and financial relief to support emergency personnel in North and South Carolina. Over the years, relief efforts supported employees and communities after Hurricanes Harvey, Irma, Maria, Matthew, and Sandy in the U.S.; an earthquake in Central Mexico; wildfires in Fort McMurray, Alberta, Canada; flooding in Louisiana and Romania; typhoons in the Philippines; and the Great Japan Earthquake and Tsunami.

For more information about our Sustainability and Corporate Citizenship programs, please visit our website at www.honeywell.com/citizenship.

POLITICAL ENGAGEMENT AND CONTRIBUTIONS

Engagement in the political process is critical to our success. Our future growth depends on forward-thinking legislation and regulation that makes society safer and more energy efficient and improves public infrastructure. We strive always to engage responsibly in the political process and to ensure that our participation is fully consistent with all applicable laws and regulations, our principles of good governance, and our high standards of ethical conduct.

We have developed a strong team of government relations professionals based in Washington, D.C. who drive our lobbying programs and initiatives. Our government relations organization is led by the Senior Vice President, Global Government Relations. Members of the government relations organization work from a global network of offices.

I MANAGEMENT AND BOARD OVERSIGHT

The law department oversees our political engagement. The Senior Vice President, Global Government Relations reports to the Company's Senior Vice President and General Counsel (General Counsel) and also works closely with the Vice President, Global Compliance whose organization ensures compliance with our political spending policy. The General Counsel, Senior Vice President, Global Government Relations and Vice President, Global Compliance, meet regularly with the Chairman and Chief Executive Officer and his leadership team about legislative, regulatory, and political developments.

With respect to Board oversight, our public policy efforts, including all lobbying activities, political contributions and payments to trade associations and other tax-exempt organizations, are the responsibility of the CGRC, which consists

entirely of independent, non-employee directors. Each year, the CGRC receives an annual report on the Company's policies and practices regarding political contributions. The CGRC's oversight of our political activities ensures compliance with applicable law and our Code of Business Conduct as well as alignment with our policies. In addition, each year the Senior Vice President, Global Government Relations reports to the CGRC on trade association political spending and to the full Board of Directors on our global lobbying and government relations program.

I POLITICAL CONTRIBUTIONS

We have not made any political contributions using corporate funds since at least 2009 and have no present intention of making such political contributions in the future. Even before 2009, any such contributions were extremely rare and for minimal amounts of less than \$5,000. Any use of corporate funds for political contributions require the prior approval of the Company's General Counsel. In addition, membership in any 501(c)(6) trade association that receives more than \$50,000 in membership dues from Honeywell in any fiscal year is subject to prior approval of the Company's General Counsel and its Senior Vice President, Global Government Relations, and these trade associations are instructed not to use our funds for political contributions at the federal, state or local levels.

In 2013 and again in 2019, we revised and expanded our disclosure on our policy and procedures for political activity and contributions as well as for trade association membership. This disclosure is available on Honeywell's website at www.honeywell.com (see [Investors/Corporate Governance/Political Contributions](#)).

In 2018, the Center for Political Accountability (CPA), a non-profit, non-partisan organization, assessed our disclosure for its annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability (CPA-Zicklin Index). The CPA-Zicklin Index measures the transparency, policies, and practices of the S&P 500. Our enhanced disclosure on political lobbying and contributions ranked us in the First Tier of the 2018 CPA-Zicklin Index for the fifth year in a row. Our enhanced disclosure was also influenced by feedback received from our largest shareowners during our shareowner outreach initiative in which we met with shareowners to discuss their views on several topics, including Honeywell's disclosure on lobbying and political contributions.

For additional detail on Honeywell's policies and processes on political contributions and lobbying, please see our response to shareowner proposal number 5 on page 90.

Table of Contents

04 |

DIRECTOR**COMPENSATION****DIRECTOR COMPENSATION**

The Corporate Governance and Responsibility Committee (CGRC) reviews and makes recommendations to the Board regarding the form and amount of compensation for non-employee directors. Directors who are employees of Honeywell receive no compensation for service on the Board. Honeywell's director compensation program is designed to enable continued attraction and retention of highly qualified directors and to address the time, effort, expertise, and accountability required of active Board membership.

ELEMENTS OF COMPENSATION

In general, the CGRC and the Board believe that annual compensation for non-employee directors should consist of both a cash component, designed to compensate members for their service on the Board and its committees, and an equity component, designed to align the interests of directors and shareowners.

I ANNUAL COMPENSATION

Board Retainer	\$100,000 per annum paid in quarterly installments
Lead Director Compensation	\$35,000 per annum - in addition to Board Retainer
Committee Membership Compensation	\$10,000 per annum for each committee membership (\$15,000 per annum for members of the Audit Committee)
Committee Chair Compensation	\$20,000 per annum - in addition to committee membership compensation

Common Stock Equivalents Each year, \$60,000 in Common Stock equivalents is automatically credited to each director's account in the Deferred Compensation Plan for Non-Employee Directors. Dividend equivalents are credited with respect to these amounts.

These amounts are credited annually but payment is deferred until termination of Board service. Payments are made in cash, as either a lump sum or in equal annual installments.

Annual Equity Grants Each non-employee director receives an annual equity grant with a target value of \$100,000 consisting of 50% restricted stock units (RSUs) and 50% options to purchase shares of Common Stock at a price per share equal to the fair market value of a share of Common Stock on the date of grant, which is the date of the Annual Meeting of Shareowners.

Stock options vest in equal annual installments over the four years following the grant date. The options also become fully vested at the earliest of the director's retirement from the Board on or after the mandatory retirement age set by the Board and in effect on the date of grant (currently age 75), death, disability or change in control, as set forth in the 2016 Stock Plan for Non-Employee Directors of Honeywell (the Non-Employee Director Plan) and the relevant award agreements.

The RSUs vest on the earliest of the third anniversary of the date of grant, the director's death or disability, or change in control.

I DEFERRED COMPENSATION

A non-employee director may elect to defer all or any portion of his or her annual cash retainers and fees, until a specified calendar year or termination of Board service. Compensation is credited to their account in the Deferred Compensation Plan for Non-Employee Directors. Amounts credited either accrue interest (3.38% for 2018) or are valued as if invested in a Honeywell Common Stock fund or one of the other funds available to participants in our employee savings plan as elected by the participant. The unit price of the Honeywell Common Stock fund is increased to take dividends into account. In addition to payments at the termination of Board service, upon a change of control, as defined in the Non-Employee Director Plan, a director may receive, pursuant to a prior election, a lump-sum payment for amounts deferred before 2006.

Mr. Chico Pardo participates in the legacy Honeywell Inc. Non-Employee Directors Fee and Stock Unit Plan. The last fee deferral under this plan occurred on December 1, 1999. Since that date, deferred amounts are increased only by dividend equivalents. Payment will be made to the participating director in whole shares of Common Stock following the earlier of a change in control or the director's termination of Board service for any reason, in one payment or annual installments, as elected by the director.

Table of Contents

04 |

DIRECTOR**COMPENSATION****I RESTRICTED STOCK UNIT GRANT UPON ELECTION TO BOARD**

Upon their election to the Board, new non-employee directors receive a one-time grant of 3,000 RSUs that vest on the earliest of the fifth anniversary of continuous Board service, death, disability, or change in control. During this period, the director will receive dividend equivalents that will be automatically reinvested into additional RSUs which vest according to the same schedule as the underlying RSUs to which they relate. The director may defer the receipt of the RSUs on substantially the same terms and conditions as Honeywell officers with respect to new grants of RSUs.

I CHARITABLE MATCH

Honeywell also matches, dollar for dollar, any charitable contribution made by a director to any qualified charity, up to an aggregate maximum of \$25,000 per director, per calendar year. For 2018, matching charitable contributions were made by Honeywell in the amounts of \$25,000 for each of Messrs. Ayer, Burke, Chico Pardo, Gregg, Hollick and Paz and Ms. Deily and in the amount of \$15,223 for Ms. Lieblein.

I OTHER BENEFITS

Directors may utilize available Company aircraft for travel to and from Board and committee meetings, and non-employee directors are provided with \$350,000 in business travel accident insurance. In addition, they are also eligible to elect to receive \$100,000 in term life insurance. Directors elected to the Board after September 2008 are responsible for paying premiums for term life insurance which they elect to receive. Mr. Hollick is also eligible to participate in a Company-provided medical plan in the UK under a legacy arrangement not available to other directors.

2018 DIRECTOR COMPENSATION TABLE

Director Name	Fees Earned or Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾⁽³⁾	Option Awards ⁽²⁾⁽⁴⁾	Change in Pension Value and Nonqualified Deferred		Total ⁽⁶⁾
				Compensation Earnings ⁽⁵⁾	All Other Compensation ⁽⁶⁾	
Duncan B. Angove	\$173,434	\$50,116	\$50,314	\$	\$ 4	\$273,868
William S. Ayer	\$180,000	\$50,116	\$50,314	\$	\$25,004	\$305,434
Kevin Burke	\$185,000	\$50,116	\$50,314	\$	\$25,004	\$310,434
Jaime Chico Pardo	\$215,000	\$50,116	\$50,314	\$	\$27,335	\$342,765
D. Scott Davis	\$205,000	\$50,116	\$50,314	\$10,319	\$ 1,991	\$317,740
Linnet F. Deily	\$205,000	\$50,116	\$50,314	\$	\$30,035	\$335,465

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Judd Gregg	\$185,000	\$50,116	\$50,314	\$	\$25,004	\$310,434
Clive Hollick	\$180,000	\$50,116	\$50,314	\$11,399	\$45,339	\$337,168
Grace D. Lieblein	\$180,000	\$50,116	\$50,314	\$	\$15,227	\$295,657
George Paz	\$205,000	\$50,116	\$50,314	\$	\$25,004	\$330,434
Bradley Sheares⁽⁷⁾	\$103,846	\$	\$	\$21,695	\$ 431	\$125,972
Robin L. Washington	\$194,287	\$50,116	\$50,314	\$	\$ 4	\$294,721

Mr. David M. Cote was an executive director until April 23, 2018, when he retired from the Board. He did not receive any additional compensation for services provided as a director.

(1) Includes all fees earned, whether paid in cash or deferred under the Deferred Compensation Plan for Non-Employee Directors (including amounts treated as deferred in the Honeywell Common Stock Fund).

Table of Contents

04 |

DIRECTOR**COMPENSATION**

(2) The following table reflects all outstanding stock awards and option awards held at December 31, 2018 by each of the listed individuals:

Director Name	Outstanding Stock Awards	Outstanding Option Awards
Mr. Angove	3,554	2,297
Mr. Ayer	4,689	11,744
Mr. Burke	1,264	31,036
Mr. Chico Pardo	1,264	31,036
Mr. Davis	1,264	20,536
Ms. Deily	1,264	20,536
Mr. Gregg	1,264	25,786
Mr. Hollick	1,264	31,036
Ms. Lieblein	1,264	17,464
Mr. Paz	1,264	36,286
Dr. Sheares⁽⁷⁾ Ms. Washington	1,264	17,464

(3) The amounts set forth in this column represent the aggregate grant date fair value of stock awards computed in accordance with FASB ASC Topic 718. The fair value of each stock award is estimated on the date of grant by averaging the high and low of the Company's stock price on the day of grant. Stock awards of 335 shares were made to non-employee directors in April 2018 with a value of \$149.60 per share.

(4) The amounts set forth in this column represent the aggregate grant date fair value of option awards computed in accordance with FASB ASC Topic 718. The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. Option awards of 2,200 shares were made to non-employee directors in April 2018 with a Black-Scholes value of \$22.87 per share. A more detailed discussion of the assumptions used in the valuation of option awards made in fiscal year 2018 may be found in Note 19 of the Notes to the Financial Statements in the Company's Form 10-K for the year ended December 31, 2018.

(5)

Amounts included in this column reflect above-market earnings on deferred compensation from pre-2006 deferrals. Amounts invested in cash under the Deferred Compensation Plan for Non-Employee Directors are credited with the same rate of interest that applies to executives under the Honeywell Salary and Incentive Award Deferral Plan for Selected Employees. Deferrals for the 2006 plan year and later earn a rate of interest, compounded daily, based on the Company's 15-year cost of borrowing. This rate is subject to change annually and was 3.38% for 2018. Deferrals for the 2005 plan year earn a rate of interest, compounded daily, which was set at an above-market rate before the beginning of the plan year and is subject to change annually. Deferrals for the 2004 plan year and prior plan years earn a rate of interest, compounded daily, that was set at an above-market rate before the beginning of each plan year. This rate is fixed until the deferral is distributed.

(6) Includes amounts described in Charitable Match and Other Benefits above.

(7) Dr. Sheares retired from the Board on April 23, 2018.

STOCK OWNERSHIP GUIDELINES

Director stock ownership guidelines have been adopted under which each non-employee director, while serving as a director of Honeywell, must hold Common Stock (including shares held personally, RSUs, and/or Common Stock equivalents) with a market value of at least five times the annual cash retainer (or \$500,000). Directors have five years from election to the Board to attain the prescribed ownership threshold. All current directors (other than Mr. Angove who joined the Board in February 2018) have attained the prescribed ownership threshold.

On average, Honeywell non-employee directors held, as of December 31, 2018, Common Stock with a market value of **29x** the annual cash retainer, reflecting their deep commitment to shareowner value creation

In addition, directors must hold net gain shares from option exercises for one year. Net gain shares means the number of shares obtained by exercising the option, less the number of shares the director sells to cover the exercise price of the options and pay applicable taxes.

Table of Contents

05 |

PROPOSAL NO. 2:

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

PROPOSAL 2: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

Honeywell seeks a non-binding advisory vote from its shareowners to approve the compensation of its Named Executive Officers (NEOs) as described in the Compensation Discussion and Analysis section beginning on page 38 and the Executive Compensation Tables section beginning on page 64. This vote is commonly known as Say-on-Pay, and the Board has adopted a policy of providing for an annual Say-on-Pay vote.

We encourage you to read the Compensation Discussion and Analysis and Executive Compensation Tables section to learn more about our executive compensation programs and policies that reflect changes made over the past two years in response to shareowner feedback. The Board believes that its 2018 compensation decisions and our executive compensation programs align the interests of shareowners and executives by emphasizing variable, at-risk compensation largely tied to measurable performance goals utilizing an appropriate balance of near-term and long-term objectives.

This vote is not intended to address a specific item of compensation, but rather our overall compensation policies and procedures related to the NEOs. Because the Say-on-Pay vote is advisory, it will not be binding upon the Board. However, the Board will take into account the outcome of the vote and feedback from discussions with shareowners when considering future executive compensation arrangements.

The Board recommends that shareowners vote in favor of the following resolution:

RESOLVED, that the Company's shareowners approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company's Proxy Statement for the 2019 Annual Meeting of Shareowners pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2018 Summary Compensation Table and the other related tables and disclosure.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE **FOR THIS PROPOSAL.**

Table of Contents

06 |

**COMPENSATION DISCUSSION
AND ANALYSIS**

COMPENSATION**DISCUSSION AND ANALYSIS**

TABLE OF CONTENTS	<ul style="list-style-type: none"> <u>Named Executive Officers</u> Pg 39 <u>Performance Summary</u> Pg 39 <u>Our Compensation Program</u> Pg 41 <ul style="list-style-type: none"> <u>Philosophy and Approach</u> 41 <u>Program Design and Link to Business Strategy and Performance</u> 42 <u>How Compensation Decisions are Made</u> 42 <u>Engagement with Shareowners on Compensation</u> 43 <u>Compensation Peer Group</u> 43 <u>Performance Relative to Peers</u> 45 <u>2018 Compensation Decisions</u> Pg 47 <ul style="list-style-type: none"> <u>2018 Total Annual Direct Compensation for Each NEO</u> 48 <u>Elements of 2018 Total Annual Direct Compensation</u> 49 <u>CFO Succession</u> 50 <u>2018 Annual Incentive Compensation Plan Decisions</u> Pg 50 <u>2018 Long-Term Incentive Compensation Decisions</u> Pg 56 <u>Other Compensation and Benefit Programs</u> Pg 59 <ul style="list-style-type: none"> <u>Retirement Plans</u> 59 <u>Nonqualified Deferred Compensation Plans</u> 59 <u>Benefits and Perquisites</u> 59 <u>Compensation Practices and Policies</u> Pg 60 <u>Risk Oversight Considerations</u> Pg 61 <ul style="list-style-type: none"> <u>Stock Ownership Guidelines</u> 62 <u>Recoupment/Clawback</u> 62 <u>Tax Deductibility of Executive Compensation</u> 63 <u>Pledging and Hedging Transactions in Company Securities</u> 63 <u>Management Development and Compensation Committee Report</u> Pg 63
Non-GAAP Financial Measures	

This Proxy Statement, including the Compensation Discussion and Analysis, contains financial measures presented on a non-GAAP basis. Honeywell's non-GAAP financial measures used in this document are as follows: segment profit, on an overall Honeywell basis, a measure by which we assess operating performance, which we define as operating

income adjusted for certain items as presented in Appendix A; segment margin, on an overall Honeywell basis, which we define as segment profit divided by sales; organic sales growth, which we define as sales growth less the impacts from foreign currency translation, acquisitions and divestitures for the first 12 months following transaction date, and impacts from adoption of the new accounting guidance on revenue from contracts with customers that arise solely due to non-comparable accounting treatment of contracts existing in the prior period; adjusted free cash flow, which we define as cash flow from operations less capital expenditures and which we adjust to exclude the impact of separation costs related to the Garrett and Resideo spins, if and as noted in the document; adjusted free cash flow conversion, which we define as adjusted free cash flow divided by net income attributable to Honeywell, excluding pension mark-to-market expenses, debt refinancing expenses, separation costs related to the spins, the 4Q17 U.S. tax legislation charge, and adjustments to such charge, if and as noted in Appendix A; and adjusted earnings per share, which we adjust to exclude pension mark-to-market expenses, as well as for other components, such as debt refinancing expense, separation costs related to the spins, the 4Q17 U.S. tax legislation charge, adjustments to such charge, and after-tax segment profit contribution from Garrett and Resideo in the periods noted in Appendix A, net of spin indemnification impacts assuming both indemnification agreements were effective in such periods, if and as noted in Appendix A. Other than references to reported earnings per share, all references to earnings per share in this document are so adjusted. The respective tax rates applied when adjusting earnings per share for these items are identified in the reconciliations presented in Appendix A. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Refer to Appendix A for reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

Other Definitions

Peer Median Reflects Compensation Peer Group Median

Multi-Industry Peer Median Includes EMR, GE, MMM, and UTX.

Peer Median Net Income, EPS Reflect Adjusted (Non-GAAP) Results.

Adjusted Net Income Before Interest = Non-GAAP Net Income + After-Tax Interest

Net Investment = Book Value Of Equity + Total Debt

ROIC = Adjusted Net Income Before Interest ÷ Net Investment (2-Point Average)

ROA = Adjusted Net Income ÷ Total Assets (2-Point Average)

ROE = Adjusted Net Income ÷ Total Shareowner Equity (2-Point Average)

Table of Contents

06 |

**COMPENSATION DISCUSSION
AND ANALYSIS**

OUR NAMED EXECUTIVE OFFICERS

Thomas A. Szlosek, our former Senior Vice President and Chief Financial Officer (retired in 2018) is also reported in this Proxy Statement as a Named Executive Officer as required by SEC rules.

PERFORMANCE SUMMARY

DELIVERED STRONG OPERATIONAL PERFORMANCE IN 2018 WHILE EXECUTING TWO COMPLEX SPINS

In 2018, Honeywell delivered on our commitments and grew sales, segment margin, adjusted earnings per share (EPS), and adjusted free cash flow (FCF) year over year, while executing two complex spins that refocused the portfolio. We continued to build on our track record of performance as evidenced by our results versus the key metrics we use as the basis for our executive compensation programs. In 2018, we delivered:

Organic sales growth of 6%

Adjusted earnings per share growth of 12%

60 basis points of segment margin expansion

100% adjusted free cash flow conversion; 22% adjusted free cash flow growth

The table below showcases our success on these metrics over the past three years (2016-2018):

Reconciliation, notes, and definitions of non-GAAP financial measures used in the Compensation Discussion and Analysis section and elsewhere in this Proxy Statement, other than as part of disclosure of target levels, can be found on page 38 or in Appendix A.

Table of Contents

06 |

**COMPENSATION DISCUSSION
AND ANALYSIS**

As laid out during our 2017 Investor Conference, below are our long-term financial commitments. Since then, we've continued to foster a culture within Honeywell of doing what we say we will do, or as we call it, the say/do ratio. In 2018, we over-delivered on these financial commitments to shareowners and continued to make investments in the businesses through research and development, capital expenditures, and M&A.

	CEO Priority	Metric	Long-Term Commitment	2018 Result
1	Accelerate Organic Growth	Organic sales growth	Low-to-mid single digit	6%
2	Expand Margins / Improve Cash Conversion	Basis points (bps) expansion	30 - 50 bps	60 bps
		Adjusted FCF conversion	~100%	100%

3	Become a Software- Industrial Company	Connected software sales growth	~20%	14%
	4	More Aggressive Capital Deployment	Dividend growth in line with EPS growth	
			Disciplined M&A	
		Share repurchases from residual capacity		
		High ROI capital expenditures		

Reconciliation, notes, and definitions of non-GAAP financial measures used in the Compensation Discussion and Analysis section and elsewhere in this Proxy Statement, other than as part of disclosure of target levels, can be found on page 38 or in Appendix A.

STRATEGICALLY DEPLOYED CAPITAL WHILE MAINTAINING BALANCE SHEET FLEXIBILITY

Our recent financial performance and smart capital deployment decisions will benefit shareowners in the long term. Given the market environment in 2018, we continued to execute a balanced capital deployment strategy consisting of the following actions:

Announced a 10% dividend increase, our ninth consecutive double-digit increase since 2010, while completing two spins that reduced sales by nearly 20%;

Repurchased \$4.0 billion in Honeywell shares, reducing the weighted average share count by over 2%;

Deployed more than \$0.8 billion to high ROI capital expenditures;

Deployed over \$0.5 billion to the Transnorm and Ortloff Engineers, Ltd. acquisitions; and

Paid down over \$1.5 billion of long-term and net short-term debt.

Table of Contents

06 |

**COMPENSATION DISCUSSION
AND ANALYSIS**

OUR COMPENSATION PROGRAM

I PHILOSOPHY AND APPROACH

Our executive compensation program creates long-term shareowner value through four key objectives:

Attract and Retain World-Class Leadership Talent with the skills and experience necessary to develop and execute business strategies, drive superior financial results, and nimbly adapt and react to constantly evolving end market conditions in an enterprise with our scale, breadth, complexity, and global footprint;

Emphasize Variable, At-Risk Compensation with an appropriate balance of near-term and long-term objectives that align executive and shareowner interests;

Pay for Superior Results and Sustainable Growth by rewarding and differentiating among executives based on the achievement of enterprise, business unit, and individual objectives as well as efforts to advance Honeywell's long-term growth initiatives; and

Manage Risk Through Oversight and Compensation Program Design Features and Practices that balance short-term and long-term incentives, are not overly leveraged, and cap maximum payments.

The key factors that shape the MDCC's overall assessment of performance and appropriate levels of compensation include (in no particular order):

Operational and financial performance for the entire corporation and the relevant business group;

Aggressiveness of each executive's financial goals and targets compared to peers as well as the business/macroeconomic conditions in which our businesses operate;

Each executive's long-term leadership potential and associated retention risk;

Execution against strategic initiatives and the impact of investments that will benefit financial performance in future years;

The senior executive succession plan;

Stock price performance and total shareholder return;

Trends and best practices in executive compensation; and

Peer group comparisons, including performance, pay levels, and related practices.

The MDCC reviews these factors over various time frames during the year to ensure a strong linkage between pay and performance. In addition, the MDCC reviews each NEO's four-year compensation history in total and each element of total annual direct compensation. The MDCC also reviews projected benefit payments under Honeywell's retirement and deferred compensation plans, and any previously granted awards or grants. This enables the MDCC to understand how each element of compensation interacts with the other elements and to see how current compensation decisions may affect future wealth accumulation and executive retention.

Honeywell's senior executives are recognized as industry leaders with backgrounds, depth of experience, and management skills that are highly attractive to competitors. The MDCC prefers to address critical retention and succession risks through the existing compensation program. It reserves the right, if deemed necessary, to take appropriate compensation actions that it believes are in the best interest of the Company and its shareholders to strengthen the succession plan and guard against the loss of key talent, especially during critical transition periods.

Table of Contents

06 |

**COMPENSATION DISCUSSION
AND ANALYSIS**

I PROGRAM DESIGN AND LINK TO BUSINESS STRATEGY AND PERFORMANCE

In 2018, the evolutionary changes in our compensation program, which began in 2016, were fully implemented. The following table provides an overview of our executive compensation program and demonstrates the strong link between each of our direct compensation elements and our business strategy and performance.

Pay Element	Description	Link to Strategy and Performance
Base Salary	Base salaries are determined based on scope of responsibility, years of experience, and individual performance.	To attract and compensate high-performing and experienced leaders at a competitive level of cash compensation.
Annual Incentive Compensation Plan (ICP)	80% based on formulaic determination against pre-established financial metrics. 20% based on assessment of individual performance.	To motivate and reward executives for achieving annual corporate, business, and functional goals in key areas of financial and operational performance.
Long-Term Incentive Compensation (LTI)	<p>Three-Year Performance Plan:</p> <p>CEO and the whole Leadership Team*: ~ 50% of annual LTI</p> <p>Stock-based PSUs</p>	<p>Focuses executives on the achievement of specific long-term financial performance goals directly aligned with our operating and strategic plans. TSR portion pays based on three-year return from stock price appreciation and dividends vs. peers.</p>

Relative TSR along with key financial metrics

Stock Options:

Directly aligns the interest of our executives with shareowners. Options only have value for executives if operating performance results in stock price appreciation.

CEO and the whole Leadership Team*: ~ 25% of annual LTI

Restricted Stock Units:

Strengthens key executive retention over relevant time periods to ensure consistency and execution of long-term strategies.

CEO and the whole Leadership Team*: ~ 25% of annual LTI

** Leadership Team refers to all direct CEO staff officers at the time annual LTI awards were made in 2018. The mix of LTI awards to Mr. Gregory P. Lewis differed from those of the Leadership Team in 2018 as he was not a member of the Leadership Team at the time 2018 annual LTI awards were made. His future LTI awards will be allocated between elements based on the same mix that applies to the other Leadership Team members.*

I HOW COMPENSATION DECISIONS ARE MADE

Decision making over executive compensation rests with the MDCC, which holds six regularly scheduled meetings each year. Each meeting includes an executive session comprised solely of independent directors, and those meetings are attended by the MDCC's independent compensation consultant. Meeting agendas contain items proposed by either management or the MDCC members.

In carrying out its responsibilities, the MDCC balances a number of important considerations, including:

The importance of aligning pay with Company and individual performance;

The need to attract, retain, and reward executives with a proven track record of delivering consistent financial results and driving seed-planting initiatives that will create sustainable long-term shareowner value;

The complex multi-industry and global nature of our businesses and the importance of growth outside of the United States for future success;

The positioning of pay relative to the competitive market; and

The importance of maintaining and executing on a thorough and rigorous succession planning process. To create long-term shareholder value, the MDCC believes that Honeywell's compensation programs must be financially competitive and structured to drive sustained performance against our strategic and financial goals and objectives. The MDCC is focused on maintaining a compensation program for Honeywell that emphasizes variable, at-risk compensation and has an appropriate balance of near-term and long-term objectives.

Table of Contents

06 |

**COMPENSATION DISCUSSION
AND ANALYSIS****I ENGAGEMENT WITH SHAREOWNERS ON COMPENSATION**

The MDCC also considers shareowner feedback and the results of the annual advisory vote on executive compensation in making determinations about the structure of Honeywell's pay program, or whether any changes to the program should be considered. We routinely engage with our shareowners to better understand their views on our governance and compensation practices. Our Lead Director and MDCC Chair often participate in these engagements. The feedback we received from shareowners enabled the Board to better understand shareowners' perspectives on our executive compensation programs, which resulted in significant changes to our programs that have been phased in over the last two years and fully implemented in 2018. These changes led to over 92% of our shareowners voting in favor of Say on Pay in 2017 and 2018. In 2018, we extended meeting invitations to 54 of our shareowners to discuss Environmental, Social, and Governance (ESG) matters, including our executive compensation program, representing 50% of our common shares outstanding. Our invitation was accepted by 18 different shareowners (representing 29% of our common shares outstanding), and 24 separate meetings were held, many of which included the participation of our Lead Director. No additional executive compensation program modifications were made in 2018 as a result of these meetings.

I COMPENSATION PEER GROUP

To ensure appropriate levels of executive officer compensation, and the alignment of pay and performance, the MDCC believes it is important to understand how Honeywell compares to other relevant companies. As such, the MDCC reviews executive officer compensation, and assesses Honeywell's financial performance, against two sets of peer data: 1) a group of 16 companies that we call our Compensation Peer Group, and 2) a smaller subset of the Compensation Peer Group that we call our Multi-Industry Peer Group.

Multi-Industry Peer Group. This peer group is made up of Emerson Electric Co. (EMR), General Electric Company (GE), 3M Company (MMM), and United Technologies Corporation (UTX), companies against whom we frequently compete for investor dollars. Each of these four companies is a multi-industrial company that has broadly overlapping institutional ownership, is covered by the same set of Wall Street research analysts that cover Honeywell, and operate in a similarly diverse set of end markets on a global basis.

Compensation Peer Group. The companies included in the broader Compensation Peer Group are reviewed by the MDCC on an annual basis with a focus on companies that have one or more of the following attributes:

Business operations in the industries and markets in which Honeywell participates;

Similar revenue and/or market capitalization;

Similar breadth of portfolio and complexity;

Global scope of operations and/or diversified product lines; and

Demonstrated competitor for executive talent.

No changes were made to the Multi-Industry Peer Group or to the Compensation Peer Group companies in 2018.

Table of Contents

06 |

**COMPENSATION DISCUSSION
AND ANALYSIS**

The following table lists relevant comparative information for the Compensation Peer Group companies for 2018:

Company Name	Mkt Cap (\$M)				Total Shareholder Return (12/31/2018)			
	(12/31/2018)	Total Assets (\$M)	Sales (\$M)	# Employees	1 Year	3 Years	5 Years	10 Years
Honeywell International Inc.	\$ 97,807	\$ 57,773	\$ 41,802	114,000	-8%	43%	68%	437%
Multi-Industry Peer Group (4)								
3M Company	\$110,949	\$ 36,500	\$ 32,765	93,516	-17%	36%	54%	329%
Emerson Electric Co.	\$ 37,413	\$ 20,390	\$ 17,408	87,500	-12%	38%	0%	122%