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## **HONEYWELL RESOLVES CLAIMS WITH GARRETT MOTION INC.**

CHARLOTTE, N.C. – January 11, 2021 – Honeywell (NYSE: HON) today issued the following statement regarding Garrett Motion Inc.'s court-supervised Chapter 11 proceedings and Garrett's acceptance of the Plan of Reorganization (the "Plan") presented by Centerbridge Partners and Oaktree Capital Management (the "Plan Sponsors") along with Honeywell:

We are pleased that Garrett has agreed to the Plan presented by Centerbridge and Oaktree, along with Honeywell, which is supported by a majority of Garrett's equity holders and the ad hoc group of Garrett noteholders. Under the agreement, Garrett will be recapitalized and well positioned to meet its obligations, including those to Honeywell, and will avoid costly litigation. We believe this is the right path forward that maximizes value for all stakeholders and positions Garrett for long-term financial and operating success.

As part of the Plan, Honeywell's claims under the Indemnification and Reimbursement Agreement ("IRA") and Tax Matters Agreement ("TMA") are satisfied and resolved by the following:

- Honeywell will receive total payments of approximately \$1.21 billion, comprising:
  - An initial cash payment of \$375 million at the effective date when Garrett emerges from bankruptcy; and
  - New Series B Preferred Stock with a payment of approximately \$35 million due in 2022 and annual payments of \$100 million from 2023 through 2030. In addition, the Series B Preferred Stock has a number of other features that benefit Honeywell, while maintaining flexibility for Garrett.
- All existing and pending litigation will be resolved and Honeywell and Garrett will mutually release each other from the claims asserted in all pending legal actions.
- Honeywell will have the right to elect one of 7 Garrett board members until the value of the remaining payments on the Series B Preferred stock is below \$125 million.

By receiving larger cash amounts earlier through both the upfront payment and the Series B Preferred Stock payment schedule, Honeywell has preserved the net present value of its Plan payments from the October 2020 proposal at a lower total nominal payment amount from Garrett over a shorter time period.

Honeywell is pleased to have resolved its claims and the pending legal actions in a favorable way for both Honeywell's and Garrett's stakeholders. Honeywell looks forward to Garrett's exit from bankruptcy and its continued success as a standalone company.

For additional information regarding the Plan, please visit Honeywell's Spin-Off Section of its Investor Relations webpage, [here](#).

### **Forward-Looking Statements**

This release contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of

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