Honeywell and Garrett Motion Inc.
Investor Update on Proposed Plan of Reorganization

Following its competitive auction process, Garrett Motion Inc. ("Garrett") and certain of its subsidiaries as Debtors have agreed to the proposed plan of reorganization (the "Plan") sponsored by Oaktree Capital Management, Centerbridge Partners (together the "Plan Sponsors"), and Honeywell, which is supported by a majority of Garrett's equity holders and an ad hoc group of Garrett noteholders representing a majority of noteholders.

Through consummation of the Plan, Garrett will be recapitalized and well positioned to meet its obligations, including those to Honeywell. The settlement embodied in the Plan fully resolves Honeywell's claims against Garrett and avoids costly litigation.

Additional details about the Plan are as follows:

- The Plan is consistent with a Plan Support Agreement (the "Agreement") between Garrett, the Plan Sponsors, Honeywell, and other noteholders and equity holders, which amends and restates the Coordination Agreement that the Plan Sponsors and Honeywell previously entered into on October 13, 2020, and which now has been signed and is supported by a broad set of key stakeholders, including certain equity holders representing 58% of the outstanding equity and certain noteholders representing 88% of outstanding notes.
- Under the Agreement, Garrett will be recapitalized through $1.251 billion of new capital in exchange for shares of Convertible Series A Preferred Stock ("Series A Preferred"), including the ability of all current equity to participate in a $200 million rights offering for Series A Preferred that is backstopped by the Plan Sponsors and certain additional investors.
- The Plan allows for the satisfactory resolution of all claims in the capital structure. All existing creditors will be repaid in full or reinstated, except for Honeywell. Honeywell has agreed to the treatment of its claims as described below. Existing equity will have the option to receive new shares in reorganized Garrett equal to their existing shares or accept $6.25 in cash per share in full and final satisfaction of such equity interest.
- With this Plan and Garrett's expected emergence from bankruptcy, all existing and pending litigation between Honeywell and Garrett will be resolved, and Honeywell and Garrett will mutually release each other from the claims asserted in all pending legal actions. The debtors have also agreed to reimburse Honeywell, in full and in cash, for all of our legal and advisory fees related to defending our rights and in connection with the Plan.

The Plan fully resolves Honeywell's claims under the Indemnification Agreement ("IRA") and Tax Matters Agreement ("TMA") pursuant to the following terms:

- Honeywell will receive total cash payments of approximately $1.21 billion, comprising the following:
  - An initial cash payment on the Plan's effective date of $375 million when Garrett emerges from bankruptcy; and
  - New Series B Preferred Stock (the "Series B Preferred") issued at the effective date when Garrett emerges from Bankruptcy, which entitles Honeywell to a cash payment of $34.8 million in 2022 and annual cash payments of $100 million from 2023 through 2030, for a total of $834.8 million. The Series B Preferred has no other equity value and will be cancelled and extinguished upon completion of Garrett's cash payments.
- This cash payment stream preserves the full value of the Coordination Agreement's term sheet announced in October 2020 (the "Previous Proposal") on a present value basis. Compared with the Previous Proposal, under the terms of the Plan:

    - Honeywell will receive a larger upfront cash payment of $375 million compared to $275 million;
    - The timing of cash payments related to the Series B Preferred will be accelerated to start in 2022 instead of 2023; and
    - Cash payments end after 9 years versus 13 years.
- The Series B Preferred Stock continues to have a number of features that benefit Honeywell while maintaining flexibility for Garrett, including:
    - A call option for Garrett to repay a portion of the Series B Preferred amortization cash payments during the 18 months following the effective date at the Call Price, provided that at least $400 million in amortization cash payments remain outstanding;
    - A call option for Garrett to repay the remaining Series B Preferred amortization cash payments in full at any time on a present value basis at the Call Price;
    - A put option for Honeywell for repayment of the remaining Series B Preferred amortization cash payments on a present value basis at the Call Price (i) if Garrett's adjusted EBITDA reaches $600 million for two consecutive quarters; (ii) upon a change of control of reorganized Garrett; (iii) if reorganized Garrett asserts in writing that any portion of the Series B Preferred is invalid or unenforceable; or (iv) if reorganized Garrett's senior indebtedness is accelerated, or upon a chapter 11 filing for reorganized Garrett or any of its material subsidiaries; and
    - The ability of Garrett to defer annual cash payments if Garrett's adjusted EBITDA falls below $425 million in any year. In this case the deferred cash payment shall be paid in equal installments over the subsequent two years following the payment year of such deferral.

The Plan is a win for all stakeholders

- Equity holders can elect to either (i) have their interests reinstated and also have the opportunity to participate in the Series A Preferred in an amount up to $200 million; or (ii) receive a cash payment of $6.25 per share in full and final satisfaction of such interest.
- Debt holders, including the senior secured credit facility and senior note holders, are repaid at an agreed upon amount to fully satisfy their claims.
- General unsecured claims will be reinstated or repaid in full.
- Garrett will have a clear, path to emergence from bankruptcy without the need to litigate against Honeywell, Garrett's other creditors, and a majority of its equity holders.

Garrett is well positioned for long-term financial and operating success

- Based on the Plan's terms, it is anticipated the pro forma company will have approximately $1.1 billion of debt at emergence.
- Garrett will emerge from bankruptcy with enhanced liquidity due to its strong performance over the past few months as evidenced by the fact that Garrett significantly exceeded its original DIP budget for cash flow and liquidity.
- Centerbridge and Oaktree, as Plan Sponsors, are sophisticated investors with substantial experience in the automotive industry and will bring a track record of value creation for investors to Garrett and its Board.
- The Plan Sponsors will constitute a new board for Garrett. Honeywell will have the right to elect one of the 7 board members for the period of time until the value of the remaining amortization on the Series B Preferred is below $125 million.

	Treatment Under Existing Indemnification and Reimbursement Agreement (IRA) and Tax Matters Agreement (TMA)	Treatment Based on Plan Support Agreement Terms Signed with Garrett (the "Plan") (Subject to Court Approval)
Liabilities Covered	• 90% of annual Bendix-related asbestos expenses, primarily legal expenses (net of 90% of insurance and other Honeywell recoveries related to these liabilities)	• As part of the Reorganization Plan, Honeywell's claims under the IRA and TMA are satisfied and resolved. • Claims under IRA and TMA are replaced with an initial upfront payment and fixed annual cash payments (included under Series B preferred stock)"
Annual Payment Cap	• Up to the Euro equivalent of $175M at the time of the spin with respect to each year • Paid quarterly	• Initial upfront cash payment of $375M in 2021, plus Series B Preferred Stock issued at emergence, which entitles Honeywell to annual cash payments as follows: ~$35M in 2022, and $100M per year from 2023 – 2030 (such payments, the "Amortization")
Term	• Terminates after Garrett's annual payment obligations (including in respect of deferred amounts) over a 3- year period fall below the Euro equivalent of $25M at the time of spin or on December 31, 2048, whichever comes first	• Upon the completion of the Amortization payments (including through exercise of a call option or the put option), the Series B Preferred Stock shall be cancelled and extinguished. The Series B Preferred Stock has no other equity value.
P&L Impact	• Benefit equal to 90% of Honeywell's Bendix-related asbestos expenses, primarily legal expenses (net of 90% of insurance and other Honeywell recoveries related to these liabilities)	• Accretion of Series B Preferred Stock to Income[1]
Classification of Cash Receipts	• Operating Activities	• Investing Activities
Definition of Free Cash Flow	• Cash Flow from Operations Less: Capital Expenditures	• Cash Flow from Operations Less: Capital Expenditures Add: Garrett Cash Receipts[2]

[1] *Net present value of cash receipts of $1.21B is $959M as of 12/31/20, which includes an upfront payment of $375M in 2021, $35M in 2022, and $100M per year from 2023 – 2030 (inclusive)*

[2] *HON to include cash receipts from Garrett under the proposed plan of reorganization within free cash flow in order to be comparable to prior periods*

- Cash payments from Garrett to Honeywell under the IRA and TMA have been classified as cash flows from operating activities in all prior reporting periods and have therefore been included in Honeywell's current definition of free cash flow in all prior reporting periods. However, cash payments from Garrett to Honeywell under the Series B Preferred Stock contemplated in the Plan Support Agreement signed by Centerbridge, Oaktree, Honeywell, Garrett and certain other parties thereto would be classified as cash flows from investing activities and would therefore be excluded from Honeywell's current definition of free cash flow in all future reporting periods, creating a lack of comparability between prior reporting periods and future reporting periods. Therefore, should the Plan be confirmed by the bankruptcy court, we will revise our definition of free cash flow to continue to include cash payments from Garrett to Honeywell in free cash flow. We believe this revised definition will be useful to investors and management because, under the IRA and TMA, cash reimbursements from Garrett were classified as cash flow from operations, which offset cash payments made by the Company for asbestos and tax related matters which are also reflected in cash from operations and because the underlying reason for a cash payment stream from Garrett will not have changed. We believe that continuing to include cash payments from Garrett in free cash flow is useful to investors and management for comparability to prior periods.

Q&A

How do the cash payments contemplated in the Plan compare to what Honeywell was owed under the IRA and TMA?
Honeywell will receive total cash payments of approximately $1.21 billion under the Plan. This is comparable to the carrying value of Honeywell's receivables from Garrett of approximately $1 billion as of September 30, 2020 related to the IRA and TMA. This followed Honeywell lowering the aggregate carrying value of the receivables by $350 million after Garrett's bankruptcy filing in September 2020.

What happens next?
Garrett, the Plan Sponsors, Honeywell, and the additional investors will negotiate and document the definitive documentation for the Plan and a related disclosure statement, which will both be subject to Court approval. The parties expect that Garrett will seek confirmation of the Plan by mid-April 2021.

What is the anticipated timing of emergence?
Garrett is expected to emerge by the end of April 2021.