

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I** Reporting Issuer

1 Issuer's name <u>Honeywell International Inc.</u>		2 Issuer's employer identification number (EIN) <u>22-2640650</u>	
3 Name of contact for additional information <u>John Tus</u>	4 Telephone No. of contact <u>973 455 4901</u>	5 Email address of contact <u>john.tus@honeywell.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>115 Tabor Road</u>		7 City, town, or post office, state, and ZIP code of contact <u>Morris Plains, NJ 07950</u>	
8 Date of action <u>November 21, 2017</u>	9 Classification and description <u>Debt for debt exchange</u>		
10 CUSIP number <u>See attached.</u>	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

**Part II** Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See attached.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See attached.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attached.

**Part II Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached.

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ See attached.

Multiple horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached.

Multiple horizontal lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

Date ▶

1/3/18

Print your name ▶ John Tu

Title ▶ Vice President and Treasurer

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check  if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

**Honeywell International Inc.**  
**EIN: 22-2640650**  
**Date of Action: November 21, 2017**  
**Attachment to Internal Revenue Service Form 8937**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended, and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Exchange (as defined below) on the tax basis of the new notes issued by Honeywell International Inc. (“Honeywell”) to holders of four series of existing notes of Honeywell in exchange therefor. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of holders. Honeywell does not provide tax advice to holders of its debt obligations and the examples provided below are based on certain assumptions and are merely illustrative. Holders should consult their own tax advisers regarding the particular tax consequences of the Exchange to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

**10. CUSIP Numbers.**

Old Notes:

438506AS6  
438516AR7  
438516AT3  
438516BB1

New Notes:

438516BR6 and U4389JAA6

**14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.**

On November 21, 2017, holders of four outstanding series of notes of Honeywell (“Old Notes”) exchanged their Old Notes for a combination of Honeywell’s newly issued 3.812% senior notes due 2047 (the “New Notes”) and cash (the “Exchange”). The following series of notes were exchanged for New Notes and cash in the amount of \$316.80, \$301.65, \$313.28 and \$285.17, respectively, per \$1,000 face amount of such Old Notes.

1. 6.625% Debentures due 2028
2. 5.70% Senior Notes due 2036
3. 5.70% Senior Notes due 2037
4. 5.375% Senior Notes due 2041

For more information, see the press release for the final results of the Exchange, available on the SEC website:

[https://www.sec.gov/Archives/edgar/data/773840/000093041317003823/c89760\\_ex99-1.htm](https://www.sec.gov/Archives/edgar/data/773840/000093041317003823/c89760_ex99-1.htm).

**15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.**

Honeywell will treat all of the Old Notes and the New Notes exchanged therefor as securities, and will treat the exchange of the Old Notes for New Notes as recapitalizations.

Recapitalizations generally do not result in the recognition of gain or loss, subject to certain exceptions. However, under the rules applicable to recapitalizations, a holder recognizes gain equal to the lesser of (i) the cash amount received (not including any amounts received in respect of accrued and unpaid interest on the Old Notes, which will be taxed as such) plus the fair market value of the “excess principal” amount received (collectively, “boot”), and (ii) the gain realized by the holder. The excess principal amount is the excess of the principal amount of New Notes received over the principal amount of Old Notes surrendered for those New Notes. The gain realized by a holder is equal to the excess of (i) the issue price of the New Notes received in exchange for Old Notes, plus any cash received (not including any amounts received in respect of accrued and unpaid interest on the Old Notes) over (ii) the holder’s tax basis in the Old Notes surrendered in the exchange.

A holder’s initial tax basis in the portion of New Notes that are not treated as boot is the same as the holder’s tax basis in the Old Notes allocated thereto, increased by the amount of gain recognized by the holder in the exchange, if any, and decreased by the amount of boot received by the holder. The portion of the New Notes treated as boot has an initial tax basis in a holder’s hands equal to the fair market value of those New Notes.

**16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.**

A holder’s initial tax basis in the New Notes will be the same as the holder’s tax basis in the Old Notes allocated thereto, increased by the amount of gain recognized by the holder in the exchange, if any, and decreased by the amount of boot received by the holder. Because the principal amount of the New Notes is equal to the principal amount of the Old Notes exchanged therefor, no excess principal amount was received in the Exchange and, as a result, no portion of the New Notes will be treated as boot.

The following simplified examples illustrate a hypothetical U.S. holder’s calculation of its initial tax basis in the New Notes received on the exchange date. Given our determination that the issue price of the New Notes is greater than the face amount of the New Notes (see line 19 below), the examples assume that the fair market value and the issue price of the New Notes is greater than their face amount. The examples below use simplified numbers and assumptions, are for illustrative purposes only, and do not purport to fully describe the actual facts or tax consequences that may apply to a particular holder. Holders should consult their own tax advisers regarding the particular tax consequences of the Exchange to them.

**Assumptions:**

- Investor A exchanged \$1,000 principal amount of an Old Note for a total consideration of \$1,310, consisting of New Notes with a principal amount of \$1,000 and cash of \$310.
- Because Investor A received a principal amount of New Notes equal to the principal amount of the Old Notes exchanged therefor, no excess principal amount is received in the Exchange.
- The cash amount received does not include any accrued or unpaid interest.
- The New Notes were issued at a fair market value (“FMV”) and issue price of \$1,019.45 per face amount of \$1,000, or 101.945%. As the New Notes have a principal amount of \$1,000, the issue price of New Notes received in exchange for \$1,000 principal amount of an Old Note is \$1,019.45 (i.e., \$1,000 x 101.945%).

**Example 1 (A’s basis in the Old Note is equal to its face amount):**

Example 1 Old Note:								
<ul style="list-style-type: none"> <li>• Principal Amount (<i>pa</i>): \$1,000</li> <li>• Tax Basis (<i>tb</i>): \$1,000</li> </ul>								
	<i>Exchange Terms</i>			<i>Gain on the Exchange</i>			<i>New Notes Received</i>	
	Principal Amount (A)	Issue Price <sup>1</sup> (B)	Cash Amount (C)	Boot (D) = (C) + FMV of ((A) – ( <i>pa</i> ))	Gain Realized (E) = (B) + (C) – ( <i>tb</i> )	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = ( <i>tb</i> ) + (F) – (D)	Tax Basis (boot portion) (H) = FMV of ((A) – ( <i>pa</i> ))
<b>Exchanged for:</b>								
<b>New Note of \$1,000 plus cash of \$310</b>	\$1,000	\$1,019.45	\$310	\$310	\$329.45	\$310	\$1,000	N/A
<sup>1</sup> See assumptions. Represents issue price of the New Notes (\$1,019.45 per \$1,000) received in exchange for \$1,000 principal amount of an Old Note.								

**Example 2 (A's basis in the Old Note is less than its face amount):**

Example 2 Old Note:								
<ul style="list-style-type: none"> <li>Principal Amount (<i>pa</i>): \$1,000</li> <li>Tax Basis (<i>tb</i>): \$900</li> </ul>								
Exchanged for:	Exchange Terms			Gain on the Exchange			New Notes Received	
	Principal Amount (A)	Issue Price <sup>2</sup> (B)	Cash Amount (C)	Boot (D) = (C) + FMV of ((A) - ( <i>pa</i> ))	Gain Realized (E) = (B) + (C) - ( <i>tb</i> )	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = ( <i>tb</i> ) + (F) - (D)	Tax Basis (boot portion) (H) = FMV of ((A) - ( <i>pa</i> ))
<b>New Note of \$1,000 plus cash of \$310</b>	\$1,000	\$1,019.45	\$310	310	\$429.45	\$310	\$900	N/A
<sup>2</sup> See assumptions. Represents issue price of the New Notes (\$1,019.45 per \$1,000) received in exchange for \$1,000 principal amount of an Old Note.								

**Example 3 (A's basis in the Old Note is greater than its face amount):**

Example 3 Old Note:								
<ul style="list-style-type: none"> <li>Principal Amount (<i>pa</i>): \$1,000</li> <li>Tax Basis (<i>tb</i>): \$1,100</li> </ul>								
Exchanged for:	Exchange Terms			Gain on the Exchange			New Notes Received	
	Principal Amount (A)	Issue Price <sup>3</sup> (B)	Cash Amount (C)	Boot (D) = (C) + FMV of ((A) - ( <i>pa</i> ))	Gain Realized (E) = (B) + (C) - ( <i>tb</i> )	Gain Recognized (F) = Lesser of (D) or (E)	Tax Basis (portion not boot) (G) = ( <i>tb</i> ) + (F) - (D)	Tax Basis (boot portion) (H) = FMV of ((A) - ( <i>pa</i> ))
<b>New Note of \$1,000 plus cash of \$310</b>	\$1,000	\$1,019.45	\$310	\$310	\$229.45	\$229.45	\$1,019.45	N/A
<sup>3</sup> See assumptions. Represents issue price of the New Notes (\$1,019.45 per \$1,000) received in exchange for \$1,000 principal amount of an Old Note.								

**17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.**

Section 1001; Section 368(a)(1)(E); Section 354; Section 356; Section 358; Treasury Regulation section 1.1273-2.

**18. Can any resulting loss be recognized?**

A holder that exchanges Old Notes for New Notes in an exchange treated as a recapitalization generally will not be permitted to recognize any loss on the exchange.

**19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Exchange was consummated on November 21, 2017. For a holder whose taxable year is the calendar year, the reportable tax year is 2017.

Pursuant to U.S. Treasury Regulation section 1.1273-2(f)(9), Honeywell has determined that, within the meaning of U.S. Treasury Regulation section 1.1273-2:

- The New Notes are “traded on an established market.”
- The issue price of New Notes is \$1,019.45 per \$1,000 face amount of such New Notes, or 101.945%.

More information relating to these determinations is available on Honeywell’s Investor Relations web page: <http://investor.honeywell.com/Investor-Relations>.