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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 18, 2018

RESIDEO TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38635
(Commission
File Number)

82-5318796
(IRS Employer
Identification No.)

1985 Douglas Drive North, Golden Valley, Minnesota
(Address of principal executive offices)

55422
(Zip Code)

Registrant's telephone number, including area code: (763) 954-5204

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

Spin-Off and Related Agreements

On October 19, 2018, in connection with the previously announced spin-off (the “Spin-Off” or the “Share Distribution”) of Resideo Technologies, Inc. (“Resideo,” and together with its consolidated subsidiaries, “we,” “us,” “our,” or the “Company”) from Honeywell International Inc. (“Honeywell”), which is to be effective as of 12:01 a.m., New York City time, on October 29, 2018 (the “Share Distribution Date”), the Company entered into several agreements with Honeywell that set forth the principal actions taken or to be taken in connection with the Spin-Off and that govern the relationship of the parties following the Spin-Off, including the following:

- a Separation and Distribution Agreement, dated October 19, 2018, between Honeywell and Resideo (the “Separation and Distribution Agreement”);
- a Transition Services Agreement, dated October 19, 2018, between Honeywell and Ademco Inc., a subsidiary of Resideo (the “Transition Services Agreement”);
- a Tax Matters Agreement, dated October 19, 2018, between Honeywell and Resideo (the “Tax Matters Agreement”);
- an Employee Matters Agreement, dated October 19, 2018, between Honeywell and Resideo (the “Employee Matters Agreement”);
- a Patent Cross-License Agreement, dated October 19, 2018, between Honeywell and Resideo (the “Patent Cross-License Agreement”); and
- a Trademark License Agreement, dated October 19, 2018, between Honeywell and Resideo (the “Trademark License Agreement”).

The descriptions included below of the Separation and Distribution Agreement, Transition Services Agreement, Tax Matters Agreement, Employee Matters Agreement, Patent Cross-License Agreement and Trademark License Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Separation and Distribution Agreement, Transition Services Agreement, Tax Matters Agreement, Employee Matters Agreement, Patent Cross-License Agreement and Trademark License Agreement, respectively, which are attached as Exhibits 2.1, 2.2, 2.3, 2.4, 2.5 and 2.6, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

These agreements are in addition to the Indemnification and Reimbursement Agreement, dated October 14, 2018, between New HAPI Inc., a subsidiary of the Company, and Honeywell reported and filed as part of the Company’s Form 8-K dated October 15, 2018.

Separation and Distribution Agreement

We entered into the Separation and Distribution Agreement with Honeywell in advance of the Share Distribution. The Separation and Distribution Agreement sets forth our agreements with Honeywell regarding the principal actions to be taken in connection with the Spin-Off. It also sets forth other agreements that govern aspects of our relationship with Honeywell following the Spin-Off.

Transfer of Assets and Assumption of Liabilities

The Separation and Distribution Agreement identifies certain transfers of assets and assumptions of liabilities that are necessary in advance of our separation from Honeywell so that we and Honeywell retain the assets of, and the liabilities associated with, our respective businesses. The Separation and Distribution Agreement generally provides that the assets comprising our business will consist of those owned or held by us or those primarily related to our current business and operations. The liabilities we will assume in connection with the Spin-Off will generally consist of those related to the past and future operations of our business, including our manufacturing locations and the other locations used in our current operations. Honeywell will retain certain assets and assume liabilities related to former business locations or the operation of our former business. The Separation and Distribution Agreement also provides for the settlement or extinguishment of certain liabilities and other obligations between us and Honeywell. Honeywell and the Company agreed that, upon completion of the Spin-Off and the related retirement of certain intercompany liabilities between Honeywell and the Company on or shortly after the Share Distribution Date, the Company will have an aggregate amount of cash-on-hand equal to approximately \$75 million.

Reorganization

The Separation and Distribution Agreement describes certain actions related to our separation from Honeywell that will occur prior to the Share Distribution such as the formation of our subsidiaries and certain other internal restructuring actions to be taken by us and Honeywell, including the contribution by Honeywell to us of the assets and liabilities that comprise our business.

Intercompany Arrangements

All agreements, arrangements, commitments and understandings, including most intercompany accounts payable or accounts receivable, between us, on the one hand, and Honeywell, on the other hand, will terminate effective as of the Share Distribution Date, except specified agreements and arrangements that are intended to survive the Share Distribution.

Credit Support

We will agree to use reasonable best efforts to arrange, prior to the Share Distribution, for the replacement of all guarantees, covenants, indemnities, surety bonds, letters of credit or similar assurances of credit support, other than certain specified credit support instruments, currently provided by or through Honeywell or any of its affiliates for the benefit of us or any of our affiliates.

Intellectual Property

The Separation and Distribution Agreement provides for (i) us to own certain patents that, based on the scope of their claims, were allocated to our business, as well as non-patent intellectual property rights exclusively related to our business and we will also assume the liabilities relating to, arising out of or resulting therefrom, and (ii) Honeywell to retain any patents not allocated to our business, as well as all of its other intellectual property rights not exclusively related to our business and the liabilities relating to, arising out of or resulting therefrom. See “Trademark License Agreement” and “Patent Cross-License Agreement” for more information.

Representations and Warranties

In general, neither we nor Honeywell made any representations or warranties regarding any assets or liabilities transferred or assumed, any consents or approvals that may be required in connection with these transfers or assumptions, the value or freedom from any lien or other security interest of any assets transferred, the absence of any defenses relating to any claim of either party or the legal sufficiency of any conveyance documents. Except as expressly set forth in the Separation and Distribution Agreement, all assets will be transferred on an “as-is,” “where-is” basis.

Further Assurances

The parties will use reasonable best efforts to effect any transfers contemplated by the Separation and Distribution Agreement that have not been consummated prior to the Share Distribution as promptly as practicable following the Share Distribution Date. In addition, the parties will use reasonable best efforts to effect any transfer or re-transfer of any asset or liability that was improperly transferred or retained as promptly as practicable following the Share Distribution.

The Share Distribution

The Separation and Distribution Agreement governs Honeywell's and our respective rights and obligations regarding the Share Distribution. Prior to the Share Distribution, Honeywell will deliver all the issued and outstanding shares of our common stock to the distribution agent. Following the Share Distribution Date, the distribution agent will electronically deliver the shares of our common stock to Honeywell stockholders based on the distribution ratio. Honeywell's board of directors, in its sole and absolute discretion, determined the record date of the Spin-Off, the Share Distribution Date and the terms of the Spin-Off. In addition, Honeywell may, at any time until the Share Distribution, decide to abandon the Share Distribution or modify or change the terms of the Share Distribution.

Conditions

The Separation and Distribution Agreement also provides that several conditions must be satisfied or, to the extent permitted by law, waived by Honeywell, in its sole and absolute discretion, before the Share Distribution can occur.

Exchange of Information

We and Honeywell agreed to provide each other with information reasonably necessary to comply with reporting, disclosure, filing or other requirements of any national securities exchange or governmental authority having appropriate jurisdiction, for use in judicial, regulatory, administrative and other proceedings and to satisfy audit, accounting, litigation and other similar requirements. We and Honeywell also agreed to use reasonable best efforts to retain such information in accordance with our respective record retention policies as in effect on the date of the Separation and Distribution Agreement or for such longer period as required by law. Each party also agreed to use its reasonable best efforts to assist the other with its financial reporting and audit obligations.

Termination

Honeywell, in its sole and absolute discretion, may terminate the Separation and Distribution Agreement at any time prior to the Share Distribution.

Release of Claims

We and Honeywell each agreed to release the other and its affiliates, successors and assigns, and all persons that prior to the Share Distribution have been the other's stockholders, directors, officers, members, agents and employees, and their respective heirs, executors, administrators, successors and assigns, from any claims against any such other party that arise out of or relate to events, circumstances or actions occurring or failing to occur or any conditions existing at or prior to the time of the Share Distribution. These releases are subject to exceptions set forth in the Separation and Distribution Agreement.

Indemnification

We and Honeywell each agreed to indemnify the other and each of the other's current, former and future directors, officers and employees, and each of the heirs, administrators, executors, successors and assigns of any of them, against certain liabilities incurred in connection with the Spin-Off and our and Honeywell's respective businesses. The amount of either Honeywell's or our indemnification obligations will be reduced by any insurance proceeds or amounts recovered from third parties that the party being indemnified receives in respect of the related liability. The Separation and Distribution Agreement also specifies procedures regarding claims subject to indemnification.

Transition Services Agreement

We entered into the Transition Services Agreement pursuant to which Honeywell will provide us, and we will provide Honeywell, with specified services, including information technology, financial, human resources and labor, health, safety and environmental, sales, product stewardship, operational and manufacturing support, procurement, customer support and supply chain and logistics and other specified services, for a limited time to help ensure an orderly transition following the Share Distribution. For a limited time after the Spin-Off, we may request that additional services in the same functional categories as the specified services be provided by Honeywell to us so long as such additional services were provided historically by Honeywell to our business. The services are generally intended to be provided for a period no longer than twelve months following the Share Distribution, with a possibility to extend the term of each service up to an additional twelve months. Each party may terminate the agreement in its entirety in the event of a material breach of the agreement by the other party that is not cured within a specified time period. Each recipient party may also terminate the services on an individual basis upon prior written notice to the party providing the service.

The service recipient is required to pay to the service provider a fee equal to the cost of service specified for each service, which is billed on a monthly basis.

We agreed to hold Honeywell harmless from any damages arising out of Honeywell's provision of the services unless such damages are the result of Honeywell's willful misconduct, gross negligence, breach of certain provisions of the agreement or violation of law or third party rights in providing services. Additionally, Honeywell's liability is generally subject to a cap in the amount of fees actually received by Honeywell from us in connection with the provision of the services. We also generally indemnify Honeywell for all liabilities arising out of Honeywell's provision of the services unless such liabilities are the result of Honeywell's willful misconduct or gross negligence, in which case, Honeywell indemnifies us for such liabilities. These indemnification and liability terms are customary for agreements of this type.

Given the short-term nature of the Transition Services Agreement, we are in the process of increasing our internal capabilities to eliminate reliance on Honeywell for the transition services it will provide us as quickly as possible following the Spin-Off.

Tax Matters Agreement

We entered into the Tax Matters Agreement with Honeywell that governs the respective rights, responsibilities and obligations of Honeywell and us after the Share Distribution with respect to all tax matters (including tax liabilities, tax attributes, tax returns and tax contests).

The Tax Matters Agreement generally provides that we are responsible and will indemnify Honeywell for all taxes, including income taxes, sales taxes, VAT and payroll taxes, relating to our business for all periods, including periods prior to the Share Distribution. In addition, the Tax Matters Agreement addresses the allocation of liability for taxes that are incurred as a result of restructuring activities undertaken to effectuate the Spin-Off. We have the right to control any audit or contest relating to any of these taxes for which we are solely liable, but Honeywell has the right to review and comment on our conduct of any such audit or contest, and Honeywell controls any other audit or contest.

In addition, the Tax Matters Agreement provides that we are required to indemnify Honeywell for any taxes (and reasonable expenses) resulting from the failure of the Spin-Off and related internal transactions to qualify for their intended tax treatment under U.S. federal, state and local income tax law, as well as foreign tax law, where such taxes result from (a) breaches of covenants and representations we make and agree to in connection with the Spin-Off, (b) the application of certain provisions of U.S. federal income tax law to these transactions or (c) any other action or omission (other than actions expressly required or permitted by the Separation and Distribution Agreement, the Tax Matters Agreement or other ancillary agreements) we take after the Share Distribution that gives rise to these taxes. Honeywell has the exclusive right to control the conduct of any audit or contest relating to these taxes, but will not be permitted to settle any such audit or contest to the extent we are liable for such underlying taxes without our consent (which we may not unreasonably withhold, condition or delay).

The Tax Matters Agreement imposes certain restrictions on us and our subsidiaries (including restrictions on share issuances, redemptions or repurchases, business combinations, sales of assets and similar transactions) that are designed to address compliance with Section 355 of the Internal Revenue Code of 1986, as amended, and are intended to preserve the tax-free nature of the Spin-Off. Under the Tax Matters Agreement, these restrictions will apply for two years following the Share Distribution, unless Honeywell gives its consent for us to take a restricted action, which it is permitted to grant or withhold at its sole discretion. Even if Honeywell does consent to our taking an otherwise restricted action, we will remain liable to indemnify Honeywell in the event such restricted action gives rise to an otherwise indemnifiable liability. These restrictions may limit our ability to pursue strategic transactions or engage in new businesses or other transactions that may maximize the value of our business, and might discourage or delay a strategic transaction that our stockholders may consider favorable.

Employee Matters Agreement

We entered into the Employee Matters Agreement with Honeywell that addresses employment and employee compensation and benefits matters. The Employee Matters Agreement addresses the allocation and treatment of assets and liabilities relating to employees and compensation and benefit plans and programs in which our employees participated prior to the Spin-Off. Except as specifically provided in the Employee Matters Agreement, we will generally be responsible for all employment and employee compensation and benefits-related liabilities relating to our employees, former employees and other service providers. In particular, we will assume certain assets and liabilities with respect to our current and former employees under certain of Honeywell's U.S. and non-U.S. (i) defined benefit pension plans (with assets and liabilities generally allocated based on formulas specified in the Employee Matters Agreement for each pension plan) and (ii) life insurance programs and nonqualified deferred compensation plans. Generally, except as may be provided in the Transition Services Agreement, each of our employees will cease active participation in Honeywell compensation and benefit plans as of the Spin-Off. The Employee Matters Agreement also provides that we will establish certain compensation and benefit plans for the benefit of our employees following the Spin-Off, including a 401(k) savings plan for U.S. employees, which will accept direct rollovers of account balances from the Honeywell 401(k) savings plan for any of our employees who elect to do so. Generally, following the Spin-Off, we will assume and be responsible for any annual bonus payments, including with respect to the year in which the Spin-Off occurs, and any other cash-based incentive or retention awards to our current and former employees. Honeywell long-term incentive compensation awards, including stock options, restricted stock units, Growth Plan units and Performance Plan units, held by Company employees will be treated as described in "Compensation Discussion and Analysis—Details on Program Elements and Related 2017 Compensation Decisions—Long-Term Incentive Compensation" in Amendment No. 2 to the Company's Registration Statement on Form 10 (File No. 001-38635) (the "Form 10"), filed with the Securities and Exchange Commission on October 2, 2018. The Employee Matters Agreement incorporates the indemnification provisions contained in the Separation and Distribution Agreement and described above. In addition, the Employee Matters Agreement provides that we will indemnify Honeywell for certain employee-related liabilities associated with the Transition Services Agreement.

Trademark License Agreement

We entered into the Trademark License Agreement with Honeywell pursuant to which Honeywell granted us a license to use the "Honeywell Home" trademark, subject to standard quality controls. The license to use the "Honeywell Home" trademark (but not "Honeywell" alone or in combination with any words other than "Home") is exclusive in connection with certain products and markets that have historically been part of our business. The license is royalty bearing. The term of the license does not exceed forty (40) years following the Share Distribution Date. The license is terminable in certain circumstances upon our change of control, as well as other customary grounds, such as a material uncured breach. There is a standard wind-down period for use of the "Honeywell Home" trademark following termination of the Trademark License Agreement in some cases. In addition, the Trademark License Agreement also provides a short-term license for us to transition away from use of the trademark "Honeywell" (alone).

Patent Cross-License Agreement

We entered into the Patent Cross-License Agreement with Honeywell, pursuant to which we granted to Honeywell, and Honeywell granted to us, a perpetual, royalty-free, worldwide license to certain patents that have historically been part of Honeywell's Home and Building Technologies business. In addition, Honeywell granted us a perpetual, royalty-free, worldwide license to certain other patents that are currently practiced by us. Any future exclusive licenses or transfers of our and Honeywell's patents will be subject to the licenses granted under the Patent Cross-License Agreement. The licenses will be transferable in connection with certain future transactions, subject to certain customary limitations. We also agreed with Honeywell on cooperation in connection with patent enforcement.

Senior Notes Offering

On October 19, 2018, the Company's wholly owned subsidiary, Resideo Funding Inc. (the "Issuer"), successfully completed the previously announced offering of \$400 million aggregate principal amount of the Issuer's 6.125% Senior Notes due 2026 (the "Notes"). The Notes and related guarantees were offered to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in transactions outside of the United States in reliance on Regulation S under the Securities Act. The Notes and related guarantees will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Notes were issued pursuant to an Indenture, dated October 19, 2018 (the "Indenture"), among the Issuer, the Company, the other Guarantors named therein (as defined below), and Deutsche Bank Trust Company Americas, as trustee (the "Trustee").

The net proceeds from the sale of the Notes are expected to be used by the Company, together with borrowings under its new senior secured credit facilities, (i) to repay intercompany indebtedness to Honeywell or a subsidiary of Honeywell of approximately \$1.2 billion, and (ii) to pay fees, costs and expenses related to the new senior secured credit facilities and the Notes offering. The proceeds from the Notes offering will be held in escrow until satisfaction of certain conditions precedent set forth in the escrow agreement.

Notes Guarantees

The Notes will be senior unsecured obligations of the Issuer and, from and after the escrow release date, will be guaranteed on an unsecured senior basis by the Company and each of the Company's existing and future domestic subsidiaries that will guarantee the new senior secured credit facilities (collectively, the "Guarantors").

Maturity and Interest Payments

The Notes mature on November 1, 2026. Interest on the Notes accrues at 6.125% per annum and will be paid semi-annually, in arrears, on May 1 and November 1 of each year, commencing on May 1, 2019.

Redemption

Prior to November 1, 2021, the Issuer may, at its option, redeem the Notes, in whole or in part, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus the applicable "make-whole" premium set forth in the Indenture. The Issuer may redeem the Notes, in whole or in part, at any time on or after November 1, 2021 at the redemption prices set forth in the Indenture. The Issuer may, at its option, also redeem up to 35% of the aggregate principal amount of the Notes prior to November 1, 2021 in an amount equal to the net proceeds from certain equity offerings at the redemption price equal to 106.125% of the principal amount thereof plus accrued and unpaid interest, if any.

Certain Covenants

The Indenture limits the Company and its restricted subsidiaries' ability to, among other things, incur, assume or guarantee debt or issue certain disqualified equity interests and preferred shares; pay dividends on or make distributions in respect of capital stock and make other restricted payments and investments; sell or transfer certain assets; create liens on assets to secure debt unless the Notes are secured equally and ratably; enter into certain transactions with their affiliates; restrict dividends and other payments by certain of their subsidiaries; and consolidate, merge, sell or otherwise dispose of all or substantially all of their assets. These covenants are subject to a number of limitations and exceptions.

Additionally, upon certain events constituting a change of control under the Indenture, the holders of the Notes have the right to require the Issuer to offer to repurchase the Notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, to (but not including) the date of purchase.

Further, if the Company or its restricted subsidiaries sell assets, under certain circumstances, the holders of the Notes have the right, subject to certain conditions, to require the Company to use any excess net proceeds of such sale above \$75 million to offer to purchase outstanding Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the repurchase date.

The Indenture also provides for customary events of default, which, if any of them occurs, may cause the principal of and accrued interest on the Notes to become, or to be declared, due and payable. Events of default (subject in certain cases to customary grace and cure periods), include, among others, nonpayment of principal or interest, breach of other covenants or agreements in the Indenture, failure to pay certain other indebtedness, failure to pay certain final judgments, failure of certain guarantees to be enforceable, certain events of bankruptcy or insolvency and failure of certain security interests to be valid or enforceable.

The foregoing description of the Indenture does not purport to be complete and is qualified in its entirety by reference to the full text of the Indenture, which is attached as Exhibit 4.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 above is incorporated into this Item 2.03 by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

In furtherance of the Spin-Off, effective as of October 18, 2018, the Company has filed an amendment to its Certificate of Incorporation (the "Certificate of Amendment") to increase the total number of shares of stock which the Company is authorized to issue ahead of the Share Distribution Date to 800,000,000 shares of capital stock, consisting of (1) 700,000,000 shares of common stock, having a par value of \$0.001 per share, and (2) 100,000,000 shares of preferred stock, having a par value of \$0.001 per share. Prior to the filing of the Certificate of Amendment, the Company's authorized capital stock consisted of 5,000 shares of common stock, having a par value of \$0.001 per share. A copy of the Certificate of Amendment is attached as Exhibit 3.1 hereto and is incorporated herein by reference. We expect to file an amended and restated Certificate of Incorporation, as described in our Form 10, to be effective on the Share Distribution Date prior to the Spin-Off.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT NO.	DESCRIPTION
2.1	<u>Separation and Distribution Agreement, dated October 19, 2018, between Honeywell International Inc. and Resideo Technologies, Inc.*</u>
2.2	<u>Transition Services Agreement, dated October 19, 2018, between Honeywell International Inc. and Ademco Inc., a subsidiary of Resideo Technologies, Inc.*</u>

- 2.3 [Tax Matters Agreement, dated October 19, 2018, between Honeywell International Inc. and Resideo Technologies, Inc.*](#)
- 2.4 [Employee Matters Agreement, dated October 19, 2018, between Honeywell International Inc. and Resideo Technologies, Inc.*](#)
- 2.5 [Patent Cross-License Agreement, dated October 19, 2018, between Honeywell International Inc. and Resideo Technologies, Inc.*](#)
- 2.6 [Trademark License Agreement, dated October 19, 2018, between Honeywell International Inc. and Resideo Technologies, Inc.*](#)
- 3.1 [Certificate of Amendment to Certificate of Incorporation of Resideo Technologies, Inc., dated as of October 18, 2018.](#)
- 4.1 [Indenture, dated as of October 19, 2018, among Resideo Funding Inc., Resideo Technologies, Inc., the other guarantors named therein, and Deutsche Bank Trust Company Americas, as trustee.](#)

* Certain schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish copies of any of the omitted schedules and similar attachments upon request by the U.S. Securities and Exchange Commission.

SIGNATURES

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

RESIDEO TECHNOLOGIES, INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: President

Date: October 19, 2018

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

HONEYWELL INTERNATIONAL INC.

and

RESIDEO TECHNOLOGIES, INC.

Dated as of October 19, 2018

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SEPARATION AND DISTRIBUTION AGREEMENT, dated as of October 19, 2018, by and between HONEYWELL INTERNATIONAL INC., a Delaware corporation (“Honeywell”), and RESIDEO TECHNOLOGIES, INC., a Delaware corporation (“SpinCo”). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

RECITALS

WHEREAS the board of directors of Honeywell has determined that it is in the best interests of Honeywell and its shareholders to create a new publicly traded company that will operate the SpinCo Business;

WHEREAS in furtherance of the foregoing, the board of directors of Honeywell has determined that it is appropriate and desirable to effect the transactions constituting the Reorganization, to transfer certain assets and liabilities to SpinCo, a wholly owned Subsidiary of Honeywell, on the terms and subject to the conditions of this Agreement and subsequently to distribute Honeywell’s entire interest in SpinCo, by way of a dividend of stock to be made to holders of Honeywell Common Stock;

WHEREAS in furtherance of the foregoing, it is appropriate and desirable to effect the Spin-Off, as more fully described in this Agreement;

WHEREAS SpinCo has been incorporated solely for these purposes and has not engaged in activities except in preparation for the Spin-Off;

WHEREAS Honeywell and SpinCo have prepared, and SpinCo has filed with the Commission, the Form 10, which includes the Information Statement and sets forth appropriate disclosure concerning SpinCo and the Distribution;

WHEREAS Honeywell and SpinCo intend that certain steps of the Plan of Reorganization and the Distribution each qualify for its Intended Tax Treatment and for this Agreement to constitute a plan of reorganization within the meaning of Section 1.368-2(g) of the Treasury Regulations and a plan of liquidation within the meaning of Section 332 of the Code, as relevant; and

WHEREAS it is appropriate and desirable to set forth the principal corporate transactions required to effect the Spin-Off and certain other agreements that will govern certain matters relating to the Spin-Off and the relationship of Honeywell, SpinCo and their respective Subsidiaries following the Distribution.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

“Action” means any claim, complaint, petition, hearing, charge, demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any Federal, state, local, foreign or international arbitration or mediation tribunal.

“Adversarial Action” means (i) an Action by a member of the Honeywell Group, on the one hand, against a member of the SpinCo Group, on the other hand, or (ii) an Action by a member of the SpinCo Group, on the one hand, against a member of the Honeywell Group, on the other hand.

“Affiliate” of any Person means a Person that controls, is controlled by or is under common control with such Person. As used herein, “control” of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by Contract or otherwise; provided, however, that (i) SpinCo and the other members of the SpinCo Group shall not be considered Affiliates of Honeywell or any of the other members of the Honeywell Group and (ii) Honeywell and the other members of the Honeywell Group shall not be considered Affiliates of SpinCo or any of the other members of the SpinCo Group.

“Agent” means the distribution agent appointed by Honeywell to distribute to the Record Holders, pursuant to the Distribution, the shares of SpinCo Common Stock held by Honeywell.

“Agreement” means this Separation and Distribution Agreement, including the Schedules hereto.

“Ancillary Agreements” means the Tax Matters Agreement, the Employee Matters Agreement, the Patent License Agreement, the Data Transfer Agreement, the Trademark License Agreement, the Shared Trademark License Agreement, the Intellectual Property License Agreement, the TSA, the Indemnification Agreement and any other instruments, assignments, documents and agreements executed in connection with the implementation of the transactions contemplated by this Agreement.

“Assets” means all assets, properties and rights of every kind and nature (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible or intangible, or accrued or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person, including the following:

(a) all accounting and other books, records and files, whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape, electronic recording or any other form;

(b) all apparatus, computers and other electronic data processing equipment, fixtures, machinery, furniture, office and other equipment, including hardware systems, circuits and other computer and telecommunication assets and equipment, automobiles, trucks, aircraft, rolling stock, vessels, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(c) all inventories of materials, parts, raw materials, supplies, work-in-process and finished goods and products;

(d) all interests in real property of whatever nature, including buildings, land, structures, improvements and fixtures thereon, and all easements and rights-of-way appurtenant thereto, and all leasehold interests, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise;

(e) all interests in any capital stock or other equity interests of any Subsidiary or any other Person; all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person; all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person; all other investments in securities of any Person; and all rights as a partner, joint venturer or participant;

(f) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services, unfilled orders for the manufacture and sale of products and other Contracts and all rights arising thereunder;

(g) all deposits, letters of credit, performance bonds and other surety bonds;

(h) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals and materials and analyses prepared by consultants and other third parties;

(i) all Intellectual Property Rights;

(j) all Contracts pursuant to which any license, option or similar right relating to Intellectual Property Rights has been granted or the use of Intellectual Property Rights is materially restricted (excluding, for the avoidance of doubt, Contracts terminated pursuant to the terms of this Agreement or any Ancillary Agreement);

(k) all websites, databases, content, text, graphics, images, audio, video, data and other copyrightable works or other works of authorship including all translations, adaptations, derivations and combinations thereof, in each case to the extent not included in clause (i) of this definition;

(l) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, subscriber, customer and vendor data, correspondence and lists, product literature and other advertising and promotional materials, artwork, design, development and manufacturing files, vendor and customer drawings, formulations and specifications, server and traffic logs, quality records and reports and other books, records, studies, surveys, reports, plans, business records and documents, in each case to the extent not included in clause (i) of this definition;

(m) all prepaid expenses, trade accounts and other accounts and notes receivable (whether current or non-current);

(n) all claims or rights against any Person arising from the ownership of any other Asset, all rights in connection with any bids or offers, all Actions, judgments or similar rights, all rights under express or implied warranties, all rights of recovery and all rights of setoff of any kind and demands of any nature, in each case whether accrued or contingent, whether in tort, contract or otherwise and whether arising by way of counterclaim or otherwise;

(o) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(p) all licenses (including radio and similar licenses), permits, consents, approvals and authorizations that have been issued by any Governmental Authority and all pending applications therefor;

(q) Cash, bank accounts, lock boxes and other deposit arrangements;

(r) interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements; and

(s) all goodwill as a going concern and other intangible properties.

“Cash” means cash, cash equivalents, bank deposits and marketable securities, whether denominated in United States dollars or otherwise.

“Cash Management Arrangements” means all cash management arrangements pursuant to which Honeywell or its Subsidiaries automatically or manually sweep cash from, or automatically or manually transfer cash to, accounts of SpinCo or any member of the SpinCo Group.

“Commission” means the Securities and Exchange Commission.

“Consents” means any consents, waivers, authorizations, ratifications, permissions, exemptions, or approvals from, or notification requirements to, any Person other than a member of either Group.

“Contract” means any contract, agreement or other legally binding instrument, including any note, bond, mortgage, deed, indenture, commitment, undertaking, promise, lease, sublease, license or sublicense or joint venture.

“Copyrights” means copyrights, rights in works of authorship (including all translations, adaptations, derivations and combinations thereof), mask works, designs and database rights, including, in each case, any registrations and applications therefor.

“Credit Support Instruments” has the meaning set forth in Section 4.01(a).

“Data Transfer Agreement” means the Data Transfer Agreement that the Parties hereto intend to enter into prior to the Distribution.

“Domain Names” means Internet domain names, including top level domain names and global top level domain names, URLs, social media identifiers, handles and tags.

“D&O Policies” has the meaning set forth in Section 9.06.

“Debt Incurrence” has the meaning set forth in Schedule I.

“Determination” has the meaning set forth in the Tax Matters Agreement.

“Dispute” has the meaning set forth in Section 12.02.

“Distribution” means the distribution by Honeywell to the Record Holders, on a pro rata basis, of all of the outstanding shares of SpinCo Common Stock owned by Honeywell on the Distribution Date.

“Distribution Date” means the date, determined by Honeywell in accordance with Section 6.03, on which the Distribution occurs.

“Employee Matters Agreement” means the Employee Matters Agreement dated as of the date of this Agreement by and between Honeywell and SpinCo.

“Exchange” means the New York Stock Exchange.

“Exchange Act” means the Securities Exchange Act of 1934, together with the rules and regulations promulgated thereunder.

“Expected Surviving Guarantees” has the meaning set forth in Schedule XXV.

“First Post-Distribution Report” has the meaning set forth in Section 12.11.

“Form 10” means the registration statement on Form 10 filed by SpinCo with the Commission to effect the registration of SpinCo Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time.

“Former Business” means any terminated, divested or discontinued businesses or properties of either the Honeywell Group, the SpinCo Group, any of their respective members or any of their respective predecessors, in each case, prior to the Distribution; provided, that any discontinued product or service shall not, alone, constitute a “Former Business”.

“Governmental Approvals” means any notices, reports or other filings to be given to or made with, or any Consents, registrations or permits to be obtained from, any Governmental Authority.

“Governmental Authority” means any Federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other legislative, judicial, regulatory, administrative or governmental authority.

“Group” means either the Honeywell Group or the SpinCo Group, as the context requires.

“Hazardous Materials” means (i) any natural or artificial substance (whether solid, liquid, gas or other form of matter, noise, microorganism or electromagnetic field) that could cause harm to human health or the environment, including petroleum, petroleum products and byproducts, asbestos-containing materials, perfluoroalkyl substances, urea formaldehyde foam insulation, carcinogens, endocrine disrupters, lead-based paint, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, greenhouse gases and ozone-depleting substances and (ii) any other chemical, material, substance or waste that could result in Liability under, or that is prohibited, limited or regulated by or pursuant to, any HSE Law.

“Honeywell” has the meaning set forth in the preamble.

“Honeywell Account” means any bank or brokerage account owned by Honeywell or any other member of the Honeywell Group, including the Honeywell Accounts listed or described on Schedule XV.

“Honeywell Assets” means (a) all Assets of the Honeywell Group (other than Intellectual Property Rights), (b) the Honeywell Retained Assets, (c) any Assets held by a member of the SpinCo Group that are determined by Honeywell, in good faith, to be primarily related to or used primarily in connection with the business or operations of the Honeywell Business (unless otherwise expressly provided in connection with this Agreement), (d) all interests in the capital stock of, or other equity interests in, the members of the Honeywell Group (other than Honeywell), (e) the rights related to the Honeywell Portion of any Shared Contract and (f) the Honeywell IP. Notwithstanding the foregoing, the Honeywell Assets shall not include the SpinCo Assets.

“Honeywell Business” means the businesses and operations as currently or formerly conducted (including business and operations not yet commercialized) by Honeywell and its predecessors and its Subsidiaries other than the SpinCo Business.

“Honeywell Common Stock” means the common stock, \$1.00 par value per share, of Honeywell.

“Honeywell Credit Support Instruments” has the meaning set forth in Section 4.01(a).

“Honeywell Disclosure Sections” means all information set forth in or omitted from the Form 10 or Information Statement to the extent relating to (a) the Honeywell Group, (b) the Honeywell Liabilities, (c) the Honeywell Assets or (d) the substantive disclosure set forth in the Form 10 relating to Honeywell’s board of directors’ consideration of the Spin-Off, including the section entitled “Reasons for the Spin-Off.”

“Honeywell Group” means Honeywell and each of its Subsidiaries, including any Person that becomes a Subsidiary of Honeywell as a result of transactions that occur following the Distribution in accordance with the Plan of Reorganization, but excluding any member of the SpinCo Group.

“Honeywell HSE Liabilities” means any HSE Liability, whether occurring or arising prior to, on or after the Distribution Date, to the extent (a) resulting from or otherwise relating to (i) any compliance or noncompliance with any HSE Law in connection with the operation of the Honeywell Business or any Honeywell Asset, (ii) any Release of any Hazardous Material at, on, under, from or to any real property constituting a Honeywell Asset (including any exposure to, or further Release to any other location of, such Hazardous Material), (iii) any Release, offsite transportation, storage, disposal, treatment or recycling (or arrangement for such activities) of Hazardous Material in connection with the operation of the Honeywell Business (including any exposure to, or further Release to any other location of, such Hazardous Material) or (iv) any alleged personal or property exposure to Hazardous Materials (including, without limitation, those contained in any products currently or formerly manufactured, sold, distributed or marketed) in connection with the operation of the Honeywell Business or any Honeywell Asset or (b) otherwise resulting from or relating to the Honeywell Business or Honeywell Asset.

“Honeywell Indemnitees” has the meaning set forth in Section 7.02.

“Honeywell IP” means all Intellectual Property Rights owned by any member of the Honeywell Group or the SpinCo Group as of immediately prior to the Distribution, other than the SpinCo IP, including all rights to prosecute and perfect the foregoing through administrative prosecution, registration, recordation, or other proceeding, and all causes of action and rights to sue or seek other remedies arising from or relating to the foregoing, including for any past or ongoing infringement, misuse, or misappropriation.

“Honeywell Liabilities” means, without duplication, the following Liabilities:

- (a) all Liabilities of the Honeywell Group;
- (b) all Liabilities to the extent relating to, arising out of or resulting from:
 - (i) the operation or conduct of the Honeywell Business as conducted at any time prior to the Distribution (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority), which act or failure to act relates to the Honeywell Business);
 - (ii) the operation or conduct of the Honeywell Business or any other business conducted by Honeywell or any other member of the Honeywell Group at any time after the Distribution (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority)); or
 - (iii) the Honeywell Assets;

- (c) the Honeywell Retained Liabilities;
- (d) all Honeywell HSE Liabilities;
- (e) any obligations related to the Honeywell Portion of any Shared Contract;

(f) any Liabilities that are determined by Honeywell, in good faith, to be primarily related to the business or operations of the Honeywell Business prior to the Distribution (unless otherwise expressly provided in this Agreement); and

(g) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to the Honeywell Disclosure Sections.

Notwithstanding the foregoing, the Honeywell Liabilities shall not include the SpinCo Liabilities.

“Honeywell Policy Pre-Separation Insurance Claim” means any (a) claim made against the SpinCo Group or Honeywell Group and reported to the applicable insurer(s) prior to the Distribution Date in respect of an act or omission occurring prior to the Distribution Date that results in a Liability under a “claims-made-based” insurance policy of the Honeywell Group in effect prior to the Distribution Date or any extended reporting period thereof or (b) Action (whether made prior to, on or following the Distribution Date) in respect of a Liability occurring prior to the Distribution Date under an “occurrence-based” insurance policy of any member of the Honeywell Group in effect prior to the Distribution Date.

“Honeywell Portion” has the meaning set forth in Section 2.05(a).

“Honeywell Retained Assets” means the Assets to be retained by the Honeywell Group set forth on Schedule II.

“Honeywell Retained Liabilities” means the Liabilities to be retained by the Honeywell Group set forth on Schedule III.

“HSE Law” means any Law or Governmental Approvals, or any standard used by a Governmental Authority pursuant to any Law or Governmental Approvals, relating to (i) pollution, (ii) protection or restoration of the indoor or outdoor environment or natural resources, (iii) the transportation, treatment, storage or Release of, or exposure to, hazardous or toxic materials, (iv) the registration, manufacturing, sale, labeling or distribution of hazardous or toxic materials or products containing such materials (including the REACH Regulation and similar requirements), (v) process safety management or (vi) the protection of the public, worker health and safety or threatened or endangered species.

“HSE Liabilities” means all Liabilities relating to Hazardous Materials or relating to or arising under any applicable HSE Law or Governmental Approvals required or issued thereunder (including in either case any such Liability for corrective actions, removal, remediation or cleanup costs, investigation, monitoring or sampling obligations or costs, response

costs, financial assurance obligations or costs, natural resources damages, medical and other costs related to personal injuries, property damage, costs, fines, penalties or other sanctions).

“Indemnification Agreement” means the Indemnification and Reimbursement Agreement dated as of October 14, 2018 by and among (i) New HAPI Inc., a corporation organized under the Laws of the State of Delaware and (ii) Honeywell and the guarantee in respect of such Indemnification and Reimbursement Agreement entered into by each such party and the guarantor parties listed therein.

“Indemnifying Party” has the meaning set forth in Section 7.04(a).

“Indemnitee” has the meaning set forth in Section 7.04(a).

“Indemnity Payment” has the meaning set forth in Section 7.04(a).

“Information” means information, whether or not patentable, copyrightable or protectable as a trade secret, in written, oral, electronic or other tangible or intangible forms, stored in any medium now known or yet to be created, including studies, reports, records, books, Contracts, instruments, surveys, analyses, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications (including those by or to attorneys (whether or not subject to the attorney-client privilege)), memos and other materials (including those prepared by attorneys or under their direction (whether or not constituting attorney work product)) and other technical, financial, employee or business information or data, documents, correspondence, materials and files, in each case excluding any Intellectual Property Rights therein.

“Information Statement” means the Information Statement sent to the holders of Honeywell Common Stock in connection with the Distribution, as such Information Statement may be amended from time to time.

“Insurance Proceeds” means those monies:

- (a) received by an insured (or its successor-in-interest) from an insurance carrier;
- (b) paid by an insurance carrier on behalf of the insured (or its successor-in-interest); or
- (c) received (including by way of setoff) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability;

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments), net of any costs or expenses incurred in the collection thereof and net of any Taxes resulting from the receipt thereof.

“Intellectual Property Rights” means any and all intellectual property rights existing anywhere in the world, whether registered or unregistered, including such rights in and to any and all (a) Patents, invention disclosures and inventions, (b) Trademarks, (c) Copyrights, (d) Domain Names, (e) Software and (f) Trade Secrets.

“Intended Tax Treatment” has the meaning set forth in the Tax Matters Agreement.

“Intellectual Property License Agreement” means the Intellectual Property License Agreement that the Parties hereto intend to enter into prior to the Distribution.

“Intercompany Accounts” has the meaning set forth in Section 2.03(a).

“Intercompany Agreements” has the meaning set forth in Section 2.03(a).

“Intercompany Leases” means the real property leases by and between (i) a member of the Honeywell Group, as lessor, and a member of the SpinCo Group, as lessee, or (ii) a member of the SpinCo Group, as lessor, and a member of the Honeywell Group, as lessee, in each case, as set forth on Schedule XVII under the caption “Leases.”

“Intercompany Real Estate Licenses” means the real property licenses by and between a member of the Honeywell Group and a member of the SpinCo Group set forth on Schedule XVII under the caption “Real Estate Licenses.”

“Intercompany Subleases” means the real property subleases (i) by and between a member of the Honeywell Group, as sublessor, and a member of the SpinCo Group, as sublessee, and (ii) by and between a member of the SpinCo Group, as sublessor, and a member of the Honeywell Group, as sublessee (if any), in each case as set forth on Schedule XVII under the caption “Subleases.”

“IP Documentation” means all Intellectual Property Rights prosecution files, registration certificates, litigation files, and related opinions of counsel and correspondence relating thereto.

“Joint Actions” has the meaning set forth in Section 7.10(c).

“Key Role” has the meaning set forth in Section 10.02.

“Law” means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Governmental Approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended.

“Lease Assignments” means the assignments of real property leases and subleases by and between a member of the Honeywell Group, as assignor, and a member of the SpinCo Group, as assignee, in each case as set forth on Schedule XVII under the caption “Lease Assignments”.

“Liabilities” means any and all claims, debts, demands, actions, causes of action, suits, damages, fines, penalties, obligations, prohibitions, accruals, accounts payable, reckonings, bonds, indemnities and similar obligations, agreements, promises, guarantees, make-whole agreements and similar obligations, and other liabilities and requirements, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action, threatened or contemplated Action or any award of any arbitrator or mediator of any kind, and those arising under any Contract, including those arising under this Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person. For the avoidance of doubt, Liabilities shall include attorneys’ fees, the costs and expenses of all assessments, judgments, settlements and compromises, and any and all other costs and expenses whatsoever reasonably incurred in connection with anything contemplated by the preceding sentence (including costs and expenses incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions).

“Local Transfer Agreement” means any agreement set forth on Schedule XXVII.

“Mixed Action” means (x) any Action identified on Schedule XXI or (y) any other Action in respect of which an Indemnifying Party may be obligated to provide indemnification pursuant to this Agreement that involves both Honeywell Assets or Honeywell Liabilities, on the one hand, and SpinCo Assets or SpinCo Liabilities, on the other hand.

“Ongoing Relationship Agreements” means the ADI Supply Agreement by and between Honeywell and Ademco Inc., the Products Supply Agreement by and between Honeywell and Ademco Inc., the Transition Manufacturing Agreement by and between Honeywell and Ademco Inc. and the Services Agreements, in each case, dated as of the date hereof, including all side letters or other agreements relating to each such agreement.

“Party” means either party hereto, and “Parties” means both parties hereto.

“Patent License Agreement” means the Patent Cross-License Agreement dated as of the date of this Agreement by and between the Parties hereto.

“Patents” means patents (including all reissues, divisionals, continuations, continuations-in-part, reexaminations, substitutions and extensions thereof), utility models, patent registrations and applications, including provisional applications and statutory invention registrations.

“Person” means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability company, any other entity and any Governmental Authority.

“Plan of Reorganization” has the meaning set forth in Section 2.01(a).

“REACH Regulation” means Regulation (EC) No. 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals, including any implementing legislation or regulations, in each case as may be amended.

“Real Estate Separation Documents” means the Intercompany Leases, the Intercompany Subleases, the Intercompany Real Estate Licenses and the Lease Assignments.

“Record Date” means the close of business on the date determined by the Honeywell board of directors as the record date for determining the shares of Honeywell Common Stock in respect of which shares of SpinCo Common Stock will be distributed pursuant to the Distribution.

“Record Holders” has the meaning set forth in Section 6.01(b).

“Release” means any actual or threatened release, spill, emission, discharge, flow (whether through constructed or natural ditches, pipes, watercourses, overland flows or other means of conveyance), leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration into or through the indoor or outdoor environment (including ambient air, surface water, groundwater and surface or subsurface strata); provided that, for the avoidance of doubt, mere vehicular transportation from an initial location to an offsite location, without more, shall not be deemed to constitute a Release from that initial location to the offsite location.

“Reorganization” means the transactions described in the Plan of Reorganization.

“Representative” has the meaning set forth in Section 8.09.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

“Separation” means (a) the Reorganization and (b) any other transfers of Assets and assumptions of Liabilities, in each case, between a member of one Group and a member of the other Group, provided for in this Agreement or in any Ancillary Agreement.

“Services Agreements” means those agreements set forth on Schedule XXVIII.

“Shared Contract” means any Contract of any member of either Group with a third party that relates in any material respect to both the SpinCo Business and the Honeywell Business, including those set forth on Schedule XIII.

“Shared Trademark License Agreement” means the Shared Trademark License Agreement that the parties hereto intend to enter into prior to the Distribution.

“Software” means any and all (a) computer programs and applications, including any and all software implementations of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) computerized databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, in each case, related to the items listed in the foregoing clause (a) and (d) all documentation including user manuals and other training documentation related to any of the items listed in the foregoing clause (a).

“Specified Liabilities” means Claims (as defined in the Indemnification Agreement).

“SpinCo” has the meaning set forth in the preamble.

“SpinCo Account” means any bank and brokerage account owned by SpinCo or any other member of the SpinCo Group, including the SpinCo Accounts listed or described in Schedule XIV.

“SpinCo Assets” means, without duplication, the following Assets:

- (a) all Assets held by the SpinCo Group (other than Intellectual Property Rights);
- (b) all interests in the capital stock of, or other equity interests in, the members of the SpinCo Group (other than SpinCo) and all other equity, partnership, membership, joint venture and similar interests set forth on Schedule IV under the caption “Joint Ventures and Minority Investments”;
- (c) all Assets (other than Intellectual Property Rights) reflected on the SpinCo Business Balance Sheet, and all Assets (other than Intellectual Property Rights) acquired after the date of the SpinCo Business Balance Sheet that, had they been acquired on or before such date and owned as of such date, would have been reflected on the SpinCo Business Balance Sheet if prepared in accordance with GAAP applied on a consistent basis, subject to any dispositions of such Assets subsequent to the date of the SpinCo Business Balance Sheet;
- (d) the Assets listed or described on Schedule V;
- (e) the rights related to the SpinCo Portion of any Shared Contract;
- (f) the SpinCo Real Property;
- (g) the SpinCo IP and any IP Documentation related exclusively thereto;
- (h) all other Assets that are expressly provided by this Agreement or any Ancillary Agreement as Assets to be assigned to or retained by, or allocated to, any member of the SpinCo Group; and
- (i) all Assets (other than Intellectual Property Rights or IP Documentation) held by a member of the Honeywell Group that are determined by Honeywell, in good faith, to be primarily related to or used or held for use primarily in connection with the business or operations of the SpinCo Business prior to the Distribution (unless otherwise expressly provided in connection with this Agreement).

Notwithstanding the foregoing, the SpinCo Assets shall not include (i) any Honeywell Retained Assets or (ii) any Assets that are determined by Honeywell, in good faith prior to the Distribution, to arise primarily from the business or operations of the Honeywell Business (unless otherwise expressly provided in this Agreement).

“SpinCo Business” means the provision of products, solutions, and technologies that control residential energy efficiency, safety, and security, with a portfolio of connected devices and software, as well as wholesale distribution of security and low voltage products, in each case, as conducted by Honeywell and its Affiliates prior to the Distribution, including as described in the Information Statement; provided that the SpinCo Business shall not include any Former Business.

“SpinCo Business Balance Sheet” means the balance sheet of the SpinCo Business, including the notes thereto, as of June 30, 2018, included in the Information Statement.

“SpinCo Common Stock” means the common stock, \$0.001 par value per share, of SpinCo.

“SpinCo Copyrights” means (i) unregistered Copyrights that are owned by any member of the Honeywell Group or the SpinCo Group as of immediately prior to the Distribution and that are exclusively used in or related to the SpinCo Business and (ii) the registered or applied-for Copyrights identified on Schedule VI.

“SpinCo Credit Support Instruments” has the meaning set forth in Section 4.02(a).

“SpinCo Domain Names” means the Domain Names listed on Schedule VII.

“SpinCo Entities” means the entities, the equity, partnership, membership, limited liability, joint venture or similar interests of which are set forth on Schedule IV under the caption “Joint Ventures and Minority Investments.”

“SpinCo Group” means (a) SpinCo, (b) each Person that will be a Subsidiary of SpinCo immediately prior to the Distribution, including the entities set forth on Schedule IV under the caption “Subsidiaries”, (c) each Person set forth on Schedule IV under the caption “Other” and (d) each Person that becomes a Subsidiary of SpinCo after the Distribution, including in each case any Person that is merged or consolidated with or into SpinCo or any Subsidiary of SpinCo and any Person that becomes a Subsidiary of SpinCo as a result of transactions that occur following the Distribution in accordance with the Plan of Reorganization.

“SpinCo HSE Liabilities” means any HSE Liability, whether occurring or arising prior to, on or after the Distribution Date, (x) of the SpinCo Group or (y) to the extent (a) resulting from or otherwise relating to (i) any compliance or noncompliance with any HSE Law in connection with the operation of the SpinCo Business or any SpinCo Real Property, (ii) any Release, transportation, storage, disposal, treatment or recycling (or arrangement for such activities) of any Hazardous Material at, on, under, from or to any SpinCo Real Properties (regardless of the source, or location of the impact, of such Release), including any exposure to, or further Release to any other location of, such Hazardous Material, (iii) any Release, transportation, storage, disposal, treatment or recycling (or arrangement for such activities) of Hazardous Material at any third-party location in connection with the operation of the SpinCo Business (including any exposure to, or further Release to any other location of, such Hazardous Material), (iv) any exposure to Hazardous Materials (including those contained in any products manufactured, sold, distributed or marketed) in connection with the SpinCo Business or any SpinCo Asset, (v) compliance with the requirements of any real property transfer law associated with the Distribution or (vi) the transferred sites listed on Schedule XII or (b) otherwise resulting from or relating to the SpinCo Business or any SpinCo Asset; provided, that, for the avoidance of doubt, any HSE Liability that is a Specified Liability, regardless of whether or not such HSE Liability resulted from, related to or was in connection with the SpinCo Business shall not constitute a SpinCo HSE Liability.

“SpinCo IDs” means the invention disclosures listed or described on Schedule VIII.

“SpinCo Indemnitees” has the meaning set forth in Section 7.03.

“SpinCo IP” means (a) the SpinCo Patents, (b) the SpinCo Copyrights, (c) the SpinCo Domain Names, (d) the SpinCo Trade Secrets, (e) the SpinCo Trademarks, (f) the SpinCo IDs, (g) all other Intellectual Property Rights (other than Patents) owned by any member of the Honeywell Group or the SpinCo Group as of immediately prior to the Distribution that are exclusively used in or related to the SpinCo Business and (h) including in each case of the foregoing (a)-(g), all rights to prosecute and perfect the foregoing through administrative prosecution, registration, recordation, or other proceeding, and all causes of action and rights to sue or seek other remedies arising from or relating to the foregoing, including for any past or ongoing infringement, misuse, or misappropriation.

“SpinCo Liabilities” means, without duplication, the following Liabilities:

(a) all Liabilities of the SpinCo Group and the SpinCo Entities;

(b) all Liabilities to the extent relating to, arising out of or resulting from:

(i) the operation or conduct of the SpinCo Business as conducted at any time prior to the Distribution (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority), which act or failure to act relates to the SpinCo Business);

(ii) the operation or conduct of the SpinCo Business or any other business conducted by SpinCo or any other member of the SpinCo Group at any time after the Distribution (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person’s authority)); or

(iii) the SpinCo Assets;

(c) all Liabilities reflected as liabilities or obligations on the SpinCo Business Balance Sheet, and all Liabilities arising or assumed after the date of the SpinCo Business Balance Sheet that, had they arisen or been assumed on or before such date and been existing obligations as of such date, would have been reflected on the SpinCo Business Balance Sheet if prepared in accordance with GAAP applied on a consistent basis, subject to any discharge of such Liabilities subsequent to the date of the SpinCo Business Balance Sheet;

- (d) all SpinCo HSE Liabilities;
- (e) the Liabilities listed or described on Schedule X;
- (f) the obligations related to the SpinCo Portion of any Shared Contract;
- (g) all other Liabilities that are expressly provided by this Agreement or any Ancillary Agreement as Liabilities to be assumed or retained by, or allocated to, any member of the SpinCo Group; and
- (h) all Liabilities to the extent relating to, arising out of or resulting from any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in, or incorporated by reference into, the Form 10 and any other documents filed with the Commission in connection with the Spin-Off or as contemplated by this Agreement, other than with respect to the Honeywell Disclosure Sections.

Notwithstanding the foregoing, the SpinCo Liabilities shall not include (i) any Honeywell Retained Liabilities or (ii) any Liabilities that are determined by Honeywell, in good faith, to be primarily related to the business or operations of the Honeywell Business prior to the Distribution (unless otherwise expressly provided in this Agreement).

“SpinCo Patents” means the Patents listed on Exhibit A to the Patent License Agreement.

“SpinCo Policy Pre-Separation Insurance Claim” means any (a) claim made against the SpinCo Group or Honeywell Group and reported to the applicable insurer(s) prior to the Distribution Date in respect of an act or omission occurring prior to the Distribution Date that results in a Liability under a “claims-made-based” insurance policy of the SpinCo Group in effect prior to the Distribution Date or any extended reporting period thereof or (b) Action (whether made prior to, on or following the Distribution Date) in respect of a Liability occurring prior to the Distribution Date under an “occurrence-based” insurance policy of any member of the SpinCo Group in effect prior to the Distribution Date.

“SpinCo Portion” has the meaning set forth in Section 2.05(a).

“SpinCo Real Property” means the real property and real property interests identified in Schedule XI, and any fixtures or appurtenances associated therewith.

“SpinCo Trade Secrets” means the Trade Secrets that are owned by any member of the Honeywell Group or SpinCo Group as of immediately prior to the Distribution and that are exclusively used in or related to the SpinCo Business.

“SpinCo Trademarks” means the Trademarks identified on Schedule IX.

“Spin-Off” means the Separation and the Distribution.

“Subsidiary” of any Person means any corporation or other organization whether incorporated or unincorporated of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

“Surviving Honeywell Credit Support Instruments” has the meaning set forth in Section 4.01(a).

“Surviving SpinCo Credit Support Instruments” has the meaning set forth in Section 4.02(a).

“Tax Matters Agreement” means the Tax Matters Agreement dated as of the date of this Agreement by and between Honeywell and SpinCo.

“Tax Opinion Representations” has the meaning set forth in the Tax Matters Agreement.

“Taxes” has the meaning set forth in the Tax Matters Agreement.

“Third-Party Claim” means any written assertion by a Person (including any Governmental Authority) who is not a member of the Honeywell Group or the SpinCo Group of any claim, or the commencement by any such Person of any Action, against any member of the Honeywell Group or the SpinCo Group.

“Third-Party Proceeds” has the meaning set forth in Section 7.04(a).

“Trade Secrets” means all (i) confidential or proprietary information and (ii) all other forms and types of financial, business, scientific, technical, economic or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, know-how, programs or codes, whether tangible or intangible, and whether or how stored, compiled or memorialized physically, electronically, graphically, photographically or in writing, to the extent that the owner thereof has taken reasonable measures to keep such information secret and the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, the public.

“Trademark License Agreement” means the Trademark License Agreement dated as of the date of this Agreement between Honeywell and SpinCo.

“Trademarks” means trademarks, service marks, trade names, logos, slogans, trade dress or other source identifiers, including any registration or any application for registration therefor, together with all goodwill associated therewith.

“TSA” means the Transition Services Agreement, dated as of the date hereof, between Honeywell and Ademco Inc.

ARTICLE II

THE SEPARATION

Section 2.01 Transfer of Assets and Assumption of Liabilities.

(a) In accordance with the plan and structure set forth on Schedule I (such plan and structure being referred to herein as the “Plan of Reorganization”) and to the extent not previously effected pursuant to the steps of the Plan of Reorganization that have been completed prior to the date of this Agreement, subject to Section 2.01(e), prior to the Distribution, the Parties shall, and shall cause their respective Group members to, execute such instruments of assignment or transfer and take such other corporate actions as are necessary to:

(i) transfer and convey to one or more members of the SpinCo Group all of the right, title and interest of the Honeywell Group in, to and under all SpinCo Assets not already owned by the SpinCo Group,

(ii) transfer and convey to one or more members of the Honeywell Group all of the right, title and interest of the SpinCo Group in, to and under all Honeywell Assets not already owned by the Honeywell Group,

(iii) cause one or more members of the SpinCo Group to assume all of the SpinCo Liabilities to the extent such Liabilities would otherwise remain obligations of any member of the Honeywell Group, and

(iv) cause one or more members of the Honeywell Group to assume all of the Honeywell Liabilities to the extent such Liabilities would otherwise remain obligations of any member of the SpinCo Group, in each case of clauses (i) through (iv) in the manner contemplated by the Plan of Reorganization.

Notwithstanding anything to the contrary, neither Party shall be required to transfer any Information except as required by Article VIII or any insurance policies which are the subject of Article IX; provided, that any Information in respect of the Specified Liabilities shall be governed by the Indemnification Agreement.

(b) In the event that it is discovered after the Distribution that there was an omission of (i) the transfer or conveyance by SpinCo (or a member of the SpinCo Group) to, or the acceptance or assumption by, Honeywell (or a member of the Honeywell Group) of any Honeywell Asset or Honeywell Liability, as the case may be, (ii) the transfer or conveyance by Honeywell (or a member of the Honeywell Group) to, or the acceptance or assumption by, SpinCo (or a member of the SpinCo Group) of any SpinCo Asset or SpinCo Liability, as the case may be, or (iii) the transfer or conveyance by one Party (or any other member of its Group) to, or the acceptance or assumption by, the other Party (or any other member of its Group) of any Asset or Liability, as the case may be, that, had the Parties given specific consideration to such Asset or Liability prior

to the Distribution, would have otherwise been so transferred, conveyed, accepted or assumed, as the case may be, pursuant to this Agreement and the Ancillary Agreements the Parties shall use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption of such Asset or Liability, as the case may be. Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(b) shall be treated by the Parties for all purposes as if it had occurred prior to the Distribution, except as otherwise required by applicable Law or a Determination.

(c) In the event that it is discovered after the Distribution that there was a transfer or conveyance (i) by SpinCo (or a member of the SpinCo Group) to, or the acceptance or assumption by, Honeywell (or a member of the Honeywell Group) of any SpinCo Asset or SpinCo Liability, as the case may be, or (ii) by Honeywell (or a member of the Honeywell Group) to, or the acceptance or assumption by, SpinCo (or a member of the SpinCo Group) of any Honeywell Asset or Honeywell Liability, as the case may be, the Parties shall use reasonable best efforts to promptly transfer or convey such Asset or Liability back to the transferring or conveying Party or to rescind any acceptance or assumption of such Asset or Liability, as the case may be. Any transfer or conveyance made or acceptance or assumption rescinded pursuant to this Section 2.01(c) shall be treated by the Parties for all purposes as if such Asset or Liability had never been originally transferred, conveyed, accepted or assumed, as the case may be, except as otherwise required by applicable Law or a Determination.

(d) To the extent that any transfer or conveyance of any Asset (other than Shared Contracts, which are governed solely by Section 2.05; or the leasehold interests, subleasehold interests, license interests or other real property interests under the Real Estate Separation Documents, which are governed solely by Section 2.04); or acceptance or assumption of any Liability (other than Shared Contracts, which are governed solely by Section 2.05; or the leasehold interests, subleasehold interests, license interests or other real property interests under the Real Estate Separation Documents, which are governed solely by Section 2.04) required by this Agreement to be so transferred, conveyed, accepted or assumed shall not have been completed prior to the Distribution, the Parties shall use reasonable best efforts to effect such transfer, conveyance, acceptance or assumption as promptly following the Distribution as shall be practicable. Nothing in this Agreement shall be deemed to require the transfer or conveyance of any Assets or the acceptance or assumption of any Liabilities which by their respective terms (or the terms of any Contract relating to such Asset or Liability) or operation of Law cannot be so transferred, conveyed, accepted or assumed; provided, however, that the Parties shall use reasonable best efforts to obtain any necessary Governmental Approvals and other Consents for the transfer, conveyance, acceptance or assumption (as applicable) of all Assets and Liabilities required by this Agreement to be so transferred, conveyed, accepted or assumed. In the event that any such transfer, conveyance, acceptance or assumption (as applicable) has not been completed effective as of the Distribution, the Party retaining such Asset or Liability (or the member of the Party's Group retaining such Asset or Liability) shall thereafter hold such Asset for the use and benefit of the Party entitled thereto (at the expense of the Party entitled thereto) and retain such Liability for the account, and at the expense, of the Party by whom such Liability should have been assumed or accepted pursuant to this Agreement, and take such other actions as may be reasonably requested by the Party to which (or to the Group of which) such Asset should have been transferred or conveyed, or by whom (or by the Group of whom) such Liability should have been assumed or accepted, as the case may be, in order to place such Party or the member of its Group,

insofar as reasonably possible, in the same position as would have existed had such Asset or Liability been transferred, conveyed, accepted or assumed (as applicable) as and when contemplated by this Agreement, including in respect of possession, use, risk of loss, potential for gain and control over such Asset or Liability, as the case may be. As and when any such Asset or Liability becomes transferable or assumable, as the case may be, each Party shall, and shall cause the members of its Group to, use reasonable best efforts to promptly effect such transfer, conveyance, acceptance or assumption (as applicable). Any transfer, conveyance, acceptance or assumption made pursuant to this Section 2.01(d) shall be treated by the Parties for all purposes as if it had occurred immediately prior to the Distribution, except as otherwise required by applicable Law or a Determination.

(e) The Party retaining any Asset or Liability due to the deferral of the transfer and conveyance of such Asset or the deferral of the acceptance and assumption of such Liability pursuant to this Section 2.01 or otherwise shall not be obligated by this Agreement, in connection with this Section 2.01, to expend any money or take any action that would require the expenditure of money unless and to the extent the Party or the member of the Party's Group entitled to receive such Asset or intended to assume such Liability, as applicable, advances or agrees to reimburse it for the applicable expenditures.

(f) Without limiting any other provision hereof, in connection with the reorganization contemplated by Section 2.01(b), each of Honeywell and SpinCo will take, and will cause each member of its respective Group to take, such actions as are reasonably necessary to consummate the transactions contemplated by the Plan of Reorganization (whether prior to, at or after the Distribution). The Parties agree that the steps described in the Plan of Reorganization shall be effected in the order and manner prescribed in the Plan of Reorganization.

(g) In the event that Honeywell determines to seek novation with respect to any SpinCo Liability, SpinCo shall reasonably cooperate with, and shall cause the members of the SpinCo Group to reasonably cooperate with, Honeywell and the members of the Honeywell Group (including, where necessary, entering into appropriate instruments of assumption and, where necessary, SpinCo providing parent guarantees in support of the obligations of other members of the SpinCo Group) to cause such novation to be obtained, on terms reasonably acceptable to SpinCo, and to have Honeywell and the members of the Honeywell Group released from all liability to third parties arising after the date of such novation and in the event SpinCo determines to seek novation with respect to any Honeywell Liability, Honeywell shall reasonably cooperate with, and shall cause the members of the Honeywell Group to reasonably cooperate with, SpinCo and the members of the SpinCo Group (including, where necessary, entering into appropriate instruments of assumption and, where necessary, Honeywell providing parent guarantees in support of the obligations of other members of the Honeywell Group) to cause such novation to be obtained, on terms reasonably acceptable to Honeywell, and to have SpinCo and the members of the SpinCo Group released from all liability to third parties arising after the date of such novation; provided that neither Party nor any member of its Group shall be required to contribute capital, pay or grant any consideration or concession in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to cause such novation to be obtained (other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be reimbursed by the Party or the member of the Party's Group entitled to such Asset or intended to assume such Liability, as applicable, as promptly as reasonably practicable).

Section 2.02 Certain Matters Governed Exclusively by Ancillary Agreements. Each of Honeywell and SpinCo agrees on behalf of itself and the members of its Group that, except as explicitly provided in this Agreement or any Ancillary Agreement, (a) the Tax Matters Agreement shall exclusively govern all matters relating to Taxes between such parties (except to the extent that tax matters relating to employee and employee benefits-related matters are addressed in the Employee Matters Agreement), (b) the Employee Matters Agreement shall exclusively govern the allocation of Assets and Liabilities related to employee and employee compensation and benefits-related matters, including the outstanding awards (equity- and cash-based) under existing equity plans with respect to employees and former employees of members of both the Honeywell Group and the SpinCo Group (except to the extent that employee compensation and benefits-related reimbursements are addressed in the TSA) (it being understood that any such Assets and Liabilities, as allocated pursuant to the Employee Matters Agreement, shall constitute SpinCo Assets, SpinCo Liabilities, Honeywell Assets or Honeywell Liabilities, as applicable, hereunder and shall be subject to Article VII hereof), (c) the TSA shall exclusively govern all matters relating to the provision of certain services identified therein to be provided by each Party to the other on a transitional basis following the Distribution, (d) the Ongoing Relationship Agreements shall exclusively govern all matters relating to the provision of certain services and products identified therein to be provided by each Party to the other following the Distribution in accordance with the terms thereof, and (e) the Indemnification Agreement shall exclusively govern all matters relating to indemnification by the SpinCo Group with respect to, management of Actions and dissemination of Information relating to and control of privileges and immunities in connection with or with respect to, the Specified Liabilities. Except as set forth in this Section 2.02, in the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Ancillary Agreement or Ongoing Relationship Agreement, the provisions of this Agreement shall control (unless the Ancillary Agreement or Ongoing Relationship Agreement explicitly provides otherwise).

Section 2.03 Termination of Agreements.

(a) Except as set forth in Section 2.03(b) or Section 2.03(c) or as otherwise provided by the Plan of Reorganization, in furtherance of the releases and other provisions of Section 7.01, effective as of the Distribution, SpinCo and each other member of the SpinCo Group, on the one hand, and Honeywell and each other member of the Honeywell Group, on the other hand, hereby terminate any and all Contracts, arrangements, commitments and understandings, oral or written between such parties and in existence as of the Distribution Date ("Intercompany Agreements"), including all intercompany accounts payable or accounts receivable in effect or accrued as of the Distribution Date ("Intercompany Accounts"). No such terminated Intercompany Agreement or Intercompany Account (including any provision thereof that purports to survive termination) shall be of any further force or effect after the Distribution Date. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing. The Parties, on behalf of the members of their respective Groups, hereby waive any advance notice provision or other termination requirements with respect to any Intercompany Agreement.

(b) The provisions of Section 2.03(a) shall not apply to any of the following Intercompany Agreements or Intercompany Accounts (or to any of the provisions thereof): (i) this Agreement, the Ancillary Agreements and the Ongoing Relationship Agreements (and each other Intercompany Agreement or Intercompany Account expressly contemplated by this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement to be entered into by either Party or any other member of its Group); (ii) any Intercompany Agreements to which any third party is a party, including any Shared Contracts; (iii) any other Intercompany Agreements or Intercompany Accounts that this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement expressly contemplates will survive the Distribution Date; and those Intercompany Agreements and Intercompany Accounts set forth on Schedule XVIII.

(c) In connection with the termination of Intercompany Accounts described in Section 2.03(a), each of Honeywell and SpinCo shall cause each Intercompany Account between a member of the SpinCo Group, on the one hand, and a member of the Honeywell Group, on the other hand, outstanding as of the close of business on the business day immediately prior to the date of the Distribution to be settled on a net basis (whether via a dividend, a capital contribution, a combination of the foregoing or as otherwise agreed), in each case prior to the close of business on the date of the Distribution (except such Intercompany Accounts set forth on Schedule XVIII or any such intercompany payables or receivables arising pursuant to an Ancillary Agreement, an Ongoing Relationship Agreement or any other Intercompany Agreement that this Agreement, any Ancillary Agreement or Ongoing Relationship Agreement expressly contemplates will survive the Distribution Date, which shall instead be settled in accordance with the terms of Schedule XVIII, such Ancillary Agreement, such Ongoing Relationship Agreement or other Intercompany Agreement); provided that all intercompany balances set forth on Schedule XXVI shall be forgiven without any settlement or other action on the part of either of the Parties or the respective members of their respective Groups.

(d) (i) Honeywell and SpinCo each agrees to take, or cause the respective members of their respective Groups to take, prior to the Distribution (or as promptly as reasonably practicable thereafter), all actions necessary to amend all contracts or agreements governing (x) the Honeywell Accounts so that such Honeywell Accounts, if linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter “linked”) to any SpinCo Account, are de-linked from such SpinCo Accounts and (y) the SpinCo Accounts so that such SpinCo Accounts, if linked to any Honeywell Account, are de-linked from such Honeywell Accounts.

(ii) With respect to any outstanding checks issued by, or payments made by, Honeywell, SpinCo or any of their respective Subsidiaries prior to the Distribution, such outstanding checks shall be honored from and after the Distribution by the Person or Group owning the account on which the check is drawn, without limiting the ultimate allocation of Liability for such amounts under this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement.

(iii) As between Honeywell and SpinCo (and the members of their respective Groups), except to the extent prohibited by applicable Law or a Determination, all payments and reimbursements received after the Distribution by either Party (or a member of its Group) to which the other Party (or a member of its Group) is entitled under this Agreement, shall be held by such Party (or the applicable member of its Group) in trust for the use and benefit of the Person entitled thereto and, within 60 days of receipt by such Party (or the applicable member of its Group) of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party (or the applicable member of its Group), the amount of such payment or reimbursement without right of setoff.

(e) Each of Honeywell and SpinCo shall, and shall cause their respective Subsidiaries to, take all necessary actions to remove each of SpinCo and SpinCo's Subsidiaries from all Cash Management Arrangements to which it is a party, in each case prior to the close of business on the business day immediately prior to the Distribution Date.

Section 2.04 Real Estate Separation Documents. Prior to the Distribution, the Parties shall, and shall cause their respective applicable Group members to, use reasonable best efforts to obtain and make any necessary Consents and enter into the Real Estate Separation Documents to make the Real Estate Separation Documents effective at or prior to the Distribution; provided, however, that nothing in this Agreement shall be deemed to require entering into any Real Estate Separation Document unless and until any necessary Consents are obtained or made, as applicable; provided further that neither Party nor any member of its Group shall be required to contribute capital, pay or grant any consideration or concession in any form (including providing any letter of credit, guaranty or other financial accommodation or the relinquishment or forbearance of any rights) to any Person in order to obtain or make any such Consent (other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees). In the event any such Consents have not been obtained prior to the Distribution, the Parties shall use reasonable best efforts to obtain or make such Consent as promptly as reasonably practicable following the Distribution and, upon receipt of such Consent, shall execute the applicable Real Estate Separation Document. If any Real Estate Separation Document is not effective prior to the Distribution, then the Parties shall, and shall cause their respective Group members to, cooperate in any reasonable and permissible arrangement to provide that, following the Distribution and until such time as the effectiveness of the applicable Real Estate Separation Document shall cease (or, with respect to any Lease Assignment, until the expiration or earlier termination of the real property lease subject to such Lease Assignment), a member of the SpinCo Group shall receive the interest in the benefits and obligations of SpinCo or the applicable member of the SpinCo Group under the proposed terms of such Real Estate Separation Document and a member of the Honeywell Group shall receive the interest in the benefits and obligations of Honeywell or the applicable member of the Honeywell Group under the proposed terms of such Real Estate Separation Document. In the event of a conflict between this Agreement and any Real Estate Separation Document, the applicable Real Estate Separation Document shall govern. To the extent any matter is not addressed in a Real Estate Separation Document, but is addressed in this Agreement, the terms of this Agreement shall control as to such matter.

Section 2.05 Shared Contracts.

(a) Except as set forth on Schedule XIII, the Parties shall, and shall cause the members of their respective Groups to, use their respective reasonable best efforts to work together (and, if necessary and desirable, to work with the third party to such Shared Contract) in an effort to divide, partially assign, modify or replicate (in whole or in part) the respective rights and obligations under and in respect of any Shared Contract, such that (a) a member of the SpinCo Group is the beneficiary of the rights and is responsible for the obligations related to that portion of such Shared Contract relating to the SpinCo Business (the “SpinCo Portion”), which rights shall be a SpinCo Asset and which obligations shall be a SpinCo Liability, and (b) a member of the Honeywell Group is the beneficiary of the rights and is responsible for the obligations related to such Shared Contract not relating to the SpinCo Business (the “Honeywell Portion”), which rights shall be a Honeywell Asset and which obligations shall be a Honeywell Liability. Nothing in this Agreement shall require the division, partial assignment, modification or replication of a Shared Contract unless and until any necessary Consents are obtained or made, as applicable. If the Parties, or their respective Group members, as applicable, are not able to enter into an arrangement to formally divide, partially assign, modify or replicate such Shared Contract prior to the Distribution as contemplated by the previous sentence, then the Parties shall, and shall cause their respective Group members to, cooperate in any reasonable and permissible arrangement to provide that, following the Distribution and until the earlier of one year after the Distribution Date and such time as the formal division, partial assignment, modification or replication of such Shared Contract as contemplated by the previous sentence is effected, a member of the SpinCo Group shall receive the interest in the benefits and obligations of the SpinCo Portion under such Shared Contract and a member of the Honeywell Group shall receive the interest in the benefits and obligations of the Honeywell Portion under such Shared Contract, it being understood that no Party shall have Liability to the other Party for the failure of any third party to perform its obligations under any such Shared Contract.

(b) Nothing in this Section 2.05 shall require either Party or any member of their respective Groups to contribute capital, pay or grant any consideration or concession in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person (other than reasonable out-of-pocket expenses, attorneys’ fees and recording or similar fees, all of which shall be reimbursed by the Party or the member of the Party’s Group entitled to such Asset or intended to assume such Liability, as applicable, as promptly as reasonably practicable). For avoidance of doubt, reasonable out-of-pocket expenses, and recording or similar fees shall not include any purchase price, license fee or other payment or compensation for the procurement of any asset secured to replace an Asset in the course of a Party’s obligation under Section 2.05(a).

Section 2.06 Disclaimer of Representations and Warranties. Each of Honeywell (on behalf of itself and each other member of the Honeywell Group) and SpinCo (on behalf of itself and each other member of the SpinCo Group) understands and agrees that, except as expressly set forth in this Agreement, any Ancillary Agreement or the Tax Opinion Representations, no party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement or any Ancillary Agreement is representing or warranting in any way as to any Assets or Liabilities transferred or assumed as contemplated hereby or thereby, as to the sufficiency of the Assets or Liabilities transferred or assumed hereby or thereby for the conduct and operations of the SpinCo Business or the Honeywell Business, as applicable, as to any Governmental Approvals or other Consents required in connection therewith or in connection with any past transfers of the Assets or assumptions of the Liabilities, as to the value or freedom from any Security Interests of, or any other matter concerning, any Assets or Liabilities of such party, or as to the absence of any defenses or rights of setoff or freedom from counterclaim with respect to any claim or other Asset, including any accounts receivable, of any such party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Asset or thing of value upon the execution, delivery and filing hereof or thereof, and each of Honeywell (on behalf of itself and each other member of the Honeywell Group) and SpinCo (on behalf of itself and each other member of the SpinCo Group) has relied only on the representations and warranties expressly contained in Section 12.01(c), in any Ancillary Agreement or the Tax Opinion Representations. Except as may expressly be set forth herein or in any Ancillary Agreement, any such Assets are being transferred on an “as is,” “where is” basis and the respective transferees shall bear the economic and legal risks that (a) any conveyance shall prove to be insufficient to vest in the transferee good and marketable title, free and clear of any Security Interest and (b) any necessary Governmental Approvals or other Consents are not obtained or that any requirements of Laws or judgments are not complied with.

Section 2.07 Waiver of Bulk-Sale and Bulk-Transfer Laws. SpinCo hereby waives compliance by each and every member of the Honeywell Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Assets to any member of the SpinCo Group. Honeywell hereby waives compliance by each and every member of the SpinCo Group with the requirements and provisions of any “bulk-sale” or “bulk-transfer” Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Honeywell Assets to any member of the Honeywell Group.

Section 2.08 Cash Adjustment. Each of Honeywell and SpinCo agrees to take the actions set forth on Schedule XVI.

ARTICLE III

RECORDATION OF INTELLECTUAL PROPERTY RIGHTS ASSIGNMENT AGREEMENTS

Section 3.01 Recordation. Each Party, as an assignee of Intellectual Property Rights pursuant to this Agreement or the Plan of Reorganization, shall have the sole responsibility, at its sole cost and expense (including any expenses associated with obtaining any required notarizations, certifications or apostilles, or with any other local requirements), to prepare and file any applicable Intellectual Property Rights assignment agreements and any other forms or documents with the appropriate Governmental Authorities as required to record the transfer of any registrations or applications of Honeywell IP or SpinCo IP that is allocated under this Agreement or the Plan of Reorganization, as applicable, and the relevant assignor Party hereby consents to such recordation of any such documents, forms and agreements provided to it for approval.

ARTICLE IV

CREDIT SUPPORT

Section 4.01 Replacement of Honeywell Credit Support.

(a) SpinCo shall use reasonable best efforts to arrange, at its sole cost and expense and effective on or prior to the Distribution Date, the termination or replacement of all guarantees, covenants, indemnities, surety bonds, letters of credit or similar assurances or credit support (“Credit Support Instruments”) provided by or through Honeywell or any other member of the Honeywell Group for the benefit of SpinCo or any other member of the SpinCo Group (“Honeywell Credit Support Instruments”), other than any of the Honeywell Credit Support Instruments set forth on Schedule XIX (the “Surviving Honeywell Credit Support Instruments”), with alternate arrangements that do not require any credit support from Honeywell or any other member of the Honeywell Group, and shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments written releases (which in the case of a letter of credit or bank guarantee would be effective upon surrender of the original Honeywell Credit Support Instrument to the originating bank and such bank’s confirmation to Honeywell of cancelation thereof) indicating that Honeywell or such other member of the Honeywell Group will, effective upon the consummation of the Distribution, have no liability with respect to such Credit Support Instruments, in each case reasonably satisfactory to Honeywell.

(b) In furtherance of Section 4.01(a), to the extent required to obtain a removal or release from a Honeywell Credit Support Instrument, SpinCo or an appropriate member of the SpinCo Group shall execute an agreement substantially in the form of the existing Honeywell Credit Support Instrument or such other form as is agreed to by the relevant parties to such agreement, except to the extent that such existing Honeywell Credit Support Instrument contains representations, covenants or other terms or provisions (i) with which SpinCo or the appropriate member of the SpinCo Group would be reasonably unable to comply or (ii) which would be reasonably expected to be breached by SpinCo or the appropriate member of the SpinCo Group.

(c) If SpinCo is unable to obtain, or to cause to be obtained, all releases from Honeywell Credit Support Instruments pursuant to Section 4.01(a) and Section 4.01(b) on or prior to the Distribution, (i) without limiting SpinCo’s obligations under Article VII, SpinCo shall cause the relevant member of the SpinCo Group that has assumed the Liability with respect to such Credit Support Instrument to indemnify and hold harmless the guarantor or obligor for any Liability arising from or relating thereto in accordance with the provisions of Article VII and to, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder, (ii) with respect to such Credit Support Instruments that are in the form of a letter of credit or bank guarantee, SpinCo shall provide Honeywell with letters of credit or guarantees, in each case issued by a bank reasonably acceptable to Honeywell, against losses arising from all such Credit Support Instruments, or if Honeywell agrees in writing, cash collateralize the full amount of any outstanding Credit Support Instrument with respect to which such release has not been obtained, (iii) except as set forth in Schedule XIX, with respect to such Credit Support Instrument, each of Honeywell and SpinCo, on behalf of themselves and the members of their respective Groups, agree, except as otherwise expressly required by the terms of a Contract with a third party in effect as of the Distribution, not to renew or extend the term of, increase its obligations under or transfer to a third Person, any loan, guarantee, lease, sublease, license, Contract or other obligation for which the other Party or any member of the other Party’s Group is or may be liable under such Credit Support Instrument unless all obligations of the other Party and the other members of the other Party’s Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to the other Party and (iv) with respect to the Expected Surviving Guarantees, Honeywell and SpinCo shall take the actions set forth on Schedule XXV. The provisions of clauses (i), (ii) and (iii) of the foregoing sentence shall also apply to all Surviving Honeywell Credit Support Instruments.

Section 4.02 Replacement of SpinCo Credit Support.

(a) Honeywell shall use reasonable best efforts to arrange, at its sole cost and expense and effective on or prior to the Distribution Date, the termination or replacement of all Credit Support Instruments provided by or through SpinCo or any other member of the SpinCo Group for the benefit of Honeywell or any other member of the Honeywell Group (“SpinCo Credit Support Instruments”), other than any of the SpinCo Credit Support Instruments set forth on Schedule XX (the “Surviving SpinCo Credit Support Instruments”), with alternate arrangements that do not require any credit support from SpinCo or any other member of the SpinCo Group, and shall use reasonable best efforts to obtain from the beneficiaries of such Credit Support Instruments written releases (which in the case of a letter of credit or bank guarantee would be effective upon surrender of the original SpinCo Credit Support Instrument to the originating bank and such bank’s confirmation to SpinCo of cancelation thereof) indicating that SpinCo or such other member of the SpinCo Group will, effective upon the consummation of the Distribution, have no liability with respect to such Credit Support Instruments, in each case reasonably satisfactory to SpinCo.

(b) In furtherance of Section 4.02(a), to the extent required to obtain a removal or release from a SpinCo Credit Support Instrument, Honeywell or an appropriate member of the Honeywell Group shall execute an agreement substantially in the form of the existing SpinCo Credit Support Instrument or such other form as is agreed to by the relevant parties to such agreement, except to the extent that such existing SpinCo Credit Support Instrument contains representations, covenants or other terms or provisions (i) with which Honeywell or the appropriate member of the Honeywell Group would be reasonably unable to comply or (ii) which would be reasonably expected to be breached by Honeywell or the appropriate member of the Honeywell Group.

(c) If Honeywell is unable to obtain, or to cause to be obtained, all releases from SpinCo Credit Support Instruments pursuant to Section 4.02(a) and Section 4.02(b) on or prior to the Distribution, (i) without limiting Honeywell’s obligations under Article VII, Honeywell shall cause the relevant member of the Honeywell Group that has assumed the Liability with respect to such Credit Support Instrument to indemnify and hold harmless the guarantor or obligor for any Liability arising from or relating thereto in accordance with the provisions of Article VII and to, as agent or subcontractor for such guarantor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor

thereunder, (ii) with respect to such Credit Support Instruments that are in the form of a letter of credit or bank guarantee, Honeywell shall provide SpinCo with letters of credit or guarantees, in each case issued by a bank reasonably acceptable to SpinCo, against losses arising from all such Credit Support Instruments, or if SpinCo agrees in writing, cash collateralize the full amount of any outstanding Credit Support Instrument with respect to which such release has not been obtained and (iii) except as set forth in Schedule XV, with respect to such Credit Support Instrument, each of Honeywell and SpinCo, on behalf of themselves and the members of their respective Groups, agree, except as otherwise expressly required by the terms of a Contract with a third party in effect as of the Distribution, not to renew or extend the term of, increase its obligations under or transfer to a third Person, any loan, guarantee, lease, sublease, license, Contract or other obligation for which the other Party or any member of the other Party's Group is or may be liable under such Credit Support Instrument unless all obligations of the other Party and the other members of the other Party's Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to the other Party. The provisions of clauses (i), (ii) and (iii) of the foregoing sentence shall also apply to all Surviving SpinCo Credit Support Instruments.

Section 4.03 Manner of Indemnification. Any claims for indemnification under this Article IV shall be made in the manner set forth in Section 7.05 and Section 7.06 and are subject to the provisions set forth in Section 7.07, Section 7.08 and Section 7.09.

ARTICLE V

ACTIONS PENDING THE DISTRIBUTION

Section 5.01 Actions Prior to the Distribution.

(a) Subject to the conditions specified in Section 5.02 and subject to Section 6.03, Honeywell and SpinCo shall use reasonable best efforts to consummate the Distribution. Such efforts shall include taking the actions specified in this Section 5.01.

(b) Prior to the Distribution, Honeywell shall mail notice of Internet availability of the Information Statement or the Information Statement to the Record Holders.

(c) SpinCo shall prepare, file with the Commission and use its reasonable best efforts to cause to become effective any registration statements or amendments thereto required to effect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the transactions contemplated by this Agreement, any of the Ancillary Agreements or any of the Ongoing Relationship Agreements.

(d) Honeywell and SpinCo shall take all such action as may be necessary or appropriate under the securities or blue sky laws of the states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the Distribution.

(e) SpinCo shall prepare and file, and shall use reasonable best efforts to have approved prior to the Distribution, an application for the listing of the SpinCo Common Stock to be distributed in the Distribution on the Exchange, subject to official notice of distribution.

(f) Prior to the Distribution, Honeywell, in its capacity as sole stockholder of SpinCo, shall have duly elected to the SpinCo board of directors the individuals listed as members of the SpinCo board of directors in the Information Statement, and such individuals shall be the members of the SpinCo board of directors effective as of immediately after the Distribution; provided, however, that to the extent required by any Law or requirement of the Exchange or any other national securities exchange, as applicable, one independent director shall be appointed by the existing board of directors of SpinCo prior to the date on which “when-issued” trading of the SpinCo Common Stock begins on the Exchange and begin his or her term prior to the Distribution and shall serve on SpinCo’s Audit Committee, Compensation Committee and Nominating and Governance Committee.

(g) Prior to the Distribution, Honeywell shall deliver or cause to be delivered to SpinCo resignations, effective as of immediately after the Distribution, of each individual who will be an employee of any member of the Honeywell Group after the Distribution and who is an officer or director of any member of the SpinCo Group immediately prior to the Distribution.

(h) Immediately prior to the Distribution, the Amended and Restated Certificate of Incorporation and the Amended and Restated By-laws of SpinCo, each in substantially the form filed as an exhibit to the Form 10, shall be in effect.

(i) Honeywell and SpinCo shall, subject to Section 6.03, take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 5.02 to be satisfied and to effect the Distribution on the Distribution Date.

(j) Prior to the Distribution, SpinCo shall make capital and other expenditures and operate its cash management, accounts payable and receivables collection systems in the ordinary course of business consistent with prior practice except as required in connection with the transactions contemplated by this Agreement, the Ancillary Agreements and the Ongoing Relationship Agreements.

Section 5.02 Conditions Precedent to Consummation of the Distribution. Subject to Section 6.03, as soon as practicable after the date of this Agreement, the Parties shall use reasonable best efforts to satisfy the following conditions prior to the consummation of the Distribution. The obligations of the Parties to consummate the Distribution shall be conditioned on the satisfaction, or waiver by Honeywell, of the following conditions:

(a) The board of directors of Honeywell shall have authorized and approved the Separation and Distribution and not withdrawn such authorization and approval, and shall have declared the dividend of SpinCo Common Stock to Honeywell shareholders.

(b) Each Ancillary Agreement and each Ongoing Relationship Agreement shall have been executed by each party to such agreement.

(c) The SpinCo Common Stock shall have been accepted for listing on the Exchange or another national securities exchange approved by Honeywell, subject to official notice of issuance.

(d) The Commission shall have declared effective the Form 10, no stop order suspending the effectiveness of the Form 10 shall be in effect and no proceedings for that purpose shall be pending before or threatened by the Commission.

(e) Honeywell shall have received the written opinion of each of Cleary Gottlieb Steen & Hamilton LLP and KPMG LLP, each of which shall remain in full force and effect, that, subject to the accuracy of and compliance with the relevant Tax Opinion Representations, the Distribution will qualify for its Intended Tax Treatment.

(f) The Reorganization shall have been completed in accordance with the Plan of Reorganization (other than those steps that are expressly contemplated to occur at or after the Distribution).

(g) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Distribution shall be in effect, and no other event outside the control of Honeywell shall have occurred or failed to occur that prevents the consummation of the Distribution.

(h) No other events or developments shall have occurred prior to the Distribution that, in the judgment of the board of directors of Honeywell, would result in the Distribution having a material adverse effect on Honeywell or the shareholders of Honeywell.

(i) The actions set forth in Section 5.01(b), (f), (g) and (h) shall have been completed.

The foregoing conditions are for the sole benefit of Honeywell and shall not give rise to or create any duty on the part of Honeywell or the Honeywell board of directors to waive or not waive such conditions or in any way limit the right of Honeywell to terminate this Agreement as set forth in Article XII or alter the consequences of any such termination from those specified in such Article. Any determination made by the Honeywell board of directors prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 5.02 shall be conclusive.

ARTICLE VI

THE DISTRIBUTION

Section 6.01 The Distribution.

(a) SpinCo shall cooperate with Honeywell to accomplish the Distribution and shall, at the direction of Honeywell, use its reasonable best efforts to promptly take any and all actions necessary or desirable to effect the Distribution. Honeywell shall select any investment bank or manager in connection with the Distribution, as well as any financial printer,

distribution agent and financial, legal, accounting and other advisors for Honeywell. Honeywell or SpinCo, as the case may be, will provide, or cause the applicable member of its Group to provide, to the Agent all share certificates and any information required in order to complete the Distribution.

(b) Subject to the terms and conditions set forth in this Agreement, (i) after completion of the Reorganization and on or prior to the Distribution Date, for the benefit of and distribution to the holders of Honeywell Common Stock as of the Record Date (“Record Holders”), Honeywell will deliver to the Agent all of the issued and outstanding shares of SpinCo Common Stock then owned by Honeywell or any other member of the Honeywell Group and book-entry authorizations for such shares and (ii) on the Distribution Date, Honeywell shall instruct the Agent to distribute, by means of a pro rata dividend based on the aggregate number of shares of Honeywell Common Stock held by each applicable Record Holder, to each Record Holder (or such Record Holder’s bank or brokerage firm on such Record Holder’s behalf) electronically, by direct registration in book-entry form, the number of shares of SpinCo Common Stock to which such Record Holder is entitled based on a distribution ratio determined by Honeywell in its sole discretion. The Distribution shall be effective at 12:01 a.m. New York City time on the Distribution Date. On or as soon as practicable after the Distribution Date, the Agent will mail to each Record Holder an account statement indicating the number of shares of SpinCo Common Stock that have been registered in book-entry form in the name of such Record Holder.

Section 6.02 Fractional Shares. Record Holders holding a number of shares of Honeywell Common Stock on the Record Date that would entitle such holders to receive less than one whole share (in addition to any whole shares) of SpinCo Common Stock in the Distribution will receive cash in lieu of such fractional share. Fractional shares of SpinCo Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. The Agent and Honeywell shall, as soon as practicable after the Distribution Date, (a) determine the number of whole shares and fractional shares of SpinCo Common Stock allocable to each Record Holder, (b) aggregate all fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions at then prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests and (c) distribute to each such holder, or for the benefit of each beneficial owner, such holder’s or owner’s ratable share of the net proceeds of such sale, based upon the average gross selling price per share of SpinCo Common Stock after making appropriate deductions for any amount required to be withheld under applicable Tax Law and less any brokers’ charges, commissions or transfer Taxes. The Agent, in its sole discretion, will determine the timing and method of selling such fractional shares, the selling price of such fractional shares and the broker-dealer through which such fractional shares will be sold; provided, however, that the designated broker-dealer is not an Affiliate of Honeywell or SpinCo. Neither Honeywell nor SpinCo will pay any interest on the proceeds from the sale of fractional shares.

Section 6.03 Sole Discretion of Honeywell. Honeywell shall, in its sole and absolute discretion, determine the Record Date, the Distribution Date and all terms of the Distribution, including the form, structure and terms of any transactions or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition and notwithstanding anything to the contrary set forth below, Honeywell may at any time and from time to time until

the Distribution decide to abandon the Distribution or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution.

ARTICLE VII

MUTUAL RELEASES; INDEMNIFICATION

Section 7.01 Release of Pre-Distribution Claims.

(a) Except as provided in Section 7.01(c) or elsewhere in this Agreement, the Ancillary Agreements or the Ongoing Relationship Agreements, effective as of the Distribution, SpinCo does hereby, for itself and each other member of the SpinCo Group, their respective Affiliates, and to the extent it may legally do so, successors and assigns and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), remise, release and forever discharge Honeywell and the other members of the Honeywell Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the Honeywell Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all SpinCo Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off. This Section 7.01(a) shall not affect Honeywell's indemnification obligations with respect to Liabilities arising on or before the Distribution Date under Article IX of its Amended and Restated Certificate of Incorporation, as in effect on the date on which the event or circumstances giving rise to such indemnification obligation occur.

(b) Except as provided in Section 7.01(c) or elsewhere in this Agreement, the Ancillary Agreements or the Ongoing Relationship Agreements, effective as of the Distribution, Honeywell does hereby, for itself and each other member of the Honeywell Group, their respective Affiliates, and to the extent it may legally do so, successors and assigns and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the Honeywell Group (in each case, in their respective capacities as such), remise, release and forever discharge SpinCo, the other members of the SpinCo Group, their respective Affiliates, successors and assigns, and all Persons who at any time on or prior to the Distribution have been shareholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Honeywell Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution, including in connection with the Spin-Off and all other activities to implement the Spin-Off.

(c) Nothing contained in Section 7.01(a) or (b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement, any Ongoing Relationship Agreement, or any Intercompany Agreement or Intercompany Account that is specified in Section 2.03(b) not to terminate as of the Distribution, in each case in accordance with its terms. Nothing contained in Section 7.01(a) or (b) shall release:

(i) any Person from any Liability provided in or resulting from any Contract among any members of the Honeywell Group or the SpinCo Group that is specified in Section 2.03(b) as not to terminate as of the Distribution, or any other Liability specified in such Section 2.03(b) as not to terminate as of the Distribution;

(ii) any Person from any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement;

(iii) any Person from any Liability provided in or resulting from any other Contract that is entered into after the Distribution between one Party (or a member of such Party's Group), on the one hand, and the other Party (or a member of such Party's Group), on the other hand;

(iv) any Person from any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement for claims brought against the Parties, the members of their respective Groups or any of their respective directors, officers, employees or agents, by third Persons, which Liability shall be governed by the provisions of this Article VII or, if applicable, the appropriate provisions of the relevant Ancillary Agreement or Ongoing Relationship Agreement; or

(v) any Person from any Liability the release of which would result in the release of any Person not otherwise intended to be released pursuant to this Section 7.01.

(d) SpinCo shall not make, and shall not permit any other member of the SpinCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Honeywell or any other member of the Honeywell Group, or any other Person released pursuant to Section 7.01(a), with respect to any Liabilities released pursuant to Section 7.01(a). Honeywell shall not make, and shall not permit any other member of the Honeywell Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against SpinCo or any other member of the SpinCo Group, or any other Person released pursuant to Section 7.01(b), with respect to any Liabilities released pursuant to Section 7.01(b).

(e) It is the intent of each of Honeywell and SpinCo, by virtue of the provisions of this Section 7.01, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Distribution Date, between or among SpinCo or any other member of the SpinCo Group, on the one hand, and Honeywell or any other member of the Honeywell Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date), except as set forth in Section 7.01(c) or elsewhere in this Agreement or in any Ancillary Agreement or Ongoing Relationship Agreement. At any time, at the request of the other Party, each Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

Section 7.02 Indemnification by SpinCo. Subject to Section 7.04, and without limiting any indemnification obligation of SpinCo or its Affiliates under the Trademark License Agreement or any other Ancillary Agreement, SpinCo shall indemnify, defend and hold harmless Honeywell, each other member of the Honeywell Group and each of their respective former and current directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Honeywell Indemnitees"), from and against any and all Liabilities of the Honeywell Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the SpinCo Liabilities, including the failure of SpinCo or any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liability in accordance with its terms (including, for the avoidance of doubt, all such Actions and Third-Party Claims set forth in Article VII to the extent they are SpinCo Liabilities);

(b) any breach by SpinCo or any other member of the SpinCo Group of this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by SpinCo of any of the representations and warranties made by SpinCo on behalf of itself and the members of the SpinCo Group in Section 12.01(c).

Section 7.03 Indemnification by Honeywell. Subject to Section 7.04, and except to the extent SpinCo or its Affiliates are obligated to indemnify Honeywell or its Affiliates under the Trademark License or any other Ancillary Agreement, Honeywell shall indemnify, defend and hold harmless SpinCo, each other member of the SpinCo Group and each of their respective former and current directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "SpinCo Indemnitees"), from and against any and all Liabilities of the SpinCo Indemnitees relating to, arising out of or resulting from any of the following items (without duplication):

(a) the Honeywell Liabilities, including the failure of Honeywell or any other member of the Honeywell Group or any other Person to pay, perform or otherwise promptly discharge any Honeywell Liability in accordance with its terms (including, for the avoidance of doubt, all such Actions or Third-Party Claims set forth in Article VII to the extent they are Honeywell Liabilities);

(b) any breach by Honeywell or any other member of the Honeywell Group of this Agreement or any Ancillary Agreement unless such Ancillary Agreement expressly provides for separate indemnification therein (which shall be controlling); and

(c) any breach by Honeywell of any of the representations and warranties made by Honeywell on behalf of itself and the members of the Honeywell Group in Section 12.01(c).

Notwithstanding anything to the contrary herein, the payment of any amount pursuant to the Indemnification Agreement shall not be indemnified pursuant to this Article VII.

Section 7.04 Indemnification Obligations Net of Insurance Proceeds and Third-Party Proceeds.

(a) The Parties intend that any Liability subject to indemnification or reimbursement pursuant to this Agreement will be net of (i) Insurance Proceeds that actually reduce the amount of, or are paid to the applicable Indemnatee in respect of, such Liability or (ii) other amounts recovered from any third party that actually reduce the amount of, or are paid to the applicable Indemnatee in respect of, such Liability (“Third-Party Proceeds”). Accordingly, the amount that either Party (an “Indemnifying Party”) is required to pay to any Person entitled to indemnification or reimbursement pursuant to this Agreement (an “Indemnatee”) will be reduced by any Insurance Proceeds or Third-Party Proceeds theretofore actually recovered by or on behalf of the Indemnatee from a third party in respect of the related Liability. If an Indemnatee receives a payment required by this Agreement from an Indemnifying Party in respect of any Liability (an “Indemnity Payment”) and subsequently receives Insurance Proceeds or Third-Party Proceeds in respect of such Liability, then the Indemnatee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if such Insurance Proceeds or Third-Party Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or have any subrogation rights with respect thereto by virtue of the indemnification provisions hereof, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a “wind-fall” (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof. Subject to Section 7.10, each member of the Honeywell Group and SpinCo Group shall use reasonable best efforts to seek to collect or recover any Insurance Proceeds and any Third-Party Proceeds to which such Person is entitled in connection with any Liability for which such Person seeks indemnification pursuant to this Article VII; provided, however, that such Person’s inability to collect or recover any such Insurance Proceeds or Third-Party Proceeds shall not limit the Indemnifying Party’s obligations hereunder.

(c) The calculation of any Indemnity Payments required by this Agreement shall be subject to Section 5.04 of the Tax Matters Agreement.

Section 7.05 Procedures for Indemnification of Third-Party Claims.

(a) If an Indemnatee shall receive notice or otherwise learn of a Third-Party Claim with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnatee pursuant to this Agreement (including Article IV), such Indemnatee shall give such Indemnifying Party written notice thereof as soon as reasonably practicable, but no later than thirty (30) days after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail and shall include, (i) the basis for, and nature of, such Third-Party Claim, including the facts constituting the basis for such Third-Party Claim, (ii) the estimated amount of Losses that have been or may be sustained by the Indemnatee in connection with such Third-Party Claim and (iii) copies of all notices and documents (including court papers) received by the Indemnatee relating to the Third-Party Claim; provided, however, that any such notice need only specify such information to the knowledge of the Indemnatee as of the date of such notice and shall not limit or prejudice any of the rights or remedies of any Indemnatee on the basis of any limitations on the information included in such notice, including any such limitations made in good faith to preserve the attorney-client privilege, work product doctrine or any other privilege. Notwithstanding the foregoing, the failure of any Indemnatee or other Person to give notice as provided in this Section 7.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article VII, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice in accordance with this Section 7.05(a). Each Party shall be deemed to have been provided written notice pursuant to this Section 7.05(a) with respect to Third-Party Claims set forth in Schedules XXII – XXIV for which such Party is an Indemnifying Party.

(b) Except with respect to such Third-Party Claims set forth in Schedules XXII–XXIV, the Indemnifying Party shall have the right, exercisable by written notice to the Indemnitee within thirty (30) calendar days after receipt of notice from an Indemnitee in accordance with Section 7.05(a) (or sooner, if the nature of such Third-Party Claim so requires), to assume and conduct the defense of such Third-Party Claim in accordance with the limits set forth in this Agreement with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee; provided, however, that (x) SpinCo shall not be entitled to control the defense of any Third-Party Claim in respect of a Mixed Action and (y) the Indemnifying Party shall not have the right to control the defense of any Third-Party Claim to the extent such Third-Party Claim seeks criminal penalties or injunctive or other equitable relief (other than any such injunctive or other equitable relief that is solely incidental to the granting of money damages).

(c) If the Indemnifying Party elects not to assume the defense of a Third-Party Claim (or is not permitted to assume the defense of such Third-Party Claim) in accordance with this Agreement, or fails to notify an Indemnitee of its election as provided in Section 7.05(b), such Indemnitee may defend such Third-Party Claim. If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnitees shall, subject to the terms of this Agreement, cooperate with the Indemnifying Party with respect to the defense of such Third-Party Claim.

(d) If the Indemnifying Party elects (and is permitted) to assume the defense of a Third-Party Claim in accordance with the terms of this Agreement, the Indemnifying Party will not be liable for any additional legal expenses subsequently incurred by the Indemnitee in connection with the defense of the Third-Party Claim; provided, however, that if the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third-Party Claim, or the nature of such Third-Party Claim changes such that the Indemnifying Party would no longer be entitled to assume the defense of such Third-Party Claim pursuant to Section 7.05(b), the Indemnitee may assume its own defense, and the Indemnifying Party will be liable for all reasonable costs or expenses paid or incurred in connection with such defense. The Indemnifying Party or the Indemnitee, as the case may be, shall have the right to participate in (but, subject to the prior sentence, not control), at its own expense, the defense of any Third-Party Claim that the other is defending as provided in this Agreement. In the event, however, that such Indemnitee reasonably determines that representation by counsel to the Indemnifying Party of both such Indemnifying Party and the Indemnitee could reasonably be expected to present such counsel with a conflict of interest, then the Indemnitee may employ separate counsel to represent or defend it in any such action or proceeding and the Indemnifying Party will pay the reasonable fees and expenses of such counsel.

(e) No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any Third-Party Claim without the consent of the applicable Indemnitee or Indemnitees; provided, however, that such Indemnitee (s) shall be required to consent to such entry of judgment or to such settlement that the Indemnifying Party may recommend if the judgment or settlement (i) contains no finding or admission of any violation of Law or any violation of the rights of any Person, (ii) involves only monetary relief which the Indemnifying Party has agreed to pay and (iii) includes a full and unconditional release of the Indemnitee. Notwithstanding the foregoing, in no event shall an Indemnitee be required to consent to any entry of judgment or settlement if the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly, against any Indemnitee.

(f) Whether or not the Indemnifying Party assumes the defense of a Third-Party Claim, no Indemnitee shall admit any liability with respect to, or settle, compromise or discharge, such Third-Party Claim without the Indemnifying Party's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

Section 7.06 Additional Matters.

(a) Any claim on account of a Liability that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the related Indemnifying Party. Any failure by an Indemnitee to give notice shall not relieve the Indemnifying Party's indemnification obligations under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure. Such Indemnifying Party shall have a period of sixty (60) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 60-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such sixty-day (60-day) period or rejects such claim in whole or in part, such Indemnitee shall be free to pursue such remedies as may be available to such Party as contemplated by this Agreement.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

Section 7.07 Remedies Cumulative. The remedies provided in this Article VII shall be cumulative and, subject to the provisions of Article XI, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

Section 7.08 Survival of Indemnities. The rights and obligations of each of Honeywell and SpinCo and their respective Indemnitees under this Article VII shall survive the sale or other transfer by any Party or its Affiliates of any Assets or businesses or the assignment by it of any Liabilities.

Section 7.09 Limitation on Liability. Except as may expressly be set forth in this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement, none of Honeywell, SpinCo or any other member of either Group shall in any event have any Liability to the other or to any other member of the other's Group, or to any other Honeywell Indemnitee or SpinCo Indemnitee, as applicable, under this Agreement for any indirect, special, punitive or consequential damages, whether or not caused by or resulting from negligence or breach of obligations hereunder and whether or not informed of the possibility of the existence of such damages; provided, however, that the provisions of this Section 7.09 shall not limit an Indemnifying Party's indemnification obligations hereunder with respect to any Liability any Indemnitee may have to any third party not affiliated with any member of the Honeywell Group or the SpinCo Group for any indirect, special, punitive or consequential damages. Notwithstanding the foregoing, nothing in this Section 7.09 shall limit the Liability of Honeywell, SpinCo or any other member of either Group to the other or to any other member of the other's Group, or to any other Honeywell Indemnitee or SpinCo Indemnitee, as applicable, with respect to breaches of Section 8.01, Section 8.04, Section 8.05, Section 8.07 or Section 8.09.

Section 7.10 Management of Existing Actions. This Section 7.10 shall govern the management and direction of pending Actions or existing Third-Party Claims set forth in Schedule XXII, Schedule XXIII or Schedule XXIV, in which members of the Honeywell Group or the SpinCo Group are named as parties, but shall not alter the allocation of Liabilities set forth in Article II unless otherwise expressly set forth in this Section 7.10.

(a) From and after the Distribution, the SpinCo Group shall direct the defense or prosecution of any Actions or Third-Party Claims set forth on Schedule XXII.

(b) From and after the Distribution, the Honeywell Group shall direct the defense or prosecution of any Actions or Third-Party Claims set forth on Schedule XXIII.

(c) From and after the Distribution, the Parties shall separately but cooperatively manage (whether as co-defendants or co-plaintiffs) any Actions or Third-Party Claims set forth in Schedule XXIV ("Joint Actions"). The Parties shall reasonably cooperate and consult with each other, and to the extent permissible and necessary or advisable, maintain a joint defense in a manner that would preserve for both Parties and their respective Affiliates any attorney-client privilege, joint defense or other privilege with respect to any Joint Action. Notwithstanding anything to the contrary herein, and except as set forth in Schedule XXIV, the Parties may jointly retain counsel (in which case the cost of counsel shall be shared by the Parties in accordance with the allocation of Liabilities set forth in Article II) or retain separate counsel (in which case each Party will bear the cost of its separate counsel) with respect to any Joint Action; provided that the Parties shall bear their own discovery costs and shall share joint litigation costs in accordance with the allocation of Liabilities set forth in Article II. In any Joint Action, each of Honeywell and SpinCo may pursue separate defenses, claims, counterclaims or settlements to those claims relating to the Honeywell Business or the SpinCo Business, respectively; provided that each Party shall in good faith make reasonable best efforts to avoid adverse effects on the other Party.

(d) To the maximum extent permitted by applicable Law, the rights to recovery of each Party's Subsidiaries in respect of any past, present or future Action or Third-Party Claim is hereby delegated to such Party. It is the intent of the Parties that the foregoing delegation shall satisfy any Law requiring such delegation to be effected pursuant to a power of attorney or similar instrument. The Parties and their respective Subsidiaries shall execute such further instruments or documents as may be necessary to effect such delegation.

(e) No Party managing an Action or Third-Party Claim pursuant to Section 7.10 shall consent to entry of any judgment or enter into any settlement of any such Action or Third-Party Claim without the prior written consent of the other Party (not to be unreasonably withheld, conditioned or delayed); provided, however, that such non-managing Party shall be required to consent to such entry of judgment or to such settlement that the managing Party may recommend if the judgment or settlement (i) contains no finding or admission of any violation of Law or any violation of the rights of any Person, (ii) involves only monetary relief which the managing Party has agreed to pay and (iii) includes a full and unconditional release of the non-managing Party. Notwithstanding the foregoing, in no event shall a non-managing Party be required to consent to an entry of judgment or settlement if the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly, against the non-managing Party's Group.

ARTICLE VIII

ACCESS TO INFORMATION; PRIVILEGE; CONFIDENTIALITY

Section 8.01 Agreement for Exchange of Information; Archives

(a) Except in the case of an Adversarial Action or threatened Adversarial Action, and subject to Section 8.01(b), each of Honeywell and SpinCo, on behalf of its respective Group, shall provide, or cause to be provided, to the other Party, at any time after the Distribution, as soon as reasonably practicable after written request therefor, (i) any Information relating to time periods on or prior to the Distribution Date in the possession or under the control of such respective Group, which Honeywell or SpinCo, or any member of its respective Group, as applicable, reasonably needs (A) to comply with reporting, disclosure, filing or other requirements imposed on Honeywell or SpinCo, or any member of its respective Group, as applicable (including under applicable securities Laws), by any national securities exchange or any Governmental Authority having jurisdiction over Honeywell or SpinCo, or any member of its respective Group, as applicable, (B) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, regulatory, litigation or other similar requirements or (C) to comply with its obligations under this Agreement (other than with respect to those obligations in Section 2.01(a)), any Ancillary Agreement or any Ongoing Relationship Agreement and (ii) all tangible embodiments of any Intellectual Property Rights that are assigned or licensed to such other Party under this Agreement or any Ancillary Agreement (other than the Intellectual Property License Agreement), and all Information related thereto, including Software source code and object code in a form reasonably acceptable to the other Party; in each case, that, as of immediately following the Distribution, are in existence and in the reasonable possession or control of the assigning or licensing Party or one of its Group members, as applicable, and except to the extent already in the possession of the receiving Party or one of its Group members. The receiving Party shall use any Information received pursuant to Section 8.01(a)(i) solely to the extent reasonably necessary to satisfy the applicable obligations or requirements described in clause (A), (B) or (C) of the immediately preceding sentence.

(b) Subject to the Data Transfer Agreement, in the event that either Honeywell or SpinCo determines that the disclosure of any Information or other materials pursuant to Section 8.01(a) could be commercially detrimental, violate any Law or Contract or waive or jeopardize any attorney-client privilege or attorney work product protection, such Party shall not be required to provide access to or furnish such Information or other materials to the other Party; provided, however, that both Honeywell and SpinCo shall take all commercially reasonable measures to permit compliance with Section 8.01(a) in a manner that avoids any such harm or consequence. Both Honeywell and SpinCo intend that any provision of access to or the furnishing of Information or other materials pursuant to this Section 8.01 that would otherwise be within the ambit of any legal privilege shall not operate as waiver of such privilege.

(c) Honeywell and SpinCo each agrees that it will only process personal data provided to it by the other Group in accordance with the Data Transfer Agreement.

Section 8.02 Ownership of Information. Any Information or other materials owned by one Group that is provided to the requesting Party hereunder shall be deemed to remain the property of the providing Party. Except as specifically set forth herein, nothing herein shall be construed as granting or conferring rights of license or otherwise in any such Information or other materials.

Section 8.03 Compensation for Providing Information. Honeywell and SpinCo shall reimburse each other for the reasonable costs, if any, in complying with a request for Information pursuant to this Article VIII. Except as may be otherwise specifically provided elsewhere in this Agreement, such costs shall be computed in accordance with SpinCo's or Honeywell's, as applicable, standard methodology and procedures, but shall not include any mark-up above actual costs.

Section 8.04 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VIII and other provisions of this Agreement, each Party shall use its reasonable best efforts to retain all Information in such Party's possession relating to the other Party or its businesses, Assets or Liabilities, this Agreement or the Ancillary Agreements in accordance with its respective record retention policies or such longer period as required by Law, this Agreement or the Ancillary Agreements. Each of Honeywell and SpinCo shall use their reasonable best efforts to maintain and continue their respective Group's compliance with all "litigation holds" applicable to any Information in its possession for the pendency of the applicable matter.

Section 8.05 Accounting Information. Without limiting the generality of Section 8.01 but subject to Section 8.01(b):

(a) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards or as required by Law for Honeywell to prepare consolidated financial statements or complete a financial statement audit for any period during which the financial results of the SpinCo Group were consolidated with those of Honeywell), SpinCo shall use its reasonable best efforts to enable Honeywell to meet its timetable for dissemination of its financial statements and to enable Honeywell's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) SpinCo shall authorize and direct its auditors to make available to Honeywell's auditors, within a reasonable time prior to the date of Honeywell's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of SpinCo and (y) work papers related to such annual audits and quarterly reviews, to enable Honeywell's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of SpinCo's auditors as it relates to Honeywell's auditors' opinion or report and (ii) until all governmental audits are complete, SpinCo shall provide reasonable access during normal business hours for Honeywell's internal auditors, counsel and other designated representatives to (x) the premises of SpinCo and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of SpinCo and its Subsidiaries and (y) the officers and employees of SpinCo and its Subsidiaries, so that Honeywell may conduct reasonable audits relating to the financial statements provided by SpinCo and its Subsidiaries; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of the SpinCo Group.

(b) Until the end of the first full fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards or as required by Law), Honeywell shall use its reasonable best efforts to enable SpinCo to meet its timetable for dissemination of its financial statements and to enable SpinCo's auditors to timely complete their annual audit and quarterly reviews of financial statements. As part of such efforts, to the extent reasonably necessary for the preparation of financial statements or completing an audit or review of financial statements or an audit of internal control over financial reporting, (i) Honeywell shall authorize and direct its auditors to make available to SpinCo's auditors, within a reasonable time prior to the date of SpinCo's auditors' opinion or review report, both (x) the personnel who performed or will perform the annual audits and quarterly reviews of Honeywell and (y) work papers related to such annual audits and quarterly reviews, to enable SpinCo's auditors to perform any procedures they consider reasonably necessary to take responsibility for the work of Honeywell's auditors as it relates to SpinCo's auditors' opinion or report and (ii) until all governmental audits are complete, Honeywell shall provide reasonable access during normal business hours for SpinCo's internal auditors, counsel and other designated representatives to (x) the premises of Honeywell and its Subsidiaries and all Information (and duplicating rights) within the knowledge, possession or control of Honeywell and its Subsidiaries and (y) the officers and employees of Honeywell and its Subsidiaries, so that SpinCo may conduct reasonable audits relating to the financial statements provided by Honeywell and its Subsidiaries; provided, however, that such access shall not be unreasonably disruptive to the business and affairs of the Honeywell Group.

(c) In order to enable the principal executive officer(s) and principal financial officer(s) (as such terms are defined in the rules and regulations of the Commission) of Honeywell to make any certifications required of them under Section 302 or 906 of the Sarbanes-Oxley Act of 2002, SpinCo shall, within a reasonable period of time following a request from Honeywell in anticipation of filing such reports, cause its principal executive officer(s) and principal financial officer(s) to provide Honeywell with certifications of such officers in support of the certifications of Honeywell's principal executive officer(s) and principal financial officer(s) required under Section 302 or 906 of the Sarbanes-Oxley Act of 2002 with respect to Honeywell's Quarterly Report on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs (unless such quarter is the fourth fiscal quarter), each subsequent fiscal quarter through the third fiscal quarter of the year in which the Distribution Date occurs and Honeywell's Annual Report on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs. Such certifications shall be provided in substantially the same form and manner as such SpinCo officers provided prior to the Distribution (reflecting any changes in certifications necessitated by the Spin-Off or any other transactions related thereto) or as otherwise agreed upon between Honeywell and SpinCo.

Section 8.06 Limitations of Liability.

(a) Each of Honeywell (on behalf of itself and each other member of the Honeywell Group) and SpinCo (on behalf of itself and each other member of the SpinCo Group) understands and agrees that neither Party is representing or warranting in any way as to the accuracy or sufficiency of any Information exchanged or disclosed under this Agreement.

(b) Neither Honeywell nor SpinCo shall have any Liability to the other Party in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or that is based on an estimate or forecast, is found to be inaccurate in the absence of wilful misconduct by the providing Person. Neither Honeywell nor SpinCo shall have any Liability to the other Party if any Information is destroyed after reasonable best efforts by SpinCo or Honeywell, as applicable, to comply with the provisions of Section 8.04.

Section 8.07 Production of Witnesses; Records; Cooperation.

(a) Without limiting any of the rights or obligations of the Parties pursuant to Section 8.01 or Section 8.04, after the Distribution Date, except in the case of an Adversarial Action or threatened or contemplated Adversarial Action, each of Honeywell and SpinCo shall use their reasonable best efforts to make available, upon written request, (i) the former, current and future directors, officers, employees, other personnel and agents of the Persons in its respective Group (whether as witnesses or otherwise) and (ii) any books, records or other documents within its control or that it otherwise has the ability to make available, in each case, to the extent that such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action, Commission comment or review or threatened or contemplated Action, Commission comment or review (including preparation for any such Action, Commission comment or review) in which either Honeywell or SpinCo or any Person or Persons in its Group, as applicable, may from time to time be involved, regardless of whether such Action, Commission comment or review or threatened or contemplated Action, Commission comment or review is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) Without limiting the foregoing, Honeywell and SpinCo shall use their reasonable best efforts to cooperate and consult with each other to the extent reasonably necessary with respect to any Actions or threatened or contemplated Actions (including in connection with preparation for any such Action), other than an Adversarial Action or threatened or contemplated Adversarial Action.

(c) The obligation of Honeywell and SpinCo, pursuant to this Section 8.07, to use their reasonable best efforts to make available former, current and future directors, officers, employees and other personnel and agents or provide witnesses and experts, except in the case of an Adversarial Action or threatened or contemplated Adversarial Action, is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to make available employees and other officers without regard to whether such individual or the employer of such individual could assert a possible business conflict. Without limiting the foregoing, each of Honeywell and SpinCo agrees that neither it nor any Person or Persons in its respective Group will take any adverse action against any employee of its Group based on such employee's provision of assistance or information to each other pursuant to this Section 8.07.

Section 8.08 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Distribution (whether by outside counsel, in-house counsel or other legal professionals) have been and will be rendered for the collective benefit of each of the members of the Honeywell Group and the SpinCo Group, and that each of the members of the Honeywell Group and the SpinCo Group shall be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Distribution, which services will be rendered solely for the benefit of the Honeywell Group or the SpinCo Group, as the case may be.

(b) The Parties agree as follows:

(i) Honeywell shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to the Honeywell Business and not to the SpinCo Business, whether or not the privileged Information is in the possession or under the control of any member of the Honeywell Group or any member of the SpinCo Group. Honeywell shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to any Honeywell Assets or Honeywell Liabilities and not any SpinCo Assets or SpinCo Liabilities in connection with any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Honeywell Group or any member of the SpinCo Group.

(ii) SpinCo shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to the SpinCo Business and not to the Honeywell Business, whether or not the privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Honeywell Group. SpinCo shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any privileged Information that relates solely to any SpinCo Assets or SpinCo Liabilities and not any Honeywell Assets or Honeywell Liabilities in connection with any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the Honeywell Group.

(iii) If the Parties do not agree as to whether certain information is privileged Information, then such Information shall be treated as privileged Information, and the Party that believes that such information is privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information until such time as it is finally judicially determined that such information is not privileged Information or unless the Parties otherwise agree.

(c) Subject to the remaining provisions of this Section 8.08, the Parties agree that Honeywell shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities not allocated pursuant to Section 8.08 (b) in connection with any Actions or threatened or contemplated Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement. Honeywell agrees, on behalf of itself and each member of the Honeywell Group, not to intentionally disclose or otherwise intentionally waive any such privilege or protection without consulting SpinCo. Upon the reasonable request of Honeywell or SpinCo, in connection with any Action or threatened or contemplated Action contemplated by this Article VIII, other than any Adversarial Action or threatened or contemplated Adversarial Action, Honeywell and SpinCo will enter into a mutually acceptable common interest agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of either Group.

(d) If any dispute arises between the Parties or any members of their respective Group regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party or any member of their respective Groups, each Party agrees that it shall (i) negotiate with the other Party in good faith, (ii) endeavor to minimize any prejudice to the rights of the other Party and the members of its Group and (iii) not unreasonably withhold, delay or condition consent to any request for waiver by the other Party.

(e) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request (or of written notice that it will or has received such subpoena, discovery or other request) that may reasonably be expected to result in the production or disclosure of privileged Information subject to a shared privilege or immunity or as to which the other Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge or becomes aware that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests (or have received written notice that they will or have received such subpoena, discovery or other requests) that may reasonably be expected to result in the production or disclosure of such privileged Information, such Party shall promptly notify the other Party of the existence of any such subpoena, discovery or other request and shall provide the other Party a reasonable opportunity to review the privileged Information and to assert any rights it or they may have, under this Section 8.08 or otherwise, to prevent the production or disclosure of such privileged Information; provided that if such Party is prohibited by applicable Law from disclosing the existence of such subpoena, discovery or other request, such Party shall provide written notice of such related information for which disclosure is not prohibited by applicable Law and use reasonable best efforts to inform the other Party of any related information such Party reasonably determines is necessary or appropriate for the other Party to be informed of to enable the other Party to review the privileged Information and to assert its rights, under this Section 8.08 or otherwise, to prevent the production or disclosure of such privileged Information.

(f) The Parties agree that their respective rights to any access to Information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise. The Parties further agree that (i) the exchange by one Party to the other Party of any Information that should not have been exchanged pursuant to the terms of Section 8.09 shall not be deemed to constitute a waiver of any privilege or immunity that has been or may be asserted under this Agreement or otherwise with respect to such privileged Information and (ii) the Party receiving such privileged Information shall promptly return such privileged Information to the Party who has the right to assert the privilege or immunity.

Section 8.09 Confidential Information.

(a) Each of Honeywell and SpinCo, on behalf of itself and each Person in its respective Group, shall hold, and cause its respective directors, officers, employees, agents, accountants, subcontractors, counsel and other advisors and representatives (each, a “Representative”) to hold, in strict confidence, not release or disclose and protect with at least the same degree of care, but no less than a reasonable degree of care, that it applies to its own confidential and proprietary information pursuant to policies in effect as of the Distribution Date, all proprietary or confidential Information concerning the other Group or its business (other than such Information that also relates to any business of such first Party or its Group) that is either in its possession (including such Information in its possession prior to the Distribution) or furnished by the other Group or its respective Representatives at any time pursuant to this Agreement, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder, except, in each case, to the extent that such Information is (i) in the public domain through no fault of any member of the Honeywell Group or the SpinCo Group, as applicable, or any of its respective Representatives, (ii) later lawfully acquired from other sources by any of Honeywell, SpinCo or its respective Group, Representatives, as applicable, which sources are not themselves bound by a confidentiality obligation to the knowledge of any of Honeywell, SpinCo or Persons in its respective Group, as applicable, (iii) independently generated after the date hereof without reference to any proprietary or confidential Information of the Honeywell Group or the SpinCo Group, as applicable, or (iv) required to be disclosed by Law; provided, however, that the Person required to disclose such Information gives the applicable Person prompt, and to the extent reasonably practicable and legally permissible, prior notice of such disclosure and an opportunity to contest such disclosure and shall use reasonable best efforts to cooperate, at the expense of the requesting Person, in seeking any reasonable protective arrangements requested by such Person. In the event that such appropriate protective order or other remedy is not obtained, the Person that is required to disclose such Information shall furnish, or cause to be furnished, only that portion of such Information that is legally required to be disclosed and shall use reasonable best efforts to ensure that confidential treatment is accorded such Information. Notwithstanding the foregoing, each of Honeywell and SpinCo may release or disclose, or permit to be released or disclosed, any such proprietary or confidential Information exclusively concerning the other Group (x) to their respective Representatives who need to know such Information (who shall be advised of the obligations hereunder with respect to such Information), and (y) to any nationally recognized statistical rating organization as it reasonably deems necessary, solely for the purpose of obtaining a rating of securities or other debt instruments upon normal terms and conditions; provided, however, that, with respect to clause (x) hereof, (i) such Representatives shall keep such Information confidential and will not disclose such Information to any other Person, (ii) such Representatives shall not use such non-public information in a manner that is detrimental to the interests of the Party whose Information is being disclosed and (iii) each Party agrees that it is responsible to the other Party for any action or failure to act that would constitute a breach or violation of this Section 8.09(a) by any such Representative; and, with respect to clause (y) hereof, the Party whose Information is being disclosed or released to such rating organization is promptly notified thereof.

(b) Without limiting the foregoing, when any proprietary or confidential Information exclusively concerning the other Group or its business is no longer needed for the purposes contemplated by this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement, each of Honeywell and SpinCo will, promptly after the request of the other Party, either return all such Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party, as applicable, that it has destroyed such Information, other than, in each case, any such Information electronically preserved or recorded within any computerized data storage device or component (including any hard-drive or database) pursuant to automatic or routine backup procedures generally accessible only by legal, IT or compliance personnel.

ARTICLE IX

INSURANCE

Section 9.01 Maintenance of Insurance. Until the Distribution Date, Honeywell shall (i) cause the members of the SpinCo Group and their respective employees, officers and directors to continue to be covered as insured parties under Honeywell's policies of insurance in a manner which is no less favorable than the coverage provided for the Honeywell Group and (ii) permit the members of the SpinCo Group and their respective employees, officers and directors to submit claims arising from or relating to facts, circumstances, events or matters that occurred prior to the Distribution Date to the extent permitted under such policies. With respect to policies currently procured by SpinCo for the sole benefit of the SpinCo Group, SpinCo shall continue to maintain such insurance coverage through the Distribution Date in a manner no less favorable than currently provided. Except as otherwise expressly permitted in this Article IX, Honeywell and SpinCo acknowledge that, as of immediately prior to the Distribution Date, Honeywell intends to take such action as it may deem necessary or desirable to remove the members of the SpinCo Group and their respective employees, officers and directors as insured parties under any policy of insurance issued to any member of the Honeywell Group by any insurance carrier effective immediately prior to the Distribution Date. Subject to Section 9.02, the SpinCo Group will not be entitled, on or following the Distribution Date, absent mutual agreement otherwise, to make any claims for insurance thereunder to the extent such claims are based upon facts, circumstances, events or matters occurring on or after the Distribution Date or to the extent any claims are made pursuant to any Honeywell claims-made policies on or after the Distribution Date. No member of the Honeywell Group shall be deemed to have made any representation or warranty as to the availability of any coverage under any such insurance policy. Notwithstanding the foregoing, Honeywell shall, and shall cause the other members of the Honeywell Group to, use reasonable best efforts to take such actions as are necessary to cause all insurance policies of the Honeywell Group that immediately prior to the Distribution provide coverage to or with respect to the members of the SpinCo Group and their respective employees, officers and directors to continue to provide such coverage with respect to acts, omissions or events occurring prior to the Distribution in accordance with their terms as if the Distribution had not occurred; provided, however, that in no event shall Honeywell be required to extend or maintain coverage under claims-made policies with respect to any claims first made against a member of the SpinCo Group or first reported to the insurer on or after the Distribution.

Section 9.02 Claims Under Honeywell Insurance Policies.

(a) On and after the Distribution Date, the members of each of the Honeywell Group and the SpinCo Group shall have the right to assert Honeywell Policy Pre-Separation Insurance Claims and the members of the SpinCo Group shall have the right to participate with Honeywell to resolve Honeywell Policy Pre-Separation Insurance Claims under the applicable Honeywell insurance policies up to the full extent of the applicable and available limits of liability of such policy. Honeywell shall have primary control over those Honeywell Policy Pre-Separation Insurance Claims for which the Honeywell Group or the SpinCo Group, respectively, bears the underlying loss, subject to the terms and conditions of the relevant policy of insurance governing such control. If a member of the SpinCo Group is unable to assert a Honeywell Policy Pre-Separation

Insurance Claim because it is no longer an “insured” under a Honeywell insurance policy, then Honeywell shall, to the extent permitted by applicable Law and the terms of such insurance policy, assert such claim in its own name and deliver the Insurance Proceeds to SpinCo.

(b) With respect to Honeywell Policy Pre-Separation Insurance Claims, whether or not known or reported on or prior to the Distribution Date, SpinCo shall, or shall cause the applicable member of the SpinCo Group to, report such claims arising from the SpinCo Business as soon as practicable to each of Honeywell and the applicable insurer(s), and SpinCo shall, or shall cause the applicable member of SpinCo Group to, individually, and not jointly, assume and be responsible (including, upon the request of Honeywell, by reimbursement to Honeywell for amounts paid or payable by it) for the reimbursement liability (including any deductible, coinsurance or retention payment) related to its portion of the liability, unless otherwise agreed in writing by Honeywell. Each of Honeywell and SpinCo shall, and shall cause each member of the Honeywell Group and SpinCo Group, respectively, to, cooperate and assist the applicable member of the SpinCo Group and the Honeywell Group, as applicable, with respect to such claims. The applicable member of the SpinCo Group shall provide to Honeywell any collateral (or a letter of credit in an amount equal to the value of such collateral) in respect of the reimbursement obligations as may reasonably be requested by the insurers and, upon the request of Honeywell, any other collateral required by the insurers in respect of insurance policies under which Honeywell Policy Pre-Separation Insurance Claims may be recoverable based upon Honeywell’s reasonable estimate of the proportion of the requested collateral attributable to claims that may be made by the SpinCo Group. Honeywell agrees that Honeywell Policy Pre-Separation Insurance Claims of members of the SpinCo Group shall receive the same priority as Honeywell Policy Pre-Separation Insurance Claims of members of the Honeywell Group and be treated equitably in all respects, including in connection with deductibles, retentions and coinsurance.

Section 9.03 Claims Under SpinCo Insurance Policies.

(a) On and after the Distribution Date, the members of each of the SpinCo Group and the Honeywell Group shall have the right to assert SpinCo Policy Pre-Separation Insurance Claims and the members of the Honeywell Group shall have the right to participate with SpinCo to resolve SpinCo Policy Pre-Separation Insurance Claims under the applicable SpinCo insurance policies up to the full extent of the applicable and available limits of liability of such policy. SpinCo or Honeywell, as the case may be, shall have primary control over those SpinCo Policy Pre-Separation Insurance Claims for which the SpinCo Group or the Honeywell Group, respectively, bears the underlying loss, subject to the terms and conditions of the relevant policy of insurance governing such control. If a member of the Honeywell Group is unable to assert a SpinCo Policy Pre-Separation Insurance Claim because it is no longer an “insured” under a SpinCo insurance policy, then SpinCo shall, to the extent permitted by applicable Law and the terms of such insurance policy, assert such claim in its own name and deliver the Insurance Proceeds to Honeywell.

(b) With respect to SpinCo Policy Pre-Separation Insurance Claims, whether or not known or reported on or prior to the Distribution Date, Honeywell shall, or shall cause the applicable member of the Honeywell Group to, report such claims arising from the Honeywell Business as soon as practicable to each of SpinCo and the applicable insurer(s), and Honeywell shall, or shall cause the applicable member of Honeywell Group to, individually, and not jointly, assume and be responsible (including, upon the request of SpinCo, by reimbursement to SpinCo for amounts paid or payable by it) for the reimbursement liability (including any deductible, coinsurance or retention payment) related to its portion of the liability, unless otherwise agreed in writing by SpinCo. Each of SpinCo and Honeywell shall, and shall cause each member of the SpinCo Group and Honeywell Group, respectively, to, cooperate and assist the applicable member of the Honeywell Group and the SpinCo Group, as applicable, with respect to such claims. The applicable member of the Honeywell Group shall provide to SpinCo any collateral (or a letter of credit in an amount equal to the value of such collateral) in respect of the reimbursement obligations as may reasonably be requested by the insurers and, upon the request of SpinCo, any other collateral required by the insurers in respect of insurance policies under which SpinCo Policy Pre-Separation Insurance Claims may be recoverable based upon SpinCo's reasonable estimate of the proportion of the requested collateral attributable to claims that may be made by the Honeywell Group. SpinCo agrees that SpinCo Policy Pre-Separation Insurance Claims of members of the Honeywell Group shall receive the same priority as SpinCo Policy Pre-Separation Insurance Claims of members of the SpinCo Group and be treated equitably in all respects, including in connection with deductibles, retentions and coinsurance.

Section 9.04 Insurance Proceeds. Any Insurance Proceeds received by the Honeywell Group for members of the SpinCo Group or by the SpinCo Group for members of the Honeywell Group shall be for the benefit, respectively, of the SpinCo Group and the Honeywell Group. Any Insurance Proceeds received for the benefit of both the Honeywell Group and the SpinCo Group shall be distributed pro rata based on the respective share of the underlying loss.

Section 9.05 Claims Not Reimbursed. Honeywell shall not be liable to SpinCo for claims, or portions of claims, not reimbursed by insurers under any policy for any reason, including coinsurance provisions, deductibles, quota share deductibles, self-insured retentions, bankruptcy or insolvency of any insurance carrier(s), policy limitations or restrictions (including exhaustion of limits), any coverage disputes, any failure to timely file a claim by any member of the Honeywell Group or any member of the SpinCo Group or any defect in such claim or its processing. In the event that insurable claims of both Honeywell and SpinCo (or the members of their respective Groups) exist relating to the same occurrence, the Parties shall jointly defend and waive any conflict of interest necessary to the conduct of the joint defense and shall not settle or compromise any such claim without the consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed subject to the terms and conditions of the applicable insurance policy). Nothing in this Section 9.05 shall be construed to limit or otherwise alter in any way the obligations of the Parties, including those created by this Agreement, by operation of Law or otherwise.

Section 9.06 D&O Policies. On and after the Distribution Date, Honeywell shall not, and shall cause the members of the Honeywell Group not to, take any action that would limit the coverage of the individuals who acted as directors or officers of SpinCo (or members of the SpinCo Group) prior to the Distribution Date under any directors and officers liability insurance policies or fiduciary liability insurance policies (collectively, “D&O Policies”) maintained by the members of the Honeywell Group in respect of claims relating to a period prior to the Distribution Date. Honeywell shall, and shall cause the members of the Honeywell Group to, reasonably cooperate with the individuals who acted as directors or officers of SpinCo (or members of the SpinCo Group) prior to the Distribution Date in their pursuit of any coverage claims under such D&O Policies which could inure to the benefit of such individuals. Honeywell shall, and shall cause members of the Honeywell Group to, allow SpinCo and its agents and representatives, upon reasonable prior notice and during regular business hours, to examine the relevant D&O Policies maintained by Honeywell and members of the Honeywell Group pursuant to this Section 9.06. Honeywell shall provide, and shall cause other members of the Honeywell Group to provide, such cooperation as is reasonably requested by SpinCo in order for SpinCo to have in effect on and after the Distribution Date such new D&O Policies as SpinCo deems appropriate with respect to claims reported on or after the Distribution Date. Except as provided in this Section 9.06, the Honeywell Group may, at any time, without liability or obligation to the SpinCo Group, amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any “occurrence-based” insurance policy or “claims-made-based” insurance policy (and such claims will be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications); provided, however, that Honeywell will notify SpinCo of any termination of any insurance policy.

Section 9.07 Insurance Cooperation. The Parties shall use reasonable best efforts to cooperate with respect to the various insurance matters contemplated by this Article IX.

ARTICLE X

FURTHER ASSURANCES AND ADDITIONAL COVENANTS

Section 10.01 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties shall, subject to Section 6.03, use reasonable best efforts, prior to, on and after the Distribution Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws and agreements to consummate and make effective the transactions contemplated by this Agreement.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each Party shall cooperate with the other Party, without any further consideration, but at the expense of the requesting Party, (i) to execute and deliver, or use reasonable best efforts to execute and deliver, or cause to be executed and delivered, all instruments, including any instruments of conveyance, assignment and transfer as such Party may reasonably be requested to execute and deliver by the other Party, (ii) to make, or cause to be made, all filings with, and to obtain, or cause to be obtained, all Consents of any Governmental Authority or any other Person under any permit, license, Contract, indenture or other instrument, (iii) to obtain, or cause to be obtained, any Governmental Approvals or other Consents required to effect the Spin-Off and (iv) to take, or cause to be taken, all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement, the Ancillary Agreements and any transfers of Assets or assignments and assumptions of Liabilities hereunder and the other transactions contemplated hereby.

(c) On or prior to the Distribution Date, Honeywell and SpinCo, in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by SpinCo or any other Subsidiary of Honeywell, as the case may be, to effectuate the transactions contemplated by this Agreement.

(d) Prior to the Distribution, if either Party identifies any commercial or other service that is needed to ensure a smooth and orderly transition of its business in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, the Parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which the other Party will provide such service.

Section 10.02 Non-Solicit.

(a) SpinCo agrees that, for a period of 18 months following the Distribution Date, it shall not, and shall cause its Subsidiaries and Affiliates not to, without the prior written consent of Honeywell, directly or indirectly, on its own behalf or in the service or on behalf of others, hire or attempt to hire, whether as an employee, consultant, independent contractor or otherwise, any (i) employee of the Honeywell Group employed in an executive managerial or functional capacity or a key technical or sales capacity (each of such roles, a "Key Role") or (ii) former employee of the Honeywell Group employed in a Key Role who was on the payroll of the Honeywell Group within 6 months of the date of such hiring or attempted hiring by SpinCo or any SpinCo Subsidiary or Affiliate; provided that SpinCo and its Subsidiaries and Affiliates may hire any employee or former employee of the Honeywell Group, including any employee or former employee of the Honeywell Group employed in a Key Role, if such employee or former employee is hired more than 6 months after the Distribution Date in response to a general solicitation for employment by use of advertisements in the media that are not specifically directed at employees of Honeywell.

(b) Honeywell agrees that, for a period of 18 months following the Distribution Date, it shall not, and shall cause its Subsidiaries and Affiliates not to, without the prior written consent of SpinCo, directly or indirectly, on its own behalf or in the service or on behalf of others, hire or attempt to hire, whether as an employee, consultant, independent contractor or otherwise, any (i) employee of the SpinCo Group employed in a Key Role or (ii) former employee of the SpinCo Group employed in a Key Role who was on the payroll of the SpinCo Group within 6 months of the date of such hiring or attempted hiring by Honeywell or any Honeywell Subsidiary or Affiliate; provided that Honeywell and its Subsidiaries and Affiliates may hire any employee or former employee of the SpinCo Group, including any employee or former employee of the SpinCo Group employed in a Key Role, if such employee or former employee is hired more than 6 months after the Distribution Date in response to a general solicitation for employment by use of advertisements in the media that are not specifically directed at employees of SpinCo.

(c) If a final and non-appealable judicial determination is made that any provision of this Section 10.02 constitutes an unreasonable or otherwise unenforceable restriction with respect to any particular jurisdiction, the provisions of this Section 10.02 will not be rendered void but will be deemed to be modified solely with respect to the applicable jurisdiction to the minimum extent necessary to remain in force and effect for the greatest period and to the greatest extent that such court determines constitutes a reasonable restriction under the circumstances.

ARTICLE XI

TERMINATION

Section 11.01 Termination. This Agreement may be terminated by Honeywell at any time, in its sole discretion, prior to the Distribution.

Section 11.02 Effect of Termination. In the event of any termination of this Agreement prior to the Distribution, neither Party (nor any member of their Group or any of their respective directors or officers) shall have any Liability or further obligation to the other Party or any member of its Group under this Agreement, the Ancillary Agreements or the Ongoing Relationship Agreements.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, the Ancillary Agreements, the Ongoing Relationship Agreements and the Appendices, Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein. In the event of conflict or inconsistency between the provisions of this Agreement or any Ancillary Agreement and the provisions of any Local Transfer Agreement, the provisions of this Agreement and any such Ancillary Agreement shall prevail and remain in full force and effect; without limiting the foregoing, no Assets or Liabilities, other than SpinCo Assets and SpinCo Liabilities (in each case, as defined in this Agreement), shall be transferred by Seller (as defined in the Local Transfer Agreements) or by any assignor or transferring party under the Local Transfer Agreements or accepted by Buyer (as defined in the Local Transfer Agreements) or by any assignee or receiving party under the Local Transfer Agreements notwithstanding anything to the contrary therein (including the definition of SpinCo Assets and SpinCo Liabilities (in each case, as defined in the Local Transfer Agreements) therein). Each Party hereto shall, and shall cause each of its Subsidiaries to, implement the provisions of and the transactions contemplated by the Local Transfer Agreement in accordance with the immediately preceding sentence.

(c) Honeywell represents on behalf of itself and each other member of the Honeywell Group, and SpinCo represents on behalf of itself and each other member of the SpinCo Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement, each Ancillary Agreement and each Ongoing Relationship Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement, each Ancillary Agreement and each Ongoing Relationship Agreement to which it is a party has been (or, in the case of any Ancillary Agreement or Ongoing Relationship Agreement, will be on or prior to the Distribution Date) duly executed and delivered by it and constitutes, or will constitute, a valid and binding agreement of it enforceable in accordance with the terms thereof.

Section 12.02 Dispute Resolution. In the event that either Party, acting reasonably, forms the view that another Party has caused a material breach of the terms of this Agreement, then the Party that forms such a view shall serve written notice of the alleged breach on the other Parties and the Parties shall work together in good faith to resolve any such alleged breach within thirty (30) days of such notice (a “Dispute”). If any such alleged breach is not so resolved, then a senior executive of each Party shall, in good faith, attempt to resolve any such alleged breach within the following thirty (30) days of the referral of the matter to the senior executives. If no resolution is reached with respect to any such alleged breach in accordance with the procedures contained in this Section 12.02, then the Parties may seek to resolve such matter in accordance with Section 12.03, Section 12.04 and Section 12.06.

Section 12.03 Governing Law; Jurisdiction. Any disputes arising out of or relating to this Agreement, including, without limitation, to its execution, performance, or enforcement, shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of any state or federal court sitting in New York City in the State of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Affiliates, successors and assigns under or related to this Agreement or any of the transactions contemplated hereby, including, without limitation, to their execution, performance or enforcement, whether in contract, tort or otherwise. Each of the Parties hereby agrees that it shall not assert and shall hereby waive any claim or right or defense that it is not subject to the jurisdiction of such courts, that the venue is improper, that the forum is inconvenient or any similar objection, claim or argument. Each Party agrees that a final judgment in any legal proceeding resolved in accordance with this Section 12.03, Section 12.04, Section 12.05 and Section 12.06 shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

Section 12.04 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY INCLUDING, WITHOUT LIMITATION, THEIR EXECUTION, PERFORMANCE OR ENFORCEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS.

Section 12.05 Court-Ordered Interim Relief. In accordance with Section 12.03 and Section 12.04, at any time after giving notice of a Dispute, each Party shall be entitled to interim measures of protection duly granted by a court of competent jurisdiction: (1) to preserve the status quo pending resolution of the Dispute; (2) to prevent the destruction or loss of documents and other information or things relating to the Dispute; or (3) to prevent the transfer, disposition or hiding of assets. Any such interim measure (or a request therefor to a court of competent jurisdiction) shall not be deemed incompatible with the provisions of Section 12.02, Section 12.03 and Section 12.04. Until such Dispute is resolved in accordance with Section 12.02 or final judgment is rendered in accordance with Section 12.03 and Section 12.04, each Party agrees that such Party shall continue to perform its obligations under this Agreement and that such obligations shall not be subject to any defense or set-off, counterclaim, recoupment or termination.

Section 12.06 Specific Performance. Subject to Section 12.02 and Section 12.05, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

Section 12.07 Assignability. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, if any party to this Agreement (or any of its successors or permitted assigns) (a) shall enter into a consolidation or merger transaction in which such party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such party's Assets, or (b) shall transfer all or substantially all of such party's Assets to any Person, then, in each such case, the assigning party (or its successors or permitted assigns, as applicable) shall ensure that the assignee or successor-in-interest expressly assumes in writing all of the obligations of the assigning party under this Agreement, and the assigning party shall not be required to seek consent, however, shall provide written notice and evidence of such assignment, assumption or succession to the non-assigning Party. No assignment permitted by this Section 12.07 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

Section 12.08 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Honeywell Indemnitee or SpinCo Indemnitee in his, her or its respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 12.09 Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service or (c) upon the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to Honeywell, to:

Honeywell International Inc.
115 Tabor Road
Morris Plains, NJ 07950
Attention: Anne T. Madden, Senior Vice President, General Counsel and Corporate Secretary
Email: Anne.Madden@Honeywell.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Craig B. Brod
 Kimberly R. Spoerri
Fax: (212) 225-3999
Email: cbrod@cgsh.com
 kspoerri@cgsh.com

If to SpinCo, to:

Resideo Technologies, Inc.
2 Corporate Center Dr #100
Melville, NY 11747
Attention: Jeannine J. Lane, Executive Vice President, General Counsel and Corporate Secretary
Email: Jeannine.Lane@Resideo.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Craig B. Brod
 Kimberly R. Spoerri
Fax: (212) 225-3999
Email: cbrod@cgsh.com
 kspoerri@cgsh.com

Either Party may, by notice to the other Party, change the address to which such notices are to be given. Each Party agrees that nothing in this Agreement shall affect the other Parties' right to serve process in any other manner permitted by Law (including pursuant to the rules for foreign service of process authorized by the Hague Convention).

Section 12.10 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

Section 12.11 Publicity. Each of Honeywell and SpinCo shall consult with the other, and shall, subject to the requirements of Section 8.09, provide the other Party the opportunity to review and comment upon, any press releases or other public statements in connection with effecting the Spin-Off or any of the other transactions contemplated hereby and any filings with any Governmental Authority or national securities exchange with respect thereto, in each case prior to the issuance or filing thereof, as applicable (including the Information Statement, the Parties' respective Current Reports on Form 8-K to be filed on the Distribution Date, the Parties' respective Quarterly Reports on Form 10-Q filed with respect to the fiscal quarter during which the Distribution Date occurs, or if such quarter is the fourth fiscal quarter, the Parties' respective Annual Reports on Form 10-K filed with respect to the fiscal year during which the Distribution Date occurs (each such Quarterly Report on Form 10-Q or Annual Report on Form 10-K, a "First Post-Distribution Report")). Each Party's obligations pursuant to this Section 12.11 shall terminate on the date on which such Party's First Post-Distribution Report is filed with the Commission.

Section 12.12 Expenses. Except as otherwise expressly provided in this Agreement or in any Ancillary Agreement or Ongoing Relationship Agreement, (i) all third-party fees, costs and expenses incurred by either the Honeywell Group or the SpinCo Group in connection with effecting the Spin-Off prior to or on the Distribution Date, whether payable

prior to, on or following the Distribution Date (but excluding, for the avoidance of doubt, any financing fees or interest payable in respect of any indebtedness incurred pursuant to the Debt Incurrence), will be borne and paid by Honeywell and (ii) all third-party fees, costs and expenses incurred by either the Honeywell Group or the SpinCo Group in connection with the Spin-Off following the Distribution Date, whether payable prior to, on or following the Distribution Date, will be borne and paid by the Party incurring such fee, cost or expense. For the avoidance of doubt, this Section 12.12 shall not affect each Party's responsibility to indemnify Honeywell Liabilities or SpinCo Liabilities, as applicable, arising from the transactions contemplated by the Distribution.

Section 12.13 Headings. The article, section and paragraph headings contained in this Agreement, including in the table of contents of this Agreement, are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 12.14 Survival of Covenants. Except as expressly set forth in this Agreement, the covenants in this Agreement and the Liabilities for the breach of any obligations in this Agreement shall survive the Spin-Off and shall remain in full force and effect.

Section 12.15 Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement, any Ancillary Agreement or any Ongoing Relationship Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

Section 12.16 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

Section 12.17 Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms “hereof,” “herein,” “herewith” and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement as a whole (including all of the schedules hereto) and not to any particular provision of this Agreement. Article, Section or Schedule references are to the articles, sections and schedules of or to this Agreement unless otherwise specified. Any capitalized terms used in any Schedule to this Agreement or to any Ancillary Agreement or Ongoing Relationship Agreement but not otherwise defined therein shall have the meaning as defined in this Agreement, the Ancillary Agreement or the Ongoing Relationship Agreement to which such Schedule is attached, as applicable. Any definition of or reference to any agreement, instrument or other document herein (including any reference herein to this Agreement) shall, unless otherwise stated, be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein, including in Section 12.16 above). The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive. All references to “\$” or dollar amounts are to lawful currency of the United States of America. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any provisions hereof.

IN WITNESS WHEREOF, the Parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

HONEYWELL INTERNATIONAL INC.

By: /s/ Richard Kent

Name: Richard Kent

Title: Vice President, Deputy General

RESIDEO TECHNOLOGIES, INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: President

TRANSITION SERVICES AGREEMENT

by and between

HONEYWELL INTERNATIONAL INC.

and

ADEMCO INC.

Dated as of October 19, 2018

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TRANSITION SERVICES AGREEMENT (this “Agreement”), dated as of October 19, 2018, by and between HONEYWELL INTERNATIONAL INC., a Delaware corporation (“Honeywell”), and ADEMCO INC., a Delaware corporation (“Homes Subsidiary”).

RECITALS

WHEREAS, in connection with the contemplated Spin-Off of Resideo Technologies, Inc. (“SpinCo”) and concurrently with the execution of this Agreement, Honeywell and SpinCo are entering into a Separation and Distribution Agreement (the “Separation Agreement”);

WHEREAS, Homes Subsidiary is a wholly owned subsidiary of SpinCo;

WHEREAS, each of Honeywell and Homes Subsidiary may provide to the other certain services, as more particularly described in this Agreement, for a limited period of time following the Spin-Off; and

WHEREAS, each of Honeywell and Homes Subsidiary desires to reflect the terms of their agreement with respect to such services.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged by this Agreement, Honeywell and Homes Subsidiary, for themselves, their successors and assigns, agree as follows:

ARTICLE I

Definitions

Section 1.01 Definitions. As used in this Agreement, the following terms have the following meanings:

“Affiliate” has the meaning ascribed thereto in the Separation Agreement.

“Agreement” has the meaning ascribed thereto in the preamble.

“Ancillary Agreements” has the meaning ascribed thereto in the Separation Agreement.

“Applicable End Date” means, with respect to each Service, the final date of the Applicable Original Duration with respect to such Service that follows an Applicable Termination Date for such Service.

“Applicable Original Duration” means, with respect to each Service, the duration of the period from the Distribution Date to the Applicable Termination Date with respect to such Service.

“Applicable Termination Date” means, with respect to each Service, the date that is twelve (12) months following the Distribution Date, or such earlier termination date

specified with respect to such Service, as applicable, in Schedule A or Schedule B, as applicable.

“Assets” has the meaning ascribed thereto in the Separation Agreement.

“Certain Supplier Agreements” means any contract or agreement of any member of the Honeywell Group with a third party set forth on Schedule H.

“Computer Equipment” has the meaning ascribed thereto in Section 4.04.

“Computer Equipment Leases” has the meaning ascribed thereto in Section 4.04.

“Consents” has the meaning ascribed thereto in the Separation Agreement.

“Cost of Services” means, with respect to each Service, the amount specified with respect to such Service in Schedule A or Schedule B, as applicable, to be paid by a Service Recipient in respect of such Service to the Service Provider of such Service.

“Customer Receipt Payee” has the meaning ascribed thereto in Section 4.03(a).

“Customer Receipt Payment” has the meaning ascribed thereto in Section 4.03(a).

“Customer Receipt Payment Period” has the meaning ascribed thereto in Section 4.03(a).

“Data Transfer Agreement” has the meaning ascribed thereto in the Separation Agreement.

“Designated Work Product” means the work product developed during the term for Service Recipient’s exclusive use as part of the provision of Services hereunder and that are listed or described on Schedule C.

“Dispute” has the meaning ascribed thereto in Section 9.01.

“Dispute Notice” has the meaning ascribed thereto in Section 9.02.

“Distribution” has the meaning ascribed thereto in the Separation Agreement.

“Distribution Date” has the meaning ascribed thereto in the Separation Agreement.

“Force Majeure Event” has the meaning ascribed thereto in Section 10.02.

“Governmental Authority” has the meaning ascribed thereto in the Separation Agreement.

“Group” means either the Honeywell Group or the SpinCo Group, as the context requires.

“Homes Subsidiary” has the meaning ascribed thereto in the preamble.

“Honeywell” has the meaning ascribed thereto in the preamble.

“Honeywell Business” has the meaning ascribed thereto in the Separation Agreement.

“Honeywell Group” has the meaning ascribed thereto in the Separation Agreement.

“Honeywell Indemnitees” has the meaning ascribed thereto in the Separation Agreement.

“Hourly Services” has the meaning ascribed thereto in Section 5.01(b).

“Hourly Services Expenses” has the meaning ascribed thereto in Section 5.01(b).

“Indemnitee” means a Honeywell Indemnitee or a SpinCo Indemnitee, as the context requires.

“Information” has the meaning ascribed thereto in the Separation Agreement.

“Insurance Proceeds” has the meaning ascribed thereto in the Separation Agreement.

“Intended Payee” has the meaning ascribed thereto in Section 4.03(a).

“Interruption” has the meaning ascribed thereto in Section 2.01(j).

“IT Agreements” has the meaning ascribed thereto in Section 4.05.

“Law” has the meaning ascribed thereto in the Separation Agreement.

“Liabilities” has the meaning ascribed thereto in the Separation Agreement.

“Misdirected Customer Payment” has the meaning ascribed thereto in Section 4.03(a).

“Monthly License Fee” has the meaning ascribed thereto in Section 3.03.

“Omitted Services” has the meaning ascribed thereto in Section 2.02(a).

“Other Areas” has the meaning ascribed thereto in Section 3.05.

“Party” means either party hereto, and “Parties” means both parties hereto.

“Person” has the meaning ascribed thereto in the Separation Agreement.

“Personal Data” has the meaning ascribed thereto in the Data Transfer Agreement.

“Processed” has the meaning ascribed thereto in the Data Transfer Agreement.

“Project Work” has the meaning ascribed thereto in Section 2.03.

“Project Work Request” has the meaning ascribed thereto in Section 2.03.

“Related Service” has the meaning ascribed thereto in Section 6.02.

“Resolution Committee” has the meaning ascribed thereto in Section 9.02.

“Separation Agreement” has the meaning ascribed thereto in the recitals.

“Service Coordinator” has the meaning ascribed thereto in Section 2.01(c).

“Service Extension” has the meaning ascribed thereto in Section 6.02.

“Service Provider” means any member of the SpinCo Group or the Honeywell Group, as applicable, in its capacity as the provider of any Services to any member of the Honeywell Group or the SpinCo Group, respectively.

“Service Recipient” means any member of the SpinCo Group or the Honeywell Group, as applicable, in its capacity as the recipient of any Services from any member of the Honeywell Group or the SpinCo Group, respectively.

“Services” means the individual services identified in Schedule A or Schedule B, as applicable.

“Shared Real Property” has the meaning ascribed thereto in Section 3.01.

“Shutdown” has the meaning ascribed thereto in Section 2.01(i).

“Spin-Off” has the meaning ascribed thereto in the Separation Agreement.

“SpinCo” has the meaning ascribed thereto in the preamble.

“SpinCo Business” has the meaning ascribed thereto in the Separation Agreement.

“SpinCo Group” has the meaning ascribed thereto in the Separation Agreement.

“SpinCo Indemnitees” has the meaning ascribed thereto in the Separation Agreement.

“Sub-Contractor” has the meaning ascribed thereto in Section 2.01(e).

“Subsidiary” has the meaning ascribed thereto in the Separation Agreement.

“Taxes” has the meaning ascribed thereto in Section 5.01(d).

“Termination Charges” has the meaning ascribed thereto in Section 6.05(d).

“Third-Party Claim” has the meaning ascribed thereto in the Separation Agreement.

ARTICLE II

Services

Section 2.01 Provision of Services.

(a) Commencing immediately after the Distribution, Honeywell shall, and shall cause the applicable members of the Honeywell Group to, (i) provide, or otherwise make available, to Homes Subsidiary and the applicable members of the SpinCo Group the Services set forth in Schedule A and (ii) pay, perform, discharge and satisfy, as and when due, its and their respective obligations as Service Recipients under this Agreement, in each case in accordance with the terms of this Agreement.

(b) Commencing immediately after the Distribution, Homes Subsidiary shall, and shall cause the applicable members of the SpinCo Group to, (i) provide, or otherwise make available, to Honeywell and the applicable members of the Honeywell Group the Services set forth in Schedule B and (ii) pay, perform, discharge and satisfy, as and when due, its and their respective obligations as Service Recipients under this Agreement, in each case in accordance with the terms of this Agreement.

(c) Each Service Recipient and its respective Service Provider shall cooperate in good faith with each other in connection with the performance of the Services hereunder. Each of Honeywell and Homes Subsidiary agrees to appoint an employee representative (each such representative, a “Service Coordinator”) who will have overall responsibility for implementing, managing and coordinating the Services pursuant to this Agreement on behalf of Honeywell and Homes Subsidiary, respectively. Initially, the Service Coordinators will be the individuals set forth on Schedule E. Either Party may change its designated Service Coordinator at any time upon notice given to the other Party in accordance with Section 10.12. The Service Coordinators will consult and coordinate with each other on a regular basis, and no less frequently than monthly, during the term of this Agreement.

(d) The Service Provider shall determine the personnel who shall perform the Services to be provided by it. All personnel providing Services will remain at all times, and be deemed to be, employees or representatives solely of the Service Provider, responsible for providing such Services (or its Affiliates or Sub-Contractors) for all purposes, and not to be deemed employees or representatives of the Service Recipient. The Service Provider (or its Affiliates or Sub-Contractors) will be solely responsible for payment of (i) all compensation, (ii) all income, disability, withholding and other employment taxes and (iii) all medical benefit premiums, vacation pay, sick pay and other employee benefits payable to or with respect to personnel who perform Services on behalf of such Service Provider. All such personnel will be under the sole direction, control and supervision of the Service Provider and

the Service Provider has the sole right to exercise all authority with respect to the employment, substitution, termination, assignment and compensation of such personnel.

(e) The Service Provider may, at its option, from time to time, delegate any or all of its obligations to perform Services under this Agreement to any one or more of its Affiliates or engage the services of other professionals, consultants or other third parties (each, a “Sub-Contractor”) in connection with the performance of the Services; provided, however, that (i) the Service Provider shall remain ultimately responsible for ensuring that its obligations with respect to the nature, scope, quality and other aspects of the Services are satisfied with respect to any Services provided by any such Affiliate or Sub-Contractor and shall be liable for any failure of a Sub-Contractor to so satisfy such obligations (or if a Sub-Contractor otherwise breaches any provision hereof) and (ii) such Sub-Contractor agrees in writing to be bound by confidentiality provisions at least as restrictive to it as the terms of Section 10.05 of this Agreement. Except as agreed by the Parties in Schedule A or Schedule B or otherwise in writing, and subject to Section 2.01(g), any costs associated with engaging the services of an Affiliate of the Service Provider or a Sub-Contractor shall not affect the Cost of Services payable by the Service Recipient under this Agreement, and the Service Provider shall remain solely responsible with respect to payment for such Affiliate’s or Sub-Contractor’s costs, fees and expenses.

(f) The Services shall be performed in substantially the same manner, scope, time frame, nature and quality, with the same care, and to the same extent and service level as such Services (or substantially similar services) were provided to the SpinCo Business or the Honeywell Business, as applicable, immediately prior to the Distribution Date, unless the Services are being provided by a Sub-Contractor who is also providing the same services to the Service Provider or a member of such Service Provider’s Group, in which case the Services shall be performed for the Service Recipient in the same manner, scope, time frame, nature and quality, with the same care, and to the same extent and service level as they are being performed for the Service Provider or such member of such Service Provider’s Group, as applicable. If the Service Provider has not provided such Services (or substantially similar services) immediately prior to the Distribution Date and such Services are not being performed by a Sub-Contractor who is also providing the same services to such Service Provider’s Group, then the Services shall be performed in a competent and professional manner consistent with industry standards. The Services shall be used solely for the operation of the SpinCo Business or the Honeywell Business, as applicable, for substantially the same purpose as used by the applicable Service Recipient immediately prior to the date of this Agreement.

(g) The Parties acknowledge that the Service Provider may make changes from time to time in the manner of performing Services (including in respect of those Services provided by a Sub-Contractor) if the Service Provider is making similar changes in performing the same or substantially similar Services for itself or other members of its Group; provided, however, that, unless expressly contemplated in Schedule A or Schedule B, such changes shall not affect the Cost of Services for such Service payable by the Service Recipient under this Agreement or decrease the manner, scope, time frame, nature, quality or level of the Services provided to the Service Recipient, except (i) upon prior written approval of the Service Recipient and (ii) any actual and reasonable increase to the Service Provider in the cost of providing a Service may be charged to the Service Recipient on a pass-through basis to the

extent such actual and reasonable increase is applied on a non-discriminatory basis as compared to the Service Provider's Group.

(h) Nothing in this Agreement shall be deemed to require the provision of any Service by any Service Provider (or any Affiliate or Sub-Contractor of a Service Provider) to any Service Recipient if the provision of such Service requires the Consent of any Person (including any Governmental Authority), whether under applicable Law, by the terms of any contract to which such Service Provider or any other member of its Group is a party or otherwise, unless and until, subject to the fourth-to-last sentence of this Section 2.01(h), such Consent has been obtained. The Service Provider shall use commercially reasonable efforts to obtain as promptly as possible any Consent of any Person that may be necessary for the performance of the Service Provider's obligations pursuant to this Agreement. Any fees, expenses or extra costs incurred in connection with obtaining any such Consents shall be paid by the Service Recipient, and the Service Recipient shall use commercially reasonable efforts to provide assistance as necessary in obtaining such Consents. In the event that the Consent of any Person, if required in order for the Service Provider to provide Services, is not obtained reasonably promptly after the Distribution Date, the Service Provider shall notify the Service Recipient and the Parties shall cooperate in devising an alternative manner for the provision of the Services affected by such failure to obtain such Consent and the Cost of Services associated therewith, such alternative manner and Cost of Services to be reasonably satisfactory to both Parties and agreed to in writing. If the Parties elect such an alternative plan, the Service Provider shall provide the Services in such alternative manner and the Service Recipient shall pay for such Services based on the alternative Cost of Services. The Services shall not include, and no Service Provider (or any Affiliate or Sub-Contractor of a Service Provider) shall be obligated to provide, any service the provision of which to a Service Recipient following the Distribution would constitute a violation of any Law. In addition, notwithstanding anything to the contrary herein, the Service Provider (and the Affiliates and Sub-Contractors of the Service Provider) will not be required to perform or to cause to be performed any of the Services for the benefit of any third party or any other Person other than the applicable Service Recipient. To the extent that any third-party proprietor of information or software to be disclosed or made available to any Service Recipient in connection with performance of the Services hereunder requires a specific form of non-disclosure agreement as a condition to its Consent to use the same for the benefit of the Service Recipient, or to permit the Service Recipient access to such information or software, the Service Recipient shall, as a condition to the receipt of such portion of the Services, execute (and shall cause its employees and Affiliates to execute, if required) any such form.

(i) If a Service Provider determines that it is necessary or appropriate to temporarily suspend a Service due to scheduled or emergency maintenance, modification, repairs, alterations or replacements (any such event, a "Shutdown"), Service Provider shall use commercially reasonable efforts to provide Service Recipient with reasonable prior notice of such Shutdown (including information regarding the nature and the projected length of such Shutdown), unless it is not reasonably practicable under the circumstances to provide such prior notice, and thereafter such Service Provider shall use commercially reasonable efforts to cooperate with Service Recipient to minimize any impact on the Services caused by such Shutdown.

(j) The Parties acknowledge that there may be unanticipated temporary interruptions in the provision of a Service, in each case for a period of less than forty-eight (48) hours (any such event, an “Interruption”). Service Provider shall use commercially reasonable efforts to provide Service Recipient with notice of such Interruption as soon as possible (including information regarding the nature and the projected length of such Interruption), and thereafter such Service Provider shall use commercially reasonable efforts to cooperate with Service Recipient to minimize any impact on the Services caused by such Interruption. The Service Provider shall not be excused from performance if it fails to use commercially reasonable efforts to remedy the situation causing such Interruption.

(k) In the event the obligations of Service Provider to provide any Service shall be suspended in accordance with Section 2.01(i) or Section 2.01(j), Service Provider and its Affiliates shall not have any liability whatsoever to Service Recipient arising out of or relating to such suspension of Service Provider’s provision of such Service, except to the extent resulting from a breach by Service Provider of any agreement or covenant required to be performed or complied with by Service Provider pursuant to Section 2.01(i) or Section 2.01(j) (but subject to the other limitations on liability set forth in this Agreement).

(l) Neither Party nor any of their respective Affiliates shall have any obligation to purchase, upgrade, enhance or otherwise modify any computer hardware, software or network environment currently used by such Party or such Party’s Affiliates, or to provide any support or maintenance services for any computer hardware, software or network environment that has been upgraded, enhanced or otherwise modified from the computer hardware, software or network environments that are currently used by such Party or such Party’s Affiliates.

Section 2.02 Service Amendments and Additions.

(a) Within the first six (6) months following the Distribution Date, each of Honeywell and Homes Subsidiary may request the other Party to provide services that (i) were provided by the Honeywell Business or the SpinCo Business, as applicable, within the twelve (12) months prior to the Distribution Date and (ii) are reasonably necessary for the operation of the Honeywell Business or the SpinCo Business, as applicable, as conducted as of the Distribution Date (“Omitted Services”). Any request for an Omitted Service shall be in writing and shall specify, as applicable, (A) the type and the scope of the requested service, (B) who is requested to perform the requested service, (C) where and to whom the requested service is to be provided and (D) the proposed term for the requested service. The Parties shall discuss in good faith the terms under which such Omitted Services may be provided.

(b) If a Party agrees to provide Omitted Services pursuant to Section 2.02(a), then the Parties shall in good faith negotiate an amendment to Schedule A or Schedule B, as applicable, which will describe in detail the service, project scope, term, price and payment terms to be charged for such Omitted Services. Once agreed to in writing, the amendment to Schedule A or Schedule B, as applicable, shall be deemed part of this Agreement as of such date and the Omitted Services, as applicable, shall be deemed “Services” provided hereunder, in each case subject to the terms and conditions of this Agreement; provided, however, that no Service Provider shall be required to provide any Omitted Services, at any price, that would prevent, or be reasonably likely to prevent, or be inconsistent with the

qualification of the Distribution as a tax-free transaction for U.S. federal, state and local income tax purposes.

Section 2.03 Migration Projects. Prior to the end of the applicable term, each Service Provider will provide the Service Recipient, upon written request (the "Project Work Request"), with such reasonable support as may be necessary to migrate the Services to the Service Recipient's internal organization or to a third party provider (the "Project Work"), including without limitation exporting and providing (subject to applicable Law and the Data Transfer Agreement) all relevant data and information of the applicable Service Recipient from the systems of the applicable Service Provider or any party performing the Services on its behalf. After the Service Provider receives the Project Work Request, the Parties shall meet to discuss and agree on the scope and cost of the Project Work, taking into consideration the Service Provider's then-available resources. Where required for migrating the Services, Service Recipient's personnel will be granted reasonable access to the respective facilities of the Service Provider during normal business hours. Project Work may be out-sourced to external service partners (including those involving conversion programs or other programming, or extraordinary management supervision or coordination); provided that the Service Provider shall be responsible for the performance or non-performance of such partners. The Service Recipient shall pay its internal costs incurred in connection with all Project Work performed by its personnel and the internal costs of the Service Provider and the cost of all third-party providers engaged in completing a Project Work all shall be charged by the Service Provider to the Service Recipient on a pass-through basis. For the avoidance of doubt, any portion of the cost of Project Work associated with the setup of the Service Recipient's data warehousing infrastructure or hosting environment shall be charged by the Service Provider to the Service Recipient on a pass-through basis.

Section 2.04 No Management Authority. No Service Provider (or any Affiliate or Sub-Contractor of a Service Provider) shall be authorized by, or shall have any responsibility under, this Agreement to manage the affairs of the business of any Service Recipient, or to hold itself out as an agent or representative of the Service Recipient.

Section 2.05 Acknowledgement and Representation. Each Party understands that the Services provided hereunder are transitional in nature. Each Party understands and agrees that the other Party is not in the business of providing Services to third parties and, except as set forth in Section 6.02, that neither Party has any interest in continuing (i) any Service beyond the Applicable Termination Date or (ii) this Agreement beyond the expiration of all Applicable Termination Dates or the termination of all Services in accordance with Section 6.04. As a result, the Parties have allocated responsibilities and risks of loss and limited liabilities of the Parties as stated in this Agreement based on the recognition that each Party is not in the business of providing Services to third parties. Such allocations and limitations are fundamental elements of the basis of the bargain between the Parties and neither Party would be able or willing to provide the Services without the protections provided by such allocations and limitations. During the term of this Agreement, each Party agrees to work diligently and expeditiously to establish its own logistics, infrastructure and systems to enable a transition to its own internal organization or other third-party providers of the Services and agrees to use its reasonable good faith efforts to reduce or eliminate its and its Affiliates' dependency on the other Party's provision of the Services as soon as is reasonably practicable.

ARTICLE III

Real Estate

Section 3.01 Occupancy Rights. Each Service Provider set forth on Schedule F, with respect to the location set forth on such Schedule opposite such Service Provider's name (each, a "Shared Real Property"), hereby grants to the Service Recipient set forth on such Schedule opposite such Shared Real Property, a limited license for reasonable use and access to the space utilized by such Service Recipient or any member of its Group in the conduct of the Honeywell Business or the SpinCo Business, as applicable, as of the Distribution Date, for the sole purpose of transitioning the Honeywell Business or the SpinCo Business, as applicable, and in accordance with the terms, covenants and conditions of this Article III. The Service Recipient's right to use and access the applicable Shared Real Property shall be consistent with the use and access afforded to the Honeywell Business or the SpinCo Business, as applicable, as of the Distribution Date. The Service Recipient's use shall include the right to use the fixtures, improvements and furnishings located within the Shared Real Property consistent with such use as of the Distribution Date.

Section 3.02 Use. Each Service Recipient shall use the applicable Shared Real Property (and the furnishings contained therein) for the same purposes as such Shared Real Property is utilized as of the Distribution Date and for no other purpose. The Shared Real Property may be occupied only by the personnel of the applicable Service Recipient reasonably required in furtherance of the activities of the Honeywell Business or the SpinCo Business, as applicable, or the other purposes set forth in this Agreement. The Service Recipient shall be responsible for pickup and delivery of goods at any common shipping dock at any Shared Real Property, and any shipments shall include proper labeling to distinguish the Service Recipient's goods from the Service Provider's goods.

Section 3.03 License Fee. Each Service Recipient shall pay a monthly gross license fee for its Shared Real Property as set out on Schedule F (each, a "Monthly License Fee"). The Monthly License Fee for each Shared Real Property shall be payable in advance on or before the first (1st) day of each calendar month of the term of the license. The Monthly License Fee for any period during the respective license term which is for less than one (1) month shall be prorated.

Section 3.04 License Term. The license granted under this Article III will be effective as of immediately after the Distribution and will automatically expire at the earlier of (i) the end of the period set forth in Schedule F with respect to each Shared Real Property, or (ii) the expiration date of the relevant underlying lease pertaining to each Shared Real Property (in which case the Service Provider shall provide to the Service Recipient written notice thirty (30) days prior to such expiration).

Section 3.05 Access and Common Areas. Unless otherwise specified on Schedule F, the Service Recipient (including its personnel) shall access the applicable Shared Real Property through existing employee entrances designated by the Service Provider. Access to any other areas ("Other Areas") in, on or about the applicable Shared Real Property (including conference room(s), break area(s), designated smoking area(s), restroom(s), machine shop(s),

shipping/receiving area(s) and cafeteria(s) other than to the extent located within the Shared Real Property) shall be as otherwise designated by the Service Provider in its reasonable discretion. Except as otherwise expressly provided herein, the Service Recipient shall not access any other areas.

Section 3.06 Compliance with Service Provider's Policies. The Service Recipient shall comply with the Service Provider's reasonable policies and procedures, security requirements and rules and regulations with respect to the applicable Shared Real Property and the Service Recipient's occupancy of such Shared Real Property. Such policies may be changed from time to time upon reasonable prior notice at the applicable Service Provider's sole reasonable discretion.

Section 3.07 Insurance. Each Party agrees, during the term of this license, to cause its Service Recipients under this Article III to carry and maintain (i) commercial general liability insurance with a single combined liability limit of \$5,000,000 per occurrence and (ii) workers compensation/employer's liability insurance with a liability limit of \$1,000,000 per occurrence, and in the case of the policies described in clauses (i) and (ii), naming the applicable Service Provider (and other parties as may be reasonably required) as an additional insured, against liability with respect to accidents occurring on, in or about the applicable Shared Real Property or arising out of the use and occupancy of such Shared Real Property by the Service Recipient and its personnel and visitors. All such insurance policies shall contain a waiver of subrogation in the applicable Service Provider's favor. The Parties acknowledge that the Service Providers shall have no responsibility to insure or actively maintain any Service Recipient's personal property, including any Service Recipient's equipment and trade fixtures, located in the Shared Real Property. Notwithstanding the aforesaid liability limits, said limits shall not diminish or otherwise impact or affect the obligations of the Parties and their Service Recipients hereunder. The policy(s) maintained by the applicable Service Recipient shall be issued by a company licensed to do business in the country where the Shared Real Property is located and the applicable Service Recipient shall deposit a certificate evidencing the same with the applicable Service Provider on or before the Distribution Date. During the term of the license granted in Section 3.01, the applicable Service Providers under this Article III shall maintain insurance policies for the Shared Real Property as in effect as of the Distribution Date.

Section 3.08 Surrender. Upon the expiration or termination of the license granted under this Article III, each Service Recipient shall, at its sole cost and expense, (i) remove their personal property, equipment, trade fixtures and other goods and effects, and repair any damage to the Shared Real Property resulting from such removal, and (ii) otherwise quit and deliver up the Shared Real Property peaceably and quietly and in as good order and condition as the same were in on the Distribution Date, reasonable wear and tear, damage by fire and the elements excepted. In the event any Service Recipient fails to repair and perform the aforementioned facilities restoration and otherwise deliver the Shared Real Property as set forth above, the Service Provider or any member of its Group shall have the right to make said reasonable repairs and reasonably perform such facilities restoration, charge such Service Recipient or any member of its Group the reasonable costs of such repairs and restoration, and such Service Recipient or any member of its Group shall reimburse the Service Provider or the member of its Group, as applicable, within thirty (30) days of receipt of invoice. Any property left in the Shared Real Property after the expiration or termination of the license granted under

this Article III shall be deemed to have been abandoned and the property of the Service Providers to dispose of as the Service Providers deem expedient and at the sole cost and expense of the Service Recipients.

Section 3.09 License Rights. The rights granted herein in favor of each Service Recipient are in the nature of a license and shall not create any leasehold or other estate or possessory rights in Shared Real Property, and if the license granted under this Article III expires or is terminated, the Service Recipient shall vacate the Shared Real Property, and any occupancy or activity of the Service Recipient thereafter in the Shared Real Property shall be considered a trespass.

Section 3.10 Relocation. Each Service Provider shall have the right, at its cost, to relocate the applicable Service Recipient to other area(s) of each Shared Real Property by providing the Service Recipient reasonable advance notice, provided that such relocation does not reduce the rights of the Service Recipient or increase the obligations of the Service Recipient under this Agreement or unreasonably interrupt the day-to-day operations of the Honeywell Business or the SpinCo Business, as applicable.

Section 3.11 Alterations. The Service Recipient shall not make any alterations, additions or improvements to the Shared Real Property.

Section 3.12 Controlling Provisions. In the event of a conflict between the terms of this Article III and any other provision in this Agreement with regard to the right to use the Shared Real Property specified in this Article III, the terms of this Article III shall control. In the event of a conflict between the terms of this Agreement and the terms set forth on Schedule F attached hereto, the terms of Schedule F shall control.

ARTICLE IV

Additional Arrangements

Section 4.01 Cooperation and Access.

(a) Service Recipients shall cooperate with the Service Providers to the extent necessary or appropriate to facilitate the performance of the Services in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, (i) each Party shall make available on a timely basis to the other Party all information and materials requested by such Party to the extent reasonably necessary for the performance or receipt of the Services, (ii) each Party shall, and shall cause the members of its Group to, upon reasonable notice, give or cause to be given to the other Party and its Affiliates and Sub-Contractors reasonable access, during regular business hours and at such other times as are reasonably required, to the relevant premises and personnel to the extent reasonably necessary for the performance or receipt of the Services and (iii) each Party shall, and shall cause the members of its Group to, give the other Party and its Affiliates and Sub-Contractors reasonable access to, and all necessary rights to utilize, such Party's, and its Group's, information, facilities, personnel, assets, systems and technologies to the extent reasonably necessary for the performance or receipt of the Services.

(b) Each Party shall (and shall cause the members of its Group and its personnel and the personnel of its Affiliates and Sub-Contractors providing or receiving Services to): (i) not attempt to obtain access to or use any information technology systems of the other Party or any member of its Group, or any confidential Information, Personal Data or competitively sensitive information owned, used or Processed by the other Party, except where it has been granted in writing the right to do so or, to the extent reasonably necessary to do so, to provide or receive Services; (ii) maintain reasonable security measures to protect the systems of the other Party and the members of its Group to which it has access pursuant to this Agreement from access by unauthorized third parties; (iii) follow applicable Laws and all of the other Party's security rules, access agreements, and procedures for restricting access and use, when allowed, to such other Party's information technology systems; (iv) when on the property of the other Party or any of its Affiliates, or when given access to any facilities, infrastructure or personnel of the other Party or any of its Affiliates, follow applicable Laws and all of the other Party's policies and procedures concerning health, safety, conduct and security which are made known to the Party receiving such access from time to time and (v) not disable, damage or erase or disrupt, interfere with or impair the normal operation of the information technology systems of the other Party or any member of its Group.

(c) Service Provider shall (i) immediately notify Service Recipient of any confirmed misuse, disclosure or loss of, or inability to account for, any Personal Data or any confidential or competitively sensitive Information, and any confirmed unauthorized access to Service Provider's facilities, systems or network, in each case, solely to the extent related to the Service Recipient; and Service Provider will investigate such confirmed security incidents and reasonably cooperate with Service Recipient's incident response team, supplying logs and other necessary information to mitigate and limit the damages resulting from such a security incident; provided that the Service Recipient agrees to reimburse Service Provider for time spent and actual travel expenses incurred in connection with any such investigation; and (ii) subject to applicable Law, use commercially reasonable efforts to comply with any commercially reasonable requests to assist Service Recipient with its electronic discovery obligations related to Services provided to the Service Recipient; provided that the Service Recipient agrees to reimburse Service Provider for time spent and actual travel expenses incurred for such response.

(d) In the event of a security breach that relates to the Services, the Parties shall, subject to any applicable Law, reasonably cooperate with each other regarding the timing and manner of (a) notification to their respective customers, potential customers, employees or agents concerning a breach or potential breach of security and (b) disclosures to appropriate Governmental Authorities.

(e) Notwithstanding anything to the contrary in this Agreement (but subject to the following proviso), any Personal Data transferred or otherwise made available to the other Party in connection with the Services shall be subject to the Data Transfer Agreement, and each Party agrees to abide by the applicable provisions thereof, to the extent related to such data; provided, however, that any Personal Data provided by Service Recipient to Service Provider under this Agreement shall only be used to the extent reasonably necessary for Service Provider to provide Services and solely for the applicable term of such Services.

Section 4.02 Intellectual Property.

(a) Each Party, on behalf of itself and its Affiliates, hereby grants to the other Party and to its Affiliates and Sub-Contractors providing Services under this Agreement a nonexclusive, nontransferable, world-wide, royalty-free, sublicensable license, for the term of this Agreement, to use the intellectual property owned by such Party and the members of its Group solely to the extent necessary for the other Party and the members of its Group to perform their obligations hereunder or receive the Services provided hereunder, as applicable.

(b) Subject to the terms of the Separation Agreement, each Service Provider acknowledges and agrees that the Designated Work Product is and shall remain the exclusive property of the applicable Service Recipient. The Service Provider acknowledges and agrees that, to the fullest extent permitted under applicable Law, the Designated Work Product is a “work made for hire,” as that phrase is defined in the Copyright Act of 1976 (17 U.S.C. §101), for the Service Recipient. To the extent title to any Designated Work Product vests in the Service Provider by operation of Law, each Party (as Service Provider) hereby assigns (and shall cause any such other Service Provider, and any Affiliate or Sub-Contractor of such Service Provider, to assign) to the relevant Service Recipient all right, title and interest in and to such Designated Work Product, and the Service Provider shall (and shall cause any Affiliate or Sub-Contractor of such Service Provider to) provide such assistance and execute such documents as the Service Recipient may reasonably request to assign to the relevant Service Recipient all right, title and interest in and to such work product. Each Service Recipient acknowledges and agrees that it will acquire no right, title or interest to any work product resulting from the provision of the Services hereunder that is not Designated Work Product, and such work product shall remain the exclusive property of the Service Provider.

(c) The Parties acknowledge that it may be necessary for each of them to make proprietary or third-party software available to the other in the course and for the purpose of performing Services, subject to Section 2.01(h) in the case of third-party software. Each Party (i) shall comply with all known license terms and conditions applicable to any and all proprietary or third-party software made available to such Party by the other Party in the course of the provision of Services hereunder and (ii) agrees that it shall use reasonable efforts to identify and provide to the other Party a copy of the applicable license terms (or, solely with respect to open source software or other software with publicly available license terms, information sufficient to direct such other Party to a copy thereof) for any and all proprietary or third-party software first made available to such other Party as of or after the Distribution Date, solely to the extent such provision would not violate the providing Party’s duty of confidentiality owed to any third party.

(d) Except as expressly specified in this Section 4.02, nothing in this Agreement will be deemed to grant one Party, by implication, estoppel or otherwise, any license rights, ownership rights or other rights in any intellectual property owned by the other Party (or any Affiliate or Sub-Contractor of the other Party).

Section 4.03 Customer Receipt Payments and Bank Account Transition Process.

(a) For a period of twelve (12) months following the Distribution (“Customer Receipt Payment Period”), in the event any payments related to trade receivables intended for the SpinCo Group or the Honeywell Group, as applicable (the “Intended Payee”), is incorrectly received by any member of the other Group (the “Customer Receipt Payee”) such Customer Receipt Payee will, as soon as reasonably practicable, but in no event in more than ten (10) business days following receipt of such payment (the “Misdirected Customer Payment”), send the applicable Intended Payee through wire transfer an amount equal to the value of such payment (each, a “Customer Receipt Payment”).

(b) For each Customer Receipt Payment, the Customer Receipt Payee must provide the applicable customer(s) payment details to allow the Intended Payee to identify the customer(s) and the related transaction(s) associated with the Customer Receipt Payment, including each customer’s name, accounts receivable account number and payment amount. On or prior to the Distribution Date, each Party shall provide the other Party with the relevant contact information of the persons to send this information.

(c) The Intended Payee will pursue corrections to the banking details internally. If a member of the SpinCo Group or the Honeywell Group receives a Misdirected Customer Payment within the eleven (11) months following the Distribution, the Customer Receipt Payee will send a letter to the respective customer(s) every month following such payment for so long as such customer(s) continue to remit Misdirected Customer Payments (but in any event no longer than eleven (11) months following the Distribution), informing the customer of the need to use the correct bank account as designated by the Intended Payee. If such customer continues to send Misdirected Customer Payments in the eleventh (11th) month following the Distribution, the Customer Receipt Payee and the Intended Payee will send a final joint letter one (1) month prior to the expiration of the Customer Receipt Payment Period.

(d) Each Party agrees to not send the other Party any Customer Receipt Payments from customers found on the U.S. Treasury Office of Foreign Assets Control’s Specially-designated Nationals List or from any countries with which U.S. persons are prohibited from conducting business. Each Party agrees to not accept Customer Receipt Payments made in cash. Each Party agrees to immediately notify the other Party of any Customer Receipt Payments falling within the scope of this Section 4.03(d) and to cooperate with the other Party in taking any action recommended by the other Party in connection with such Customer Receipt Payments.

(e) All Customer Receipt Payments made by any Customer Receipt Payee to any Intended Payee hereunder shall be made by a wire transfer of immediately available funds in U.S. Dollars to a bank account designated in writing by the Intended Payee entitled to receive payment. Customer Receipt Payments may be bundled or sent on a per payment basis.

(f) All bank fees incurred for transmitting Customer Receipt Payments pursuant to this Section 4.03 will be paid by the Intended Payee and may be deducted from the

applicable Customer Receipt Payments sent to the Intended Payee by the Customer Receipt Payee.

Section 4.04 Computer Leases. The Parties acknowledge that general computer equipment, including copy machines, servers, desktop personal computers, printers, laptops, and network and telephony equipment and environment (collectively, "Computer Equipment") is leased under Honeywell's hardware Refresh Program, through computer equipment leases with certain third-party providers (collectively, the "Computer Equipment Leases"). Lease payments, pursuant to the Computer Equipment Leases for Computer Equipment used or held for use primarily in the SpinCo Business as of the date hereof will be paid by Honeywell's Global Technology Services Group and all such lease payments in addition to other related charges (including associated sales and property Taxes) shall be charged by Honeywell to Homes Subsidiary on a pass-through basis. Homes Subsidiary shall be responsible for all fees, including fees for obtaining consents of lessors, associated with lease assignment, lease buyout and early lease termination imposed by the Computer Equipment lessors. Within ninety (90) days following the date hereof, Homes Subsidiary must elect to exercise one of the following options with respect to the Computer Equipment: (i) if acceptable to Computer Equipment lessor(s), enter into an assignment of any or all of the Computer Equipment Leases to Homes Subsidiary or one or more of its Affiliates to be effected such that the SpinCo Business shall have use of the transferred Computer Equipment on substantially the same terms following the Computer Equipment Lease assignment as the SpinCo Business did prior to such assignment or (ii) negotiate and exercise a buy-out of any or all of the Computer Equipment Leases and the purchase of such Computer Equipment on terms agreed to by Homes Subsidiary and the Computer Equipment lessors. Honeywell agrees to use commercially reasonable efforts to assist Homes Subsidiary and the members of the SpinCo Group in exercising any of the options in the preceding sentence by facilitating discussions between the Computer Equipment lessors and Homes Subsidiary. Homes Subsidiary acknowledges that the hardware Refresh Program is limited to Honeywell's business units under confidential terms, conditions and pricing and cannot be extended to Homes Subsidiary for additional equipment following the Distribution. Actual disposition of equipment must be completed within one (1) year from the date hereof.

Section 4.05 IT Agreements. Each Party acknowledges and agrees that the Services provided by a Service Provider through third parties or using third-party Intellectual Property are subject to the terms and conditions of any applicable agreements between the Service Provider and such third parties (such agreements, the "IT Agreements"), as set forth on Schedule G. The Service Provider shall use commercially reasonable efforts to obtain as promptly as possible any Consent of any Person that may be necessary for the performance of the Service Provider's obligations pursuant to this Agreement in accordance with Section 2.01(h) (it being understood that each Service Recipient shall only be granted access to IT Agreements during the term of this Agreement, and upon expiration of the applicable service term shall procure its own standalone license with the applicable third-party provider).

Section 4.06 Certain Supplier Agreements. Following the Distribution and until one (1) year after the Distribution Date, Honeywell shall, and shall cause the members of the Honeywell Group to, cooperate in any reasonable and permissible arrangement to provide that Homes Subsidiary and the other members of the SpinCo Group shall receive the interest in the benefits and obligations under the Certain Supplier Agreements in accordance with the

provisions of such Certain Supplier Agreement. Payments due to a third party for use of the Certain Supplier Agreements by the SpinCo Business shall either, at Honeywell's sole option, be (i) paid by the member of the SpinCo Group receiving the benefit of such Certain Supplier Agreement or (ii) paid by a member of the Honeywell Group and charged by Honeywell to Homes Subsidiary on a pass-through basis. Any internal or third-party costs incurred by Honeywell in connection with Honeywell's cooperation in accordance with this Section 4.06 shall be charged by Honeywell to Homes Subsidiary on a pass-through basis. Without limiting Homes Subsidiary's obligations under Article VIII, Homes Subsidiary shall indemnify and hold harmless the member of the Honeywell Group party to such Certain Supplier Agreement for any Liability arising out of, in connection with or by reason of Homes Subsidiary's use of the Certain Supplier Agreements and Honeywell's cooperation in accordance with this Section 4.06.

ARTICLE V

Compensation

Section 5.01 Compensation for Services. In each case except as expressly provided in Schedule A or Schedule B:

(a) As compensation for each Service rendered pursuant to this Agreement, the Service Recipient shall be required to pay to the Service Provider a fee for the Service equal to the Cost of Services specified for such Service in Schedule A or Schedule B, as applicable.

(b) For Services with fees determined on an hourly basis (the "Hourly Services"), the Cost of Services are exclusive of any out-of-pocket third-party fees, costs and expenses that may be incurred by the Service Provider or any Sub-Contractor in connection with performing the Services. All of the costs and expenses described in this Section 5.01(b) ("Hourly Services Expenses") shall be charged by the Service Provider to the Service Recipient on a pass-through basis. For the avoidance of doubt, the Hourly Services Expenses shall be consistent with the Service Provider's general approach with respect to such types of costs and expenses; provided that with respect to any Service, the Service Recipient's prior written approval shall be required to the extent that Hourly Services Expenses exceed fifteen percent (15%) of the Cost of Services paid and payable to the Service Provider for such Service in any calendar quarter.

(c) During the term of this Agreement, the amount of a Cost of Service for a Service may increase during a Service Extension, in accordance with Section 6.02.

(d) The amount of any actual and documented sales tax, value-added tax, goods and services tax or similar tax that is required to be assessed and remitted by the Service Provider in connection with the Services provided hereunder ("Taxes") will be promptly paid to the Service Provider by the Service Recipient in accordance with Section 5.02. Such payment shall be in addition to the Cost of Services set forth in Schedule A or Schedule B, as applicable (unless such Tax is expressly already accounted for in the applicable Cost of Services). Notwithstanding the foregoing, (i) in the case of value-added Taxes, the Service Recipient shall not be obligated to pay such Taxes, unless the Service Provider has issued to the

Service Recipient a valid value-added tax invoice in respect thereof, and (ii) in the case of all Taxes, the Service Recipient shall not be obligated to pay such Taxes if and to the extent that the Service Recipient has provided any valid exemption certificates or other applicable documentation that would eliminate or reduce the obligation to collect or pay such Taxes.

(e) Either Party shall have the right to deduct or withhold from any payments otherwise payable under this Agreement such amounts as are required by applicable Law to be deducted or withheld with respect thereto and, to the extent such amounts are duly and timely remitted to the appropriate Governmental Authority, such deducted or withheld amounts shall be treated as paid to the other Party for all purposes of this Agreement; provided, however, that each Party shall notify the other Party in writing of any anticipated withholding at least fifteen (15) business days prior to making any such deduction or withholding and will cooperate with the other Party in obtaining any available exemption from or reduction of such deduction or withholding. The Party making such deduction or withholding shall promptly provide to the other Party tax receipts or other documents evidencing the payment of any such deducted or withheld amount to the applicable Governmental Authority.

Section 5.02 Payment Terms.

(a) The Service Provider shall bill the Service Recipient monthly in U.S. Dollars, within thirty (30) business days after the end of each month, or at such other interval specified with respect to a particular Service in Schedule A or Schedule B, as applicable, an amount equal to the aggregate Cost of Services due for all Services provided in such month or other specified interval, as applicable, plus any Taxes. Invoices shall set forth a description of the Services provided and reasonable documentation to support the charges thereon, which invoice and documentation shall be in the same level of detail and in accordance with the procedures for invoicing as provided to the Service Provider's other businesses. Invoices shall be directed to the Service Coordinator appointed by Honeywell or Homes Subsidiary, as applicable, or to such other Person designated in writing from time to time by such Service Coordinator. The Service Recipient shall pay such amount in full within thirty (30) days after receipt of each invoice by wire transfer of immediately available funds to the account designated by the Service Provider for this purpose. If the thirtieth (30th) day falls on a weekend or a holiday, the Service Recipient shall pay such amount on or before the following business day. Each invoice shall set forth in reasonable detail the calculation of the charges and amounts and applicable Taxes for each Service during the month or other specified interval to which such invoice relates. In addition to any other remedies for non-payment, if any payment is not received by the Service Provider on or before the date such amount is due, then a late payment interest charge, calculated at the annual rate equal to the "Prime Rate" as reported on the thirtieth (30th) day after the date of the invoice in *The Wall Street Journal* (or, if such day is not a business day, the first business day immediately after such day), calculated on the basis of a year of 360 days and the actual number of days elapsed between the end of the thirty (30)-day payment period and the actual payment date, shall immediately begin to accrue and any such late payment interest charges shall become immediately due and payable in addition to the amount otherwise owed under this Agreement. The Parties shall cooperate to achieve an invoicing structure that minimizes taxes for both Parties, including by implementing a local-to-local invoicing structure where applicable.

(b) The Service Recipient shall notify the Service Provider promptly, and in no event later than thirty (30) days following receipt of the Service Provider's invoice, of any disputed amounts. If the Service Recipient does not notify the Service Provider of any disputed amounts within such thirty (30)-day period, then Service Recipient will be deemed to have accepted the Service Provider's invoice. Any objection to the amount of any invoice shall be deemed to be a Dispute hereunder subject to the provisions applicable to Disputes set forth in Article IX. The Service Recipient shall pay any undisputed amount, and all Taxes (whether or not disputed), in accordance with this Section 5.02. The Service Provider shall, upon the written request of a Service Recipient, furnish such reasonable documentation to substantiate the amounts billed, including listings of the dates, times and amounts of the Services in question where applicable and practicable. The Service Recipient may withhold any payments subject to a Dispute other than Taxes; provided that any disputed payments, to the extent ultimately determined to be payable to the Service Provider, shall bear interest as set forth in Section 5.02(a).

(c) Subject to Section 5.02(b), no Service Recipient shall withhold any payments to its Service Provider under this Agreement in order to offset payments due to such Service Recipient pursuant to this Agreement, the Separation Agreement, any Ancillary Agreement or otherwise, unless such withholding is mutually agreed by the Parties or is provided for in the final ruling of a court having jurisdiction pursuant to Section 10.07. Any required adjustment to payments due hereunder will be made as a subsequent invoice.

Section 5.03 DISCLAIMER OF WARRANTIES. WITHOUT LIMITATION TO THE COVENANTS RELATING TO THE PROVISION OF SERVICES SET FORTH IN SECTION 2.01(F), THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT ARE FURNISHED WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR ANY PARTICULAR PURPOSE. NO MEMBER OF THE HONEYWELL GROUP OR OF THE SPINCO GROUP, AS SERVICE PROVIDER, MAKES ANY REPRESENTATION OR WARRANTY THAT ANY SERVICE COMPLIES WITH ANY LAW, DOMESTIC OR FOREIGN.

Section 5.04 Books and Records. Honeywell and Homes Subsidiary shall each, and shall each cause the members of their Group to, maintain complete and accurate books of account as necessary to support calculations of the Cost of Services for Services rendered by it or the other members of its Group as Service Providers and shall make such books available to the other, upon reasonable notice, during normal business hours; provided, however, that to the extent Honeywell's or Homes Subsidiary's books, or the books of the members of their Group, contain Information relating to any other aspect of the Honeywell Business or the SpinCo Business, as applicable, Honeywell and Homes Subsidiary shall negotiate a procedure to provide the other Party with necessary access while preserving the confidentiality of such other records.

ARTICLE VI

Term

Section 6.01 Commencement. This Agreement is effective as of the date hereof and shall remain in effect with respect to a particular Service until the occurrence of the Applicable Termination Date applicable to such Service (or, subject to the terms of Section 6.02, the expiration of any Service Extension applicable to such Service), unless earlier terminated (i) in its entirety or with respect to a particular Service, in each case in accordance with Section 6.03 or Section 6.04, or (ii) by mutual consent of the Parties. Notwithstanding anything to the contrary contained herein, if the Separation Agreement shall be terminated in accordance with its terms, this Agreement shall be automatically terminated and void ab initio with no further action by the Parties and shall be of no force and effect.

Section 6.02 Service Extension. Except as expressly provided in Schedule A or Schedule B, if the Service Recipient reasonably determines that it will require a Service to continue beyond the Applicable Termination Date or the end of a subsequent extension period, the Service Recipient may request the Service Provider to extend the term of such Service for the desired renewal period(s) (each, a “Service Extension”) by written notice to the Service Provider no less than forty-five (45) days prior to end of the then-current Service term; provided that a Service Recipient may only request to extend a Service that is included on Schedule D if it requests to extend all other Services that are designated on Schedule D as a “Related Service” with respect to such Service. The Service Provider shall respond to any such request for a Service Extension within fifteen (15) days of receipt and shall use commercially reasonable efforts to comply with such Service Extension request; provided, however, that (i) the Service Extensions with respect to each Service shall not extend the term of such Service to a date beyond the Applicable End Date applicable to such Service, (ii) the Service Provider will not be in breach of its obligations under this Section 6.02 if it is unable to comply with a Service Extension request through the use of commercially reasonable efforts, including where a Consent that is required in order for the Service Provider to continue to provide the applicable Service during the requested Service Extension cannot be obtained by the Service Provider through the use of commercially reasonable efforts, (iii) the Service Provider shall not be required to contribute capital, pay or grant any consideration or concession in any form (including by providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make any Consent that is required in order for the Service Provider to continue to provide the applicable Service during the requested Service Extension (other than reasonable out-of-pocket expenses, attorneys’ fees and recording or similar fees, all of which shall be reimbursed by the Service Recipient, as promptly as reasonably practicable) and (iv) each Service Extension is permissible under applicable Law and would not prevent, or be reasonably likely to prevent, or be inconsistent with the qualification of the Distribution as a tax-free transaction for U.S. federal, state and local income tax purposes. With respect to Schedule A or Schedule B, as applicable, the Cost of Services specified for such Service in Schedule A or Schedule B, as applicable, shall be amended to include (i) for the period from the Applicable Termination Date until the date that is one half of the Applicable Original Duration following the Applicable Termination Date, an incremental surcharge of 10% and (ii) for the period from the date that is one half of the Applicable Original Duration following the Applicable Termination Date to the Applicable End Date, an incremental surcharge of 20%. The Parties shall amend the terms of Schedule A or Schedule B, as applicable, to reflect the new Service term and Cost of Services within five (5) days following the Service Provider’s agreement to a Service Extension, subject to the conditions set forth in this Section 6.02. Each such amended Schedule A or Schedule B, as applicable, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such agreement.

Section 6.03 Termination.

(a) This Agreement may be terminated:

(i) by either Honeywell or Homes Subsidiary at any time upon written notice to the other Party (which notice shall specify the basis for such claim for breach of this Agreement), if the other Party materially breaches this Agreement (and the period for resolution of the Dispute relating to such breach set forth in Section 9.01 has expired), effective upon not less than thirty (30)-days' written notice of termination to the breaching Party, if the breaching Party does not cure such default within thirty (30) days after receiving written notice thereof from the non-breaching Party; or

(ii) except as otherwise provided by Law, by either Honeywell or Homes Subsidiary at any time upon written notice to the other Party, if (i) the other Party is adjudicated as bankrupt, (ii) any insolvency, bankruptcy or reorganization proceeding is commenced by the other Party under any insolvency, bankruptcy or reorganization act, (iii) any action is taken by others against the other Party under any insolvency, bankruptcy or reorganization act and such Party fails to have such proceeding stayed or vacated within ninety (90) days or (iv) if the other Party makes an assignment for the benefit of creditors, or a receiver is appointed for the other Party which is not discharged within thirty (30) days after the appointment of the receiver.

Section 6.04 Partial Termination.

(a) If a Service Provider or Service Recipient materially breaches any of its respective obligations under this Agreement with respect to a Service (and the period for resolution of the Dispute relating to such breach set forth in Section 9.01 has expired), the non-breaching Service Recipient or Service Provider, as applicable, may terminate this Agreement with respect to the Service to which such obligations apply, effective upon not less than thirty (30)-days' written notice of termination to the breaching Party, if the breaching Party does not cure such default within thirty (30) days after receiving written notice thereof from the non-breaching Party. The termination of this Agreement with respect to any Service pursuant to this Section 6.04 shall not affect the Parties' rights or obligations under this Agreement with respect to any other Service.

(b) Except as otherwise provided in this Agreement or Schedule A or Schedule B, upon not less than sixty (60)-days' prior written notice, a Service Recipient shall be entitled to terminate one (1) or more Services being provided by any Service Provider for any reason or no reason at all; provided that a Service Recipient may only terminate a Service that is included on Schedule D pursuant to this Section 6.04(b) if it simultaneously terminates all other Services that are designated on Schedule D as a Related Service with respect to such Service.

(c) In the event that a Service Provider reduces or suspends the provision of any Service due to a Force Majeure Event and such reduction or suspension continues for fifteen (15) days, the Service Recipient may immediately terminate such Service, upon written notice and without any obligations therefor, including any Cost of Services in respect thereof.

Section 6.05 Effect of Termination.

(a) Each Party agrees and acknowledges that the obligations of each Party to provide the Services, or to cause the Services to be provided, hereunder shall immediately cease upon (i) the termination of any (or all) such Service(s) at the Applicable Termination Date applicable to each such Service (or, subject to the terms of Section 6.02, the expiration of any Service Extension applicable to such Service), (ii) termination of (A) this Agreement or (B) any particular Service, in each case in accordance with Section 6.04, or (iii) upon termination of the Agreement or any Service by mutual consent of the Parties. Upon cessation of the Service Provider's obligation to provide any Service, the Service Recipient shall stop using, directly or indirectly, such Service.

(b) Upon the request of the Service Recipient after the termination of a Service with respect to which the Service Provider holds books, records or files, including current and archived copies of computer files, (i) owned solely by the Service Recipient or its Affiliates and used by the Service Provider in connection with the provision of a Service pursuant to this Agreement or (ii) created by the Service Provider and in the Service Provider's possession as a function of and relating solely to the provision of Services pursuant to this Agreement, such books, records and files shall either be returned to the Service Recipient or destroyed by the Service Provider, with certification of such destruction provided to the Service Recipient, other than, in each case, such books, records and files electronically preserved or recorded within any computerized data storage device or component (including any hard-drive or database) pursuant to automatic or routine backup procedures generally accessible only by legal, IT or compliance personnel, which such books, records and files will not be used by the Service Provider for any other purpose. The Service Recipient shall bear the Service Provider's reasonable, necessary and actual out-of-pocket costs and expenses associated with the return or destruction of such books, records or files. At its expense, the Service Provider may make one copy of such books, records or files for its legal files, subject to such Party's obligations under Section 10.05.

(c) In the event that any Service is terminated other than at the end of a month, and the Cost of Service associated with such Service is determined on a monthly basis, the Service Provider shall bill the Service Recipient for the entire month in which such Service is terminated. The Parties acknowledge that there may be interdependencies among the Services being provided under this Agreement that may not be identified on Schedule A, Schedule B or Schedule D, as applicable, and agree that, if the Service Provider's ability to provide a particular Service in accordance with this Agreement is materially and adversely affected by the termination of another Service in accordance with Section 6.04, then the Parties shall negotiate in good faith to amend the Schedule A or Schedule B, as applicable, relating to such affected continuing Service.

(d) In the event of a termination under Section 6.04, the Service Recipient shall pay to the Service Provider any breakage or termination fees, and other termination costs payable by the Service Provider, solely as a result of the early termination of such Service, with respect to any resources or pursuant to any other third-party agreements that were used by the Service Provider to provide such Service (or an equitably allocated portion thereof, in the case of any such equipment, resources or agreements that also were used for purposes other than providing Services) (“Termination Charges”). The Service Provider will provide to the Service Recipient an invoice for the Termination Charges, within thirty (30) days following the date of any termination of a Service under Section 6.04 and will provide reasonable documentary evidence to substantiate such Termination Charges.

(e) In the event of any termination of this Agreement in its entirety or with respect to any Service, each Party, Service Provider and Service Recipient shall remain liable for all of their respective obligations that accrued hereunder prior to the date of such termination, including all obligations of each Service Recipient to pay any Cost of Service due to any Service Provider hereunder.

(f) The following matters shall survive the termination of this Agreement, including the rights and obligations of each Party thereunder, in addition to any claim for breach arising prior to termination: Article I, Section 4.02(b), Article V, Article VII (including liability in respect of any indemnifiable Liabilities under this Agreement arising or occurring on or prior to the date of termination), this Section 6.05, Article IX, Article X and all confidentiality obligations under this Agreement.

ARTICLE VII

Indemnification; Limitation of Liability

Section 7.01 Indemnification by Homes Subsidiary.

(a) Homes Subsidiary, in its capacity as a Service Recipient and on behalf of each member of its Group in its capacity as a Service Recipient, shall indemnify, defend and hold harmless Honeywell and the other Honeywell Indemnitees from and against any and all Liabilities incurred by such Honeywell Indemnitee and arising out of, in connection with or by reason of any Services provided by any member of the Honeywell Group hereunder, except to the extent such Liabilities arise out of a Honeywell Group member’s (i) breach of this Agreement, (ii) violation of Laws in providing the Services or (iii) gross negligence or willful misconduct in providing the Services.

(b) Homes Subsidiary, in its capacity as a Service Provider and on behalf of each member of its Group in its capacity as a Service Provider, shall indemnify, defend and hold harmless Honeywell and the other Honeywell Indemnitees from and against any and all Liabilities incurred by such Honeywell Indemnitee and arising out of, in connection with or by reason of any Services provided by any member of the Honeywell Group hereunder, which Liabilities result from a SpinCo Group member’s (i) breach of this Agreement, (ii) violation of Laws in providing the Services or (iii) gross negligence or willful misconduct in providing the Services.

Section 7.02 Indemnification by Honeywell.

(a) Honeywell, in its capacity as a Service Recipient and on behalf of each member of its Group in its capacity as a Service Recipient, shall indemnify, defend and hold harmless Homes Subsidiary and the other SpinCo Indemnitees from and against any and all Liabilities incurred by such SpinCo Indemnitee and arising out of, in connection with or by reason of any Services provided by any member of the SpinCo Group hereunder, except to the extent such Liabilities arise out of a SpinCo Group member's (i) breach of this Agreement, (ii) violation of Laws in providing the Services or (iii) gross negligence or willful misconduct in providing the Services.

(b) Honeywell, in its capacity as a Service Provider and on behalf of each member of its Group in its capacity as a Service Provider, shall indemnify, defend and hold harmless Homes Subsidiary and the other SpinCo Indemnitees from and against any and all Liabilities incurred by such SpinCo Indemnitee and arising out of, in connection with or by reason any Services provided by any member of the Honeywell Group hereunder, which Liabilities result from a Honeywell Group member's (i) breach of this Agreement, (ii) violation of Laws in providing the Services or (iii) gross negligence or willful misconduct in providing the Services.

Section 7.03 Indemnification Procedures. The provisions of Section 7.05 of the Separation Agreement shall govern claims for indemnification under this Agreement, provided that, for purposes of this Section 7.03, in the event of any conflict between the provisions of Section 7.05 of the Separation Agreement and this Article VII, the provisions of this Agreement shall control.

Section 7.04 Exclusion of Other Remedies. Without limiting the rights under Section 10.09, the provisions of Sections 7.01 and 7.02 shall, to the maximum extent permitted by applicable Law, be the sole and exclusive remedies of the Honeywell Group and the SpinCo Group, as applicable, for any Liability, whether arising from statute, principle of common or civil law, principles of strict liability, tort, contract or otherwise under this Agreement.

Section 7.05 Other Indemnification Obligations Unaffected. For avoidance of doubt, this Article VII applies solely to the specific matters and activities covered by this Agreement (and not to matters specifically covered by the Separation Agreement or the other Ancillary Agreements).

Section 7.06 Limitation on Liability.

(a) No Service Provider, in its capacity as such, nor any member of its Group acting in the capacity of a Service Provider, nor any Indemnitee thereof, shall be liable (whether such liability is direct or indirect, in contract or tort or otherwise) to the other Party (or any of such other Party's Indemnitees) for any Liabilities arising out of, related to or in connection with the Services or this Agreement, except to the extent that such Liabilities arise out of such Service Provider's (or a member of its Group's) (i) breach of this Agreement, (ii) violation of Laws in providing the Services or (iii) gross negligence or willful misconduct in providing the Services; provided that nothing in this Section 7.06 shall be deemed to limit a Service Recipient's rights under Section 7.06(d) regarding Insurance Proceeds in respect of Third-Party Claims.

(b) IN NO EVENT SHALL ANY SERVICE PROVIDER, IN ITS CAPACITY AS SUCH, NOR ANY MEMBER OF ITS GROUP ACTING IN THE CAPACITY OF A SERVICE PROVIDER, NOR ANY INDEMNITEE THEREOF, BE LIABLE, WHETHER IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE TO THE SERVICE RECIPIENT (OR ANY OF ITS INDEMNITEES) FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING LOSS OF PROFITS) AS A RESULT OF ANY BREACH, PERFORMANCE OR NON-PERFORMANCE BY SUCH SERVICE PROVIDER UNDER THIS AGREEMENT, EXCEPT AS MAY BE PAYABLE TO A CLAIMANT IN A THIRD-PARTY CLAIM.

(c) EACH GROUP'S TOTAL LIABILITY, IN ITS CAPACITY AS A SERVICE PROVIDER, TO THE OTHER GROUP ARISING OUT OF, RELATED TO OR IN CONNECTION WITH THE SERVICES OR THIS AGREEMENT FOR ALL CLAIMS SHALL NOT EXCEED IN THE AGGREGATE AN AMOUNT EQUAL TO THE TOTAL AMOUNT PAID TO IT FOR SERVICES UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT, NOTWITHSTANDING THE FOREGOING, IN THE CASE OF ANY LIABILITY TO THE OTHER PARTY ARISING OUT OF A THIRD-PARTY CLAIM, EACH GROUP'S TOTAL LIABILITY IN ITS CAPACITY AS A SERVICE PROVIDER TO THE OTHER GROUP SHALL BE INCREASED BY AN AMOUNT EQUAL TO THE AMOUNT, IF ANY, OF ANY INSURANCE PROCEEDS THAT ARE ACTUALLY RECEIVED BY SUCH SERVICE PROVIDER IN ACCORDANCE WITH SECTION 7.06(D).

(d) If a Service Provider, in its capacity as such, or any member of its Group acting in the capacity of a Service Provider, or any Indemnitee thereof, shall be liable to the other Party for any Liability arising out of a Third-Party Claim, such Service Provider, at the request of the Indemnitee, shall use commercially reasonable efforts to pursue and recover any available Insurance Proceeds under applicable insurance policies. Promptly upon the actual receipt of any such Insurance Proceeds, such Service Provider shall pay such Insurance Proceeds to the applicable Indemnitee to the extent of the Liability arising out of the applicable Third-Party Claim. The Indemnitee shall, upon the request of such Service Provider and to the extent permitted under such Service Provider's applicable insurance policies, promptly pay directly to such Service Provider or to such Service Provider's insurer any reasonable costs or expenses incurred in the collection of such Indemnitee's portion of such Insurance Proceeds (including such Indemnitee's portion of applicable retentions or deductibles); provided, however, that in no event shall an Indemnitee's portion of such collection costs and expenses, applicable retentions and deductibles exceed the amount of Insurance Proceeds actually received by such Indemnitee.

ARTICLE VIII

Other Covenants

Section 8.01 Attorney-in-Fact. On a case-by-case basis, the Service Recipient shall execute documents necessary to appoint the Service Provider as its attorney-in-fact for the sole purpose of executing any and all documents and instruments reasonably required to be executed in connection with the performance by the Service Provider of any Service under this Agreement.

Section 8.02 Further Assurances. Each Party hereto shall take, or cause to be taken, any and all reasonable actions, including the execution, acknowledgment, filing and delivery of any and all documents and instruments that any other Party hereto may reasonably request in order to effect the intent and purpose of this Agreement and the transactions contemplated hereby.

ARTICLE IX

Dispute Resolution

Section 9.01 General. Except as expressly provided in this Article IX, the Parties shall resolve all disputes arising under or in connection with this Agreement (each, a “Dispute”) in accordance with the following procedures set forth in this Article IX (including, for the avoidance of doubt, any Dispute relating to payments with respect to the Services).

Section 9.02 Resolution Committee. All Disputes will be first considered in person, by teleconference or by video conference by the Service Coordinators within five (5) business days after receipt of notice from either Party specifying the nature of the Dispute (a “Dispute Notice”). The Service Coordinators shall enter into negotiations aimed at resolving any such Dispute. If the Service Coordinators are unable to reach a resolution with respect to the Dispute within ten (10) business days after receipt of notice of the Dispute, the Dispute shall be referred to a Resolution Committee comprised of specified transition leaders (the “Resolution Committee”) from Honeywell and Homes Subsidiary. On or prior to the Distribution Date, each Party shall provide the other Party with the name and relevant contact information for its respective initial Resolution Committee member, and either Party may replace its Resolution Committee members at any time with other persons of similar seniority by providing written notice in accordance with Section 10.12. The Resolution Committee will meet (by telephone or in person) during the next ten (10) business days and attempt to resolve the Dispute. In the event that the Resolution Committee is unable to reach a resolution with respect to the Dispute within ten (10) business days of the referral of the matter to the Resolution Committee, then the Dispute shall be referred to a senior executive of each Party in accordance with Section 9.03 and the Parties shall retain all rights with respect to remedies hereunder.

Section 9.03 Senior Executive Referral. If no resolution is reached with respect to any Dispute in accordance with Section 9.02, then a senior executive of each Party shall, in good faith, attempt to resolve any such Dispute within the following thirty (30) days of the referral of the matter to the senior executives. If no resolution is reached with respect to any

such Dispute in accordance with the procedures contained in Section 9.02 and this Section 9.03, then the Parties may seek to resolve such matter in accordance with Section 10.07, Section 10.08 and Section 10.09.

Section 9.04 Court-Ordered Interim Relief. In accordance with this Section 9.04 and Section 10.08, at any time after giving notice of a Dispute, each Party shall be entitled to interim measures of protection duly granted by a court of competent jurisdiction: (1) to preserve the status quo pending resolution of the dispute; (2) to prevent the destruction or loss of documents and other information or things relating to the dispute; or (3) to prevent the transfer, disposition or hiding of assets. Any such interim measure (or a request therefor to a court of competent jurisdiction) shall not be deemed incompatible with the provisions of Section 10.07 and Section 10.08. Until such Dispute is resolved in accordance with this Article IX or final judgment is rendered in accordance with Section 10.07 and Section 10.08, each Party agrees that such Party shall continue to perform its obligations under this Agreement and that such obligations shall not be subject to any defense or set-off, counterclaim, recoupment or termination.

ARTICLE X

Miscellaneous

Section 10.01 Title to Equipment; Title to Data.

(a) Except as otherwise expressly provided herein, each of Homes Subsidiary and Honeywell acknowledges that all procedures, methods, systems, strategies, tools, equipment, facilities and other resources used by any Service Provider in connection with the provision of Services shall remain the property of such Service Provider and shall at all times be under the sole direction and control of such Service Provider.

(b) Each of Homes Subsidiary and Honeywell acknowledges that it will acquire no right, title or interest (including any license rights or rights of use) in any firmware or software, or the licenses therefor that are owned by the other Party or its Affiliates, Subsidiaries or divisions, by reason of the provision of the Services hereunder, except as expressly provided in Section 4.02.

Section 10.02 Force Majeure. In case performance of any terms or provisions hereof shall be delayed or prevented, in whole or in part, because of or related to compliance with any Law or requirement of any national securities exchange, or because of riot, war, public disturbance, strike, labor dispute, fire, explosion, storm, flood, earthquake, pandemic, shortage of necessary equipment, materials or labor, or restrictions thereon or limitations upon the use thereof, delays in transportation, act of God or act of terrorism, in each case, that is not within the control of the Party whose performance is interfered with and which, by the exercise of reasonable diligence, such Party is unable to prevent, or for any other reason which is not within the control of such Party whose performance is interfered with and which, by the exercise of reasonable diligence, such Party is unable to prevent (each, a "Force Majeure Event"), then, upon prompt written notice stating the date and extent of such interference and the cause thereof by such Party to the other Party, such Party shall be excused from its obligations hereunder during the period such Force Majeure Event or its effects continue, and no liability shall attach against either Party on account thereof; provided, however, that the Party whose performance is interfered with promptly resumes the required performance upon the cessation of the Force Majeure Event or its effects. No Party shall be excused from performance if such Party fails to use commercially reasonable efforts to remedy the situation and remove the cause and effects of the Force Majeure Event.

Section 10.03 Separation Agreement. The Parties agree that, in the event of a conflict between the terms of this Agreement and the Separation Agreement with respect to the subject matter hereof, the terms of this Agreement shall govern.

Section 10.04 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating a relationship of principal and agent, partnership or joint venture between the Parties, between Service Providers and Service Recipients or with any individual providing Services, it being understood and agreed that no provision contained herein, and no act of any Party or members of their respective Groups, shall be deemed to create any relationship between the Parties or members of their respective Groups other than the relationship set forth herein. Each Party and each Service Provider shall act under this Agreement solely as an independent contractor and not as an agent or employee of any other Party or any of such Party's Affiliates.

Section 10.05 Confidentiality. Each Party hereby acknowledges that confidential Information of such Party or members of its Group may be exposed to employees and agents of the other Party or its Group who have a need to know such confidential Information as a result of, or in connection with, the activities contemplated by this Agreement. Each Party agrees, on behalf of itself and its Affiliates, that such Party's obligation (and the obligation of members of its Group) to use and keep confidential such Information of the other Party or its Group shall be governed by Sections 8.01(c) and 8.09 of the Separation Agreement.

Section 10.06 Counterparts; Entire Agreement.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, the Separation Agreement, the other Ancillary Agreements and the Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

Section 10.07 Governing Law; Jurisdiction. Any disputes arising out of or relating to this Agreement, including, without limitation, to its execution, performance, or enforcement, shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of any state or federal court sitting in New York City in the State of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Affiliates, successors and assigns under or related to this Agreement or any of the transactions contemplated hereby, including, without limitation, to their execution, performance or enforcement, whether in contract, tort or otherwise. Each of the Parties hereby agrees that it shall not assert and shall hereby waive any claim or right or defense that it is not subject to the jurisdiction of such courts, that the venue is improper, that the forum is inconvenient or any similar objection, claim or argument. Each Party agrees that a final judgment in any legal proceeding resolved in accordance with Article IX, this Section 10.07, Section 10.08 and Section 10.09 shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

Section 10.08 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY INCLUDING, WITHOUT LIMITATION, THEIR EXECUTION, PERFORMANCE OR ENFORCEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS.

Section 10.09 Specific Performance. Subject to Article IX, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

Section 10.10 Assignability. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of Law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties

and their respective successors and assigns. Notwithstanding the foregoing, either Party may assign this Agreement without prior written consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's Assets or (b) the sale of all or substantially all of such Party's Assets; provided, however, that the assignee or successor-in-interest expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment, assumption or succession to the non-assigning Party. No assignment permitted by this Section 10.10 shall release the assigning Party from liability for the full performance of its obligations under this Agreement. Nothing in this Section 10.10 shall affect or impair a Service Provider's ability to delegate any or all of its obligations under this Agreement to one or more Affiliates or Sub-Contractors pursuant to Section 2.01(e).

Section 10.11 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Honeywell Indemnitee or SpinCo Indemnitee in his, her or its respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 10.12 Notices. All notices or other communications under this Agreement shall be in writing and shall be provided in the manner set forth in the Separation Agreement.

Section 10.13 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

Section 10.14 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 10.15 Waivers of Default. No failure or delay of any Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or

power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

Section 10.16 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

Section 10.17 Interpretation. The rules of interpretation set forth in Section 12.17 of the Separation Agreement are incorporated by reference into this Agreement, *mutatis mutandis*.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

HONEYWELL INTERNATIONAL INC.

By: /s/ Richard Kent

Name: Richard Kent

Title: Vice President, Deputy General

Counsel, Finance and Assistant Secretary

ADEMCO INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: President

TAX MATTERS AGREEMENT (this “Agreement”), dated as of October 19, 2018, by and between **HONEYWELL INTERNATIONAL INC.**, a Delaware corporation (“HII”), and **RESIDEO TECHNOLOGIES, INC.**, a Delaware corporation (“SpinCo”, and HII and SpinCo, collectively, the “Parties”).

W I T N E S S E T H:

WHEREAS, as of the date of this Agreement, SpinCo is a wholly-owned subsidiary of HII and a member of the affiliated group of which HII is the common parent;

WHEREAS, pursuant to the Separation Agreement, HII and SpinCo have effected or agreed to effect (i) the Reorganization (the steps of which are described in Schedule I of the Separation Agreement) and (ii) the Distribution (together, the “Transactions”);

WHEREAS, the Parties believe the Distribution will provide greater flexibility for management, capital requirements and growth of the SpinCo Business and will enable HII senior management to focus its time and resources on the development of the HII retained businesses;

WHEREAS, the Parties intend that each of the applicable Transactions qualify for its Intended Tax Treatment;

WHEREAS, as a result of and upon the Distribution, SpinCo and its Subsidiaries will cease to be members of the Honeywell Group; and

WHEREAS, the Parties desire to allocate the Tax responsibilities, liabilities and benefits of transactions that occur on or prior to, and that may occur after, the Distribution Date and to provide for and address certain other Tax matters.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. **Definition of Terms.** The following terms shall have the following meanings. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Separation Agreement.

“10% Acquisition Transaction” has the meaning set forth in Section 4.06.

“Accounting Firm” has the meaning set forth in Section 3.01(d).

“Active Trade or Business” means the active conduct (determined in accordance with Section 355(b) of the Code) of the trades or businesses described in the Tax Opinion Representations for purposes of satisfying the requirements of Section 355 (b) of the Code as it applies to the Transactions with respect to the businesses conducted by members of the SpinCo Group that are the ATB Entities.

“Agreement” has the meaning set forth in the preamble.

“ATB Entities” means the entities listed on Schedule 1.01(a).

“Code” means the Internal Revenue Code of 1986, as amended.

“Determination” means (i) any final determination of liability in respect of a Tax that, under applicable Law, is not subject to further appeal, review or modification through proceedings or otherwise (including as a result of the expiration of a statute of limitations or period for the filing of claims for refunds, amended Tax Returns or appeals from adverse determinations), including a “determination” as defined in Section 1313(a) of the Code or execution of an IRS Form 870AD, or (ii) the payment of Tax by a Party (or its Subsidiary) that is responsible for payment of that Tax under applicable Law, with respect to any item disallowed or adjusted by a Taxing Authority, as long as the responsible Party determines that no action should be taken to recoup that payment and the other Party agrees.

“E&P” has the meaning set forth in Section 2.02(b)(iv).

“Gain Recognition Agreement” means any agreement to recognize gain that is described in Treasury Regulation Section 1.367(a)-8 and entered into in connection with the Transactions and to which any member of the Honeywell Group or the SpinCo Group is a party.

“Honeywell Group” means HII and each of its Subsidiaries, including any Person that becomes a Subsidiary of Honeywell as a result of transactions that occur following the Distribution in accordance with the Plan of Reorganization, but excluding any member of the SpinCo Group.

“Honeywell Separate Return” means a Tax Return of any member of the Honeywell Group (including any consolidated, combined, affiliated, unitary or similar Tax Return) that does not include, for all or any portion of the relevant taxable period, any member of the SpinCo Group.

“HII” has the meaning set forth in the preamble.

“HII Consolidated Group” means any consolidated, combined, affiliated, unitary or similar group of which (i) any member of the Honeywell Group is or was a member and (ii) any member of the SpinCo Group is or was a member.

“Indemnification Agreement” means the Indemnification and Reimbursement Agreement, dated as of October 14, 2018, by and among New HAPI Inc. and HII.

“Indemnifying Party” means a Party that has an obligation to make an Indemnity Payment.

“Indemnitee” means a Party that is entitled to receive an Indemnity Payment.

“Indemnity Payment” means an indemnity payment contemplated by this Agreement and the Separation Agreement. For the avoidance of doubt, any payments under the Indemnification Agreement shall not be treated as an Indemnity Payment hereunder.

“Intended Tax Treatment” means, with respect to each of the applicable Transactions, the tax treatment set forth for such Transaction in Appendix A.

“IRS” means the U.S. Internal Revenue Service.

“Joint Return” means any Tax Return (i) that includes both a member of the Honeywell Group and a member of the SpinCo Group or (ii) of an entity that reflects items attributable to both the Honeywell Business and the SpinCo Business.

“Ordinary Taxes” means Taxes other than (i) Transaction Taxes and (ii) Transfer Taxes incurred as a result of the Transactions.

“Parties” has the meaning set forth in the preamble.

“Post-Distribution Tax Period” means any taxable period (or portion thereof) beginning after the Distribution Date.

“Pre-Distribution Tax Period” means any taxable period (or portion thereof) that ends on or before the Distribution Date.

“Prime Rate” means the “prime rate” as published in The Wall Street Journal, Eastern Edition.

“Privilege” means all privileges, immunities or other protections from disclosure which may be asserted under applicable Law, including attorney-client privilege, business strategy privilege, joint defense privilege, common interest privilege and protection under the work-product doctrine.

“Proposed Acquisition Transaction” has the meaning set forth in Section 4.03(b).

“Protective Section 336(e) Election” means, with respect to an entity, a protective election under Section 336(e) of the Code and Section 1.336-2(j) of the Regulations (and any similar provision of U.S. state, local or non-U.S. Law for such jurisdictions as HII shall determine at its sole discretion) to treat the disposition of the Stock of such entity, pursuant to the Reorganization or the Distribution, as a deemed sale of the assets of such entity in accordance with Section 1.336-2(h) of the Regulations (or any similar provision of U.S. state, local or non-U.S. Law).

“Records” has the meaning set forth in Section 5.01.

“Refund Recipient” has the meaning set forth in Section 2.03.

“Regulations” means the Treasury regulations promulgated under the Code.

“Reportable Transaction” means a reportable or listed transaction as defined in Section 6011 of the Code or the Regulations promulgated thereunder, other than a loss transaction as defined in Regulations Section 1.6011-4(b)(5).

“Restricted Period” has the meaning set forth in Section 4.03(a).

“Ruling” means a private letter ruling (including any supplemental ruling) sought or issued by the IRS in connection with the Transactions, including in connection with the actions prohibited under Section 4.03(a) of this Agreement, whether granted prior to, on or after the date hereof.

“Satisfactory Guidance” has the meaning set forth in Section 4.04(c).

“Section 355 Entities” means the entities listed on Schedule 1.01(b).

“Separation Agreement” means the Separation and Distribution Agreement dated as of the date of this Agreement by and between HII and SpinCo, including the Schedules thereto.

“SpinCo” has the meaning set forth in the preamble.

“SpinCo Group” means (a) SpinCo, (b) each Person that will be a Subsidiary of SpinCo immediately prior to the Distribution, including the entities set forth on Schedule IV of the Separation Agreement under the caption “Subsidiaries”, and (c) each Person that becomes an Affiliate of SpinCo after the Distribution, including in each case any Person that is merged or consolidated with or into SpinCo or any Affiliate of SpinCo and any Person that becomes an Affiliate of SpinCo as a result of transactions that occur following the Distribution in accordance with the Plan of Reorganization.

“SpinCo SAG” has the meaning set forth in Section 4.03(a)(v).

“SpinCo Separate Return” means a Tax Return of any member of the SpinCo Group (including any consolidated, combined, affiliated or unitary Return) that does not include, for all or any portion of the relevant taxable period, any member of the Honeywell Group.

“SpinCo Stock” means (i) all classes or series of stock or other equity interests of SpinCo and (ii) all other instruments properly treated as stock of SpinCo for U.S. Federal income Tax purposes.

“Straddle Period” has the meaning set forth in Section 2.05(b).

“Subsidiary” means, with respect to any Person, a corporation, partnership, association, limited liability company, trust or other form of legal entity in which such Person and/or one or more Subsidiaries of such Person has either (i) a majority ownership in the equity thereof; (ii) the power to elect, or to direct the election of, a majority of the board of directors or other analogous governing body of such entity; or (iii) the title or function of general partner or manager, or the right to designate the Person having such title or function.

“Tax Advisor” means a Tax counsel or other Tax advisor of recognized national standing in the relevant jurisdiction.

“Tax Attribute” has the meaning set forth in Section 2.04.

“Tax Contest” means an audit, review, examination or other administrative or judicial proceeding, in each case by any Taxing Authority.

“Tax Dispute” has the meaning set forth in Section 5.06.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit, previously taxed income or any other item (including the basis or adjusted basis of property) which increases or decreases Taxes paid or payable in any taxable period.

“Tax Opinion Representations” means representations regarding certain facts in existence at the applicable time made by HII and SpinCo that serve as a basis for the Tax Opinions.

“Tax Opinion” means either or both of the written opinions of Cleary Gottlieb Steen & Hamilton LLP and KPMG LLP, issued to HII to the effect that each of the applicable Transactions will qualify for its Intended Tax Treatment.

“Tax Opinions/Rulings” means (i) any Ruling and (ii) any opinion of a Tax Advisor relating to the Transactions, including those issued on the Distribution Date or to allow a party to take actions otherwise prohibited under Section 4.03(a) of this Agreement.

“Tax Return” means any return, declaration, statement, report, form, estimate or information return relating to, (i) for purposes of Article III, Taxes other than payroll and employment related Taxes and (ii) for all other purposes of this Agreement, Taxes, in each case, including any amendments thereto and any related or supporting information, required or permitted to be filed with any Taxing Authority.

“Tax Return Preparer” means with respect to a Tax Return, the Party that is required to prepare any such Tax Return pursuant to Section 3.01(a) or (b), as applicable.

“Taxes” means all forms of taxation or duties imposed by any Governmental Authority, or required by any Governmental Authority to be collected or withheld, including in each case, charges in the nature of a tax, together with any related interest, penalties and other additional amounts.

“Taxing Authority” means any Governmental Authority charged with the determination, collection or imposition of Taxes.

“Transaction Tax Contest” means a Tax Contest with the purpose or effect of determining or redetermining Transaction Taxes.

“Transaction Taxes” means all (i) Taxes imposed on any member of the Honeywell Group or any member of the SpinCo Group resulting from the failure of any step of the Transactions to qualify for its Intended Tax Treatment, (ii) Taxes imposed on any third party resulting from the failure of any step of the Transactions to qualify for its Intended Tax Treatment for which any member of the Honeywell Group or any member of the SpinCo Group is or becomes liable for any reason and (iii) reasonable, out-of-pocket legal, accounting and other advisory costs or court fees incurred in connection with liability for Taxes described in clause (i) or (ii).

“Transactions” has the meaning set forth in the recitals.

“Transfer Taxes” means all transfer, sales, use, excise, stock, stamp, stamp duty, stamp duty reserve, stamp duty land, documentary, filing, recording, registration, net value-added and other similar Taxes (excluding, for the avoidance of doubt, any income, gains, profit or similar Taxes, however assessed).

“Unqualified Tax Opinion” has the meaning set forth in Section 4.04(d).

ARTICLE II

Allocation of Tax Liabilities and Tax Benefits

SECTION 2.01. HII Indemnification of the SpinCo Group. After the Distribution, HII shall be liable for, and shall indemnify and hold the members of the SpinCo Group harmless from, the following Taxes:

- (a) Ordinary Taxes of members of the Honeywell Group for any taxable period; and
- (b) Transaction Taxes;

in each case, other than Taxes for which SpinCo is liable under Section 2.02.

SECTION 2.02. SpinCo Indemnification of the Honeywell Group. After the Distribution, SpinCo shall be liable for, and shall indemnify and hold the members of the Honeywell Group harmless from, the following Taxes:

(a) Ordinary Taxes, in each case, for any taxable period incurred by or attributable to (i) the entities set forth on Schedule 2.02(a) or (ii) any other member of the Honeywell Group or the SpinCo Group to the extent attributable to the SpinCo Business as reasonably determined by HII;

- (b) Transaction Taxes attributable in whole or in part to:

(i) the failure to be true when made or deemed made of (A) any statement or representation of fact or intent (or omission to state a material fact) in Section 4.01 that relates to the SpinCo Group, (B) any Tax Opinion Representation made by SpinCo or (C) any representation made by SpinCo, any Subsidiary or controlling shareholder of SpinCo, any counterparty to any Proposed Acquisition Transaction or any of such counterparty’s Affiliates for purposes of obtaining a Ruling or an Unqualified Tax Opinion intended to be Satisfactory Guidance;

(ii) any action or omission by any member of the SpinCo Group in breach of the covenants set forth herein (including those in Section 4.03), in any other Ancillary Agreement or in the Separation Agreement;

(iii) the application of Section 355(e) or 355(f) of the Code to any of the Transactions by virtue of any acquisition (or deemed acquisition) of SpinCo Stock (including newly issued SpinCo Stock) or assets of any member of the SpinCo Group;

(iv) a determination that the Distribution was used principally as a device for the distribution of earnings and profits ("E&P") within the meaning of Section 355(a)(1)(B) of the Code if such determination was based in whole or in part on any sale or exchange of SpinCo Stock or on any distribution on SpinCo Stock occurring after the Distribution in excess of SpinCo's E&P; or

(v) any other action or omission taken after the Distribution by SpinCo or any member of the SpinCo Group, except to the extent such action or omission is otherwise expressly required or permitted by this Agreement (other than under Section 4.04), any other Ancillary Agreement or the Separation Agreement;

(c) Any and all Transfer Taxes incurred by the Honeywell Group or the SpinCo Group as a result of the Transactions; and

(d) Notwithstanding anything in Section 2.01 or this Section 2.02 to the contrary, any and all Taxes incurred by the Honeywell Group or the SpinCo Group as a result of the Reorganization transactions that result in a Tax benefit for any member of the SpinCo Group, as determined by HII in its sole discretion.

SECTION 2.03. Refunds, Credits and Offsets.

(a) Subject to Section 2.04, if any member of the Honeywell Group or any member of the SpinCo Group receives any refund of any Taxes or any amount of value-added Tax for which the other Party is liable under Sections 2.01 or 2.02 (a "Refund Recipient"), such Refund Recipient shall pay to the other Party the entire amount of the refund (including interest, but net of any Taxes imposed with respect to receipt of such refund) or value-added Tax within 10 business days of receipt or accrual; provided, however, that the other Party, upon the request of such Refund Recipient, shall repay the amount paid to the other Party (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event such Refund Recipient is required to repay such refund. In the event a Party would be a Refund Recipient but for the fact it applied a refund to which it would otherwise have been entitled against a Tax liability arising in a subsequent taxable period, then such Party shall be treated as a Refund Recipient and the economic benefit of so applying the refund shall be treated as a refund, and shall be paid within 10 business days of the due date of the Tax Return to which such refund is applied to reduce the subsequent Tax liability.

(b) If one Party reasonably so requests, the other Party (at the first Party's expense) shall file for and pursue any refund to which the first Party is entitled under this Section; provided that the other Party need not pursue any refund on behalf of the first Party unless the first Party provides the other Party a certification by an appropriate officer of the first

Party setting forth the first Party's belief (together with supporting analysis) that the Tax treatment of the Tax Items on which the entitlement to such Refund is based is more likely than not correct, and is not a Tax Item arising from a Reportable Transaction.

SECTION 2.04. Carrybacks. If a Tax Return of any member of the SpinCo Group for any taxable period ending after the Distribution Date reflects any net operating loss, net capital loss, excess Tax credit or other Tax attribute (a "Tax Attribute"), then the applicable member of the SpinCo Group shall waive the right to carry back any such Tax Attribute to a Tax Return described in Section 3.01(a) for a Pre-Distribution Tax Period to the extent permissible under applicable Law. In the event that any member of the SpinCo Group is required to carry back a Tax Attribute to a Tax Return described in Section 3.01(a) for a Pre-Distribution Tax Period, then (i) no payment with respect to such carryback shall be due to any member of the SpinCo Group from HII and (ii) if any member of the SpinCo Group receives any refund, credit or offset of any Taxes in connection with such carryback, SpinCo shall promptly pay to HII the full amount of such refund or the economic benefit of the credit or offset (including interest, but net of any Taxes imposed with respect to such refund).

SECTION 2.05. Allocation of Certain Income Taxes and Income Tax Items.

(a) If HII determines, in its sole discretion, to close the taxable year of any member of the SpinCo Group for all Tax purposes as of the end of the Distribution Date, HII and SpinCo shall take all commercially reasonable actions necessary or appropriate to so close such taxable year, to the extent permitted by applicable Law.

(b) For any taxable period that includes (but does not end on) the Distribution Date (a "Straddle Period"), Taxes for the Pre-Distribution Tax Period shall be computed (i) in the case of Taxes imposed on a periodic basis (such as real, personal and intangible property Taxes), on a daily pro rata basis and (ii) in the case of other Taxes generally, as if the taxable period ended as of the close of business on the Distribution Date and, in the case of any such other Taxes that are attributable to the ownership of any equity interest in a partnership, other "flowthrough" entity or "controlled foreign corporation" (within the meaning of Section 957(a) of the Code or any comparable U.S. state, local or non-U.S. Law), as if the taxable period of that entity ended as of the close of business on the Distribution Date (whether or not such Taxes arise in a Straddle Period of the applicable owner); provided that HII may elect to allocate Tax Items (other than any extraordinary Tax Items) ratably in the month in which the Distribution occurs (and if HII so elects, SpinCo shall so elect) as described in Treasury Regulation Section 1.1502-76(b)(2)(iii) and corresponding provisions of U.S. state, local or non-U.S. Tax Laws.

(c) Transactions occurring, or actions taken, on the Distribution Date but after the Distribution outside the ordinary course of business by, or with respect to, SpinCo or any of its Affiliates shall be deemed subject to the "next day rule" of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) (and any comparable or similar provision under U.S. state, local or non-U.S. Laws or regulations, provided that if there is no comparable or similar provision under U.S. state, local or non-U.S. Laws or regulations, then the transaction will be deemed subject to the "next day rule" of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B)) and as such shall for purposes of this Agreement be treated (and consistently reported by the Parties) as occurring in a Post-Distribution Tax Period of SpinCo or an Affiliate of SpinCo, as appropriate.

(d) Tax Attributes determined on a consolidated or combined basis for taxable periods ending before or including the Distribution Date (or such earlier date as may be appropriate with respect to any portion of the Reorganization occurring prior to the Distribution Date) shall be allocated to HII and its Affiliates, and SpinCo and its Affiliates, in accordance with the Code and the Regulations (and any applicable U.S. state, local, or non-U.S. Law or regulation). HII shall reasonably determine the amounts and proper allocation of such attributes, and the Tax basis of the assets and liabilities transferred to SpinCo in connection with the Transactions, as of the Distribution Date or such other relevant date of a Reorganization transaction. HII and SpinCo agree to compute their Tax liabilities for taxable periods after the Distribution Date (or other relevant date) consistent with that determination and allocation, and treat the Tax Attributes and Tax Items as reflected on any federal (or applicable U.S. state, local or non-U.S.) Tax Return filed by the Parties as presumptively correct.

(e) If either Party would have been responsible for the payment of any Transaction Taxes pursuant to Section 2.01 or Section 2.02 but for the use of the Tax Attributes of the other Party (or its Subsidiaries), the Party that would have been responsible for such Transaction Taxes shall pay to the other Party the amount of Transaction Taxes that would have been due and payable without taking into account such Tax Attributes.

(f) HII shall reasonably determine the amount of Ordinary Taxes attributable to any entity, group or business by assuming that a Tax Return would be prepared and filed with respect to the relevant entity, group or business on a standalone basis, without regard to any Joint Return that will actually be filed, utilizing only the Tax Attributes allocated to the relevant entity, group or business and not any Tax Attributes allocated to any other entity, group or business.

(g) Except as otherwise provided in this Agreement, HII shall be permitted to make all decisions, determinations and allocations relating to the matters set forth in this Agreement in its reasonable discretion and shall not be limited by past practice.

ARTICLE III

Tax Returns, Tax Contests and Other Administrative Matters

SECTION 3.01. Responsibility for Preparing Tax Returns.

(a) HII shall make all determinations with respect to and have ultimate control over the preparation of all (i) Honeywell Separate Returns for all taxable periods and (ii) Joint Returns. If SpinCo is responsible for filing any such Tax Return described in Section 3.01(a)(ii) under Section 3.02(a), HII shall, subject to Section 3.01(d), promptly deliver such prepared Tax Return to SpinCo reasonably in advance of the applicable filing deadline.

(b) Except as provided in Section 3.01(a), SpinCo shall have ultimate control over the preparation of all SpinCo Separate Returns for all taxable periods. If HII is responsible for filing any such Tax Return under Section 3.02(a), SpinCo shall, subject to Section 3.01(d), promptly deliver such prepared Tax Return to HII reasonably in advance of the applicable filing deadline.

(c) To the extent that any Tax Return described in Section 3.01(a) or (b) is required to be filed by a Party other than the Tax Return Preparer or directly relates to matters for which another Party may have an indemnification obligation to the Tax Return Preparer or that may give rise to a refund to which that other Party would be entitled, under this Agreement, the Tax Return Preparer shall (i) prepare the relevant portions of the Tax Return on a basis consistent with past practice, except (A) as required by applicable Law or to correct any clear error, (B) as a result of changes or elections made on any Tax Return of a HII Consolidated Group that do not relate primarily to the SpinCo Group or (C) as mutually agreed by the Parties; (ii) notify the other Party of any such portions not prepared on a basis consistent with past practice; (iii) provide the other Party a reasonable opportunity to review the relevant portions of the Tax Return; (iv) consider in good faith any reasonable comments made by the other Party; and (v) not file any such Tax Return without the consent of the other Party (which consent not to be unreasonably withheld, conditioned or delayed).

(d) The Parties shall attempt in good faith to resolve any issues arising out of the review of any such Tax Return as soon as practically possible. If the Parties are unable to resolve their differences, then the Parties shall collectively select an independent accounting firm (the “Accounting Firm”) and shall instruct the Accounting Firm to use its best efforts to prepare the relevant portions of the Tax Return on behalf of the Tax Return Preparer in compliance with Section 3.01(c) as promptly as practically possible. All determinations of the Accounting Firm relating to the disputed items, absent fraud, shall be final and binding on the Parties.

(e) SpinCo shall provide to HII all information related to members of the SpinCo Group that is reasonably requested by HII and required to complete any Tax Return which is the responsibility of HII pursuant to Section 3.01(a), in the format reasonably requested by HII, and at least 60 days prior to the due date (including extensions) of the relevant Tax Return. In particular, the SpinCo Group tax department will support HII with respect to data collection and compilation requirements. The dates for submissions to HII required in this section may be modified by mutual agreement of HII and SpinCo.

(f) Each Party shall bear its own expenses in connection with the preparation of Tax Returns pursuant to this Section 3.01; provided that expenses incurred with respect to Tax Returns under Section 3.01(a)(ii) shall be borne by the Parties as determined by HII in its sole discretion.

SECTION 3.02. Filing of Tax Returns and Payment of Taxes.

(a) Each Party shall execute and timely file each Tax Return that it is responsible for filing under applicable Law and shall timely pay to the relevant Taxing Authority any amount shown as due on each such Tax Return. The obligation to make payments pursuant to this Section 3.02(a) shall not affect a Party’s right, if any, to receive payments under Section 3.02(b) or otherwise be indemnified under this Agreement.

(b) In addition to its obligations under Section 3.01(c), the Tax Return Preparer shall, no later than 5 business days before the due date (including extensions) of any Tax Return described in Section 3.01(a) or (b), notify the other Party of any amount (or any portion of any such amount) shown as due on that Tax Return (i) if the Tax Return Preparer is

responsible for filing such Tax Return under Section 3.02(a), for which the other Party must indemnify the Tax Return Preparer under this Agreement or (ii) if the other Party is responsible for filing such Tax Return under Section 3.02(a), which the other Party must so pay, as the case may be. The other Party shall pay any amounts described under Section 3.02(b)(i) to the Tax Return Preparer no later than five days before the due date (including extensions timely applied for) of the relevant Tax Return. A failure by an Indemnitee to give notice as provided in this Section 3.02(b) shall not relieve the Indemnifying Party's indemnification obligations under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(c) No member of the SpinCo Group shall file, amend, withdraw, revoke or otherwise alter any Tax Return of any HII Consolidated Group.

(d) No member of the SpinCo Group shall file, amend, withdraw, revoke or otherwise alter any Tax Return of the SpinCo Group or any member thereof to the extent such Tax Return relates to the Pre-Distribution Tax Period without the prior written consent of HII, which consent shall not be unreasonably withheld or delayed.

(e) Subject to Section 3.03, in the case of any adjustment pursuant to a Determination with respect to any such Tax Return, the party that filed such Tax Return under Section 3.02(a) shall pay to the applicable Taxing Authority when due any additional Tax due with respect to such Tax Return required to be paid as a result of such adjustment pursuant to a Determination. The Tax Return Preparer shall compute the amount attributable to the SpinCo Group in accordance with Section 2 of this Agreement and SpinCo shall pay to HII any amount due to HII (or HII shall pay SpinCo any amount due to SpinCo) under Section 2 of this Agreement within thirty business days from the later of (i) the date the additional Tax was paid by the relevant Party or, in an instance where no cash payment is due to a Taxing Authority, the date of such Determination, or (ii) the date of receipt of a written notice and demand from the relevant Party for payment of the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Any payments required under this Section 3.02(e) shall include interest computed at the Prime Rate based on the number of days from the date the additional Tax was paid by the relevant Party (or, in an instance where no cash payment is due to a Taxing Authority, the date of such Determination) to the date of the payment under this Section 3.02(e).

(f) The Parties shall report the Transactions for all Tax purposes in a manner consistent with the Tax Opinions/Rulings, unless, and only to the extent, a different position is required pursuant to a Final Determination. HII shall determine the Tax treatment to be reported on any Tax Return of any Tax issue relating to the Transactions that is not covered by the Tax Opinions/Rulings.

SECTION 3.03. Tax Contests.

(a) HII or SpinCo, as applicable, shall, within 10 business days of becoming aware of any Tax Contest (including a Transaction Tax Contest) that could reasonably be expected to cause the other Party to have an indemnification obligation under this Agreement, notify the other Party of such Tax Contest and thereafter promptly forward or make available to the Indemnifying Party copies of notices and communications relating to the relevant portions of such Tax Contest. A failure by an Indemnitee to give notice as provided in this Section 3.03(a) (or to promptly forward any such notices or communications) shall not relieve the Indemnifying Party's indemnification obligations under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(b) HII shall have the exclusive right to control the conduct and settlement of any Tax Contest (including a Transaction Tax Contest) (i) that relates solely or primarily to Taxes that are the responsibility of HII pursuant to Article II, (ii) that relates to the “net tax liability” of HII under Section 965(h)(6)(A), or (iii) at HII’s election, that may reasonably be expected to materially affect amounts for which both HII and SpinCo are liable under Article II; provided that SpinCo shall have the right, at its sole expense, to participate in and advise on all aspects of any Tax Contest HII elects to control under clause (iii) above, but only in connection with matters relating to potential material liability of a member the SpinCo Group, and, if SpinCo would have liability for a material amount of Taxes as a result of the proposed settlement of any such Tax Contest, HII shall not settle such Tax Contest without the consent of SpinCo (not to be unreasonably withheld, conditioned or delayed). HII shall notify SpinCo within 10 days of becoming aware of a Tax Contest under Section 3.03(b)(iii) if HII does not elect to control such Tax Contest; provided that HII shall have the right to assume control of any such Tax Contest and to settle, compromise and/or concede such Tax Contest, if HII reasonably determines that (i) as a result of subsequent developments the expected Tax liability exposure of any member of the Honeywell Group resulting from such Tax Contest has materially increased; (ii) SpinCo has failed to adequately and properly manage the conduct of such Tax Contest or (iii) an event has occurred during such Tax Contest that could adversely affect HII in any material respect.

(c) SpinCo shall have the exclusive right to control the conduct and settlement of any Tax Contest (including a Transaction Tax Contest) (i) that relates solely to Taxes that are the responsibility of SpinCo pursuant to Article II, (ii) that could not reasonably be expected to materially affect amounts for which HII is liable under Article II, or (iii) that HII does not elect to control under Section 3.03(b)(iii); provided that HII shall have the right, at its sole expense, to participate in and advise on all aspects of such Tax Contests and may coordinate discussions with the relevant Taxing Authority with respect thereto, and, with respect to Tax Contests under clause (iii) above, SpinCo shall not settle any such Tax Contest without the consent of HII (not to be unreasonably withheld, conditioned or delayed).

SECTION 3.04. Expenses. Each Party shall bear its own expenses in the course of any Tax Contest, other than expenses included in the definition of Transaction Taxes, which shall be governed by Article II.

ARTICLE IV

Tax Matters Relating to the Transactions

SECTION 4.01. Mutual Representations. Each Party represents that it knows of no fact, and has no plan or intention to take any action, that it knows or reasonably should expect, after consultation with a Tax Advisor, is inconsistent with the qualification of any step of the

Transactions for its Intended Tax Treatment, the Tax Opinions/Rulings or the covenants set forth in this Agreement.

SECTION 4.02. Mutual Covenants.

(a) Each Party shall use its reasonable best efforts to cause the Tax Opinions to be issued, including by executing the Tax Opinion Representations requested by Cleary Gottlieb Steen & Hamilton LLP and KPMG LLP, that are true and correct.

(b) Except as otherwise expressly required or permitted by the Separation Agreement, this Agreement or any other Ancillary Agreement, after the Distribution neither Party shall take or fail to take, or cause or permit its respective Subsidiaries to take or fail to take, any action, if such action or omission would (i) violate, be inconsistent with or cause to be untrue any covenant, representation, information or statement in any Tax Opinions/Rulings or a letter or certificate that forms the basis therefor, or (ii) adversely affect, or be reasonably likely to adversely affect, or be inconsistent with, the Intended Tax Treatment of the Transactions.

SECTION 4.03. Restricted Actions.

(a) Subject to Section 4.04, during the period beginning on the Distribution Date and ending on, and including, the last day of the two-year period following the Distribution Date (the "Restricted Period"), SpinCo shall not (and shall not cause or permit any member of the SpinCo Group to), in a single transaction or a series of transactions:

(i) enter into any Proposed Acquisition Transaction;

(ii) take any affirmative action that permits a Proposed Acquisition Transaction to occur by means of an agreement to which no member of the SpinCo Group is a party (including by (A) redeeming rights under a shareholder rights plan, (B) making a determination that a tender offer is a "permitted offer" under any such plan or otherwise causing any such plan to be inapplicable or neutralized with respect to any Proposed Acquisition Transaction or (C) approving any Proposed Acquisition Transaction, whether for purposes of Section 203 of the Delaware General Corporate Law or any similar corporate statute, any "fair price" or other provision of SpinCo's charter or bylaws or otherwise);

(iii) liquidate or partially liquidate SpinCo, any Section 355 Entity, or any ATB Entity, whether by merger, consolidation or otherwise (provided that, for the avoidance of doubt, a merger of another entity into a member of the SpinCo Group shall not constitute an action described in this Section 4.03(a)(iii));

(iv) cause or permit any ATB Entity to cease to engage in the Active Trade or Business;

(v) sell or transfer (A) 50% or more of the gross assets that are held by any ATB Entity and are used in the Active Trade or Business, (B) 50% or more of the gross assets of the "separate affiliated group" (within the meaning of Section 355(b) (3)(B) of the Code) of SpinCo (the "SpinCo SAG") held immediately before the Distribution (provided, however, that the foregoing shall not apply to sales, transfers or dispositions of assets to any

member of the SpinCo SAG) or (C) any lesser amount if that sale or transfer could reasonably be expected to result in a significant and material change to, or termination of, the Active Trade or Business immediately after the Distribution Date;

(vi) dispose of or permit an Affiliate of SpinCo to dispose of, directly or indirectly, any interest in any ATB Entity or permit any such ATB Entity to make or revoke any election under Regulations Section 301.7701-3;

(vii) redeem or otherwise repurchase (directly or indirectly) any SpinCo Stock, except to the extent such redemptions or repurchases meet the following requirements: (A) those redemptions or purchases are for business reasons unrelated to the Distribution, (B) SpinCo Stock to be purchased is widely held, (C) those redemptions or purchases will be made on the open market and (D) the aggregate amount of those redemptions or purchases will be less than 20% of the total value of the outstanding SpinCo Stock; or

(viii) amend its certificate of incorporation (or other organizational documents), or take any other action, affecting the relative voting rights of the separate classes of SpinCo Stock; provided, however, that this clause (viii) shall not be deemed to be violated upon SpinCo's adoption of a shareholder rights plan that meets the requirements of IRS Revenue Ruling 90-11.

(b) (i) For purposes of this Agreement, "Proposed Acquisition Transaction" means any transaction or series of transactions (or any agreement, understanding or arrangement to enter into a transaction or series of transactions, whether any such transaction is to occur during or after the Restricted Period) as determined for purposes of Section 355(e) of the Code, in connection with which (A) any member of the SpinCo Group would merge or consolidate with any Person other than any other member of the SpinCo Group, (B) any member of the SpinCo Group would form one or more joint ventures with any Person other than any other member of the SpinCo Group in which, in the aggregate, more than 40% of the gross assets of the SpinCo Group are transferred to such joint ventures or (C) one or more Persons would (directly or indirectly) acquire, or have the right to acquire (including pursuant to an option, warrant or other conversion right), from any other Person or Persons, an interest in the equity of any Section 355 Entity that, when combined with any other acquisitions of any such Section 355 Entity that occur after the Distribution (but excluding any other acquisition described in clause (ii)) comprises 40% or more of the value or the total combined voting power of all interests that are treated as outstanding equity in such Section 355 Entity for U.S. Federal income tax purposes immediately after such transaction or, in the case of a series of related transactions, immediately after any transaction in such series. For this purpose, any recapitalization, repurchase or redemption of equity in any Section 355 Entity and any amendment to the certificate of incorporation (or other organizational documents) of such Section 355 Entity shall be treated as an indirect acquisition of such stock by any shareholder to the extent such shareholder's percentage interest in the issuer for U.S. Federal income tax purposes increases by vote or value.

(ii) Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (x) the adoption by SpinCo of a shareholder rights plan that meets the requirements of IRS Revenue Ruling 90-11, (y) transfers on an established market of SpinCo Stock that are described in Safe Harbor VII of Section 1.355-7(d) of the Regulations or

(z) issuances of SpinCo Stock that satisfy Safe Harbor VIII (relating to acquisitions in connection with a Person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Section 1.355-7(d) of the Regulations; provided, however, that such transaction or series of transactions shall constitute a Proposed Acquisition Transaction if meaningful factual diligence is necessary to establish that Section 4.03(b)(ii)(x), (y) or (z) applies.

(c) SpinCo shall not take or fail to take any action (including any Internal Restructuring described in Section 4.03(d)), during the Restricted Period, that would reasonably be expected to increase the Tax liability of the Honeywell Group in connection with the Transactions and shall not undertake any transaction that is not in the ordinary course of business and that would result in any member of the Honeywell Group reporting additional income under Sections 951 or 951A of the Code.

(d) If SpinCo, any Section 355 Entity or any ATB Entity merges or consolidates with another entity to form a new entity, references in this Agreement to SpinCo, a Section 355 Entity or an ATB Entity, as applicable, shall be to that new entity and references in this Agreement to SpinCo Stock or interests in a Section 355 Entity or an ATB Entity, as applicable, shall be to the capital stock or other relevant instruments or rights of that new entity.

(e) The provisions of this Section 4.03, including the definition of a "Proposed Acquisition Transaction", are intended to monitor compliance with Section 355 of the Code and shall be interpreted accordingly. Any clarification of, or change in, Section 355 of the Code or the Regulations thereunder shall be incorporated into this Section 4.03 and its interpretation.

SECTION 4.04. Consent to Take Certain Restricted Actions.

(a) SpinCo may (and may cause or permit a member of the SpinCo Group to) take an action otherwise prohibited under Section 4.03(a) if HII consents in writing, which consent shall be at HII's sole discretion. For the avoidance of doubt, HII's written consent pursuant to this Section 4.04(a) shall not in any way relieve SpinCo of its indemnification obligations under Section 2.02(b).

(b) HII may, at its sole discretion and as a condition to granting its written consent pursuant to Section 4.04(a), require SpinCo to provide Satisfactory Guidance; provided, however, the provision of Satisfactory Guidance shall not obligate HII to grant its written consent pursuant to Section 4.04(a).

(c) For purposes of this Agreement, "Satisfactory Guidance" means either a Ruling or an Unqualified Tax Opinion concluding that the proposed action will not cause any step of the Transactions to fail to qualify for its Intended Tax Treatment. Such Ruling or Unqualified Tax Opinion will constitute Satisfactory Guidance only if they are satisfactory to HII at its sole discretion in both form and substance, including with respect to any underlying assumptions or representations and any legal analysis contained therein.

(d) For purposes of this Agreement, "Unqualified Tax Opinion" means an unqualified "will" opinion of a Tax Advisor that permits reliance by HII. The Tax Advisor, in issuing its opinion, shall be permitted to rely on the validity and correctness, as of the date given, of any previously issued Tax Opinions/Rulings, unless such reliance would be unreasonable

under the circumstances, and shall assume that each of the applicable Transactions would have qualified for its Intended Tax Treatment if the action in question did not occur.

SECTION 4.05. Procedures Regarding Opinions and Rulings.

(a) If SpinCo notifies HII that it desires to take a restricted action described in Section 4.03(a) and HII requires Satisfactory Guidance as a condition to consenting to such restricted action pursuant to Section 4.04(b), HII shall use commercially reasonable efforts to expeditiously obtain, or assist SpinCo in obtaining, such Satisfactory Guidance. Notwithstanding the foregoing, HII shall not be required to take any action pursuant to this Section 4.05(a) if, upon request, SpinCo fails to certify that all information and representations relating to SpinCo or any member of the SpinCo Group in the relevant documents are true, correct and complete or fails to obtain certification from any counterparty to any Proposed Acquisition Transaction that all information and representations relating to such counterparty in the relevant documents are true, correct and complete. SpinCo shall bear all costs and expenses of securing any such Satisfactory Guidance and shall reimburse HII for all reasonable out-of-pocket costs and expenses incurred by HII or any Subsidiary of HII in obtaining Satisfactory Guidance within 10 business days after receiving an invoice from HII therefor.

(b) Notwithstanding anything herein to the contrary, SpinCo shall not seek a Ruling (whether or not relating to the Transactions) if HII determines that there is a reasonable possibility that such action could have a significant adverse impact on HII or any Subsidiary of HII.

(c) HII shall have exclusive control over the process of obtaining any Ruling relating to the Transactions and neither SpinCo nor any of its Affiliates shall independently seek any guidance concerning the Transactions from any Taxing Authority at any time. In connection with any Ruling relating to the Transactions that can reasonably be expected to affect SpinCo's liabilities under this Agreement, HII shall (i) keep SpinCo informed of all material actions taken or proposed to be taken by HII, (ii) reasonably in advance of the submission of any Ruling request provide SpinCo with a draft thereof, consider SpinCo's comments on such draft, and provide SpinCo with a final copy, and (iii) provide SpinCo with notice reasonably in advance of, and permit SpinCo to attend, any formally scheduled meetings with the IRS or other relevant Taxing Authority (subject to the approval of the IRS or other relevant Taxing Authority, as applicable) that relate to such Ruling.

SECTION 4.06. Notification and Certification Regarding Certain Acquisition Transactions. If SpinCo proposes to enter into any 10% Acquisition Transaction or take any affirmative action to permit any 10% Acquisition Transaction to occur at any time during the 30-month period following the Distribution Date, SpinCo shall undertake in good faith to provide HII, no later than 10 business days following the signing of any written agreement with respect to such 10% Acquisition Transaction or obtaining knowledge of the occurrence of any such 10% Acquisition Transaction that takes place without written agreement, with a written description of such transaction (including the type and amount of SpinCo Stock to be acquired) and a brief explanation as to why SpinCo believes that such transaction, considered together with any related transactions, does not result in the application of Section 355(e) or 355(f) of the Code to the Transactions. For purposes of this Section 4.06, "10% Acquisition Transaction" means any

transaction or series of transactions that would be a Proposed Acquisition Transaction if the percentage specified in the definition of Proposed Acquisition Transaction were 10% instead of 40%.

SECTION 4.07. Reporting. HII and SpinCo shall (i) timely file any appropriate information and statements (including as required by Section 6045B of the Code and Section 1.355-5 and, to the extent applicable, Section 1.368-3 of the Regulations) to report each of the applicable Transactions as qualifying for its Intended Tax Treatment and (ii) absent a change of Law or an applicable Determination, otherwise not take any position on any Tax Return that is inconsistent with such qualification.

SECTION 4.08. Tax Treatment of Certain Amounts Paid Pursuant to the Employee Matters Agreement. Amounts paid pursuant to the Employee Matters Agreement shall be treated in the manner described in the Employee Matters Agreement.

SECTION 4.09. Protective Section 336(e) Election.

(a) HII will make a Protective Section 336(e) Election with respect to the Distribution. Accordingly, the Parties agree that this Agreement constitutes a written, binding agreement to make a Protective Section 336(e) Election as contemplated by Section 1.336-2(h)(1)(i) of the Regulations. SpinCo will cooperate with HII to facilitate the making of such election.

(b) If SpinCo realizes a Tax benefit from the step-up in Tax basis resulting from a failure of the Distribution to qualify (in whole or in part) for its Intended Tax Treatment and the election described in Section 4.09(a), unless SpinCo has indemnified HII for the resulting Transaction Taxes under Section 2.02(b), SpinCo shall make quarterly payments to HII in an amount equal to 100 percent of the actual Tax savings arising from the step-up in Tax basis resulting from the Protective Section 336(e) Election, as and when realized and determined on a “with and without” basis (treating any deductions or amortization attributable to the step-up in Tax basis resulting from the Protective Section 336(e) Election as the last items claimed for any taxable period, including after the utilization of any available net operating loss carryforwards), net of any reasonable out-of-pocket expenses necessary to secure such Tax savings.

SECTION 4.10. Gain Recognition Agreements. SpinCo will not take any action (including the sale or disposition of any stock, securities or other assets), or permit its Affiliates to take any such action, and SpinCo will not fail to take any action or permit its Affiliates to fail to take any action that would cause HII or any of its Affiliates or SpinCo or any of its Affiliates to recognize gain under any Gain Recognition Agreement.

ARTICLE V

Procedural Matters

SECTION 5.01. Cooperation.

(a) Each Party shall cooperate with reasonable requests from the other Party in matters covered by this Agreement, including in connection with the preparation and filing of Tax Returns, the calculation of Taxes, the determination of the proper financial accounting treatment of Tax items and the conduct and settlement of Tax Contests. Such cooperation shall include:

(i) retaining until the expiration of the relevant statute of limitations (including extensions) of records, documents, accounting data, computer data and other information (“Records”) necessary for the preparation, filing, review, audit or defense of all Tax Returns relevant to an obligation, right or liability of either Party under this Agreement;

(ii) the execution of any document that may be necessary or reasonably helpful in connection with any Tax Contest or the filing of a Tax Return, obtaining a Tax opinion or private letter ruling (except as otherwise provided in Section 4.05(b)), or other matters covered by this Agreement, including certification (provided in such form as may be required by applicable law or reasonably requested and made to the best of a Party’s knowledge) of the accuracy and completeness of the information it has supplied;

(iii) the use of the Parties’ reasonable best efforts to obtain any documentation that may be necessary or reasonably helpful in connection with any of the foregoing;

(iv) providing the other Party reasonable access to Records and to its current or former personnel (ensuring their cooperation) and premises during normal business hours to the extent relevant to an obligation, right or liability of the other Party under this Agreement or otherwise reasonably required by the other Party to complete Tax Returns or to compute the amount of any payment contemplated by this Agreement;

(v) making determinations with respect to actions described in Section 4.03(a) as promptly as practicable; and

(vi) notifying the other Party prior to disposing of any relevant Records and affording the other Party the opportunity to take possession or make copies of such Records at its discretion.

(b) SpinCo shall cooperate with HII and take any and all actions reasonably requested by HII in connection with obtaining the Tax Opinions (including, without limitation, by making any new representation or covenant, confirming any previously made representation or covenant or providing any materials or information requested by any Tax Advisor; provided, that SpinCo shall not be required to make or confirm any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control).

(c) Any information or documents provided under this Section 5.01 shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any Tax Contest. Notwithstanding any other provision of this Agreement, the Separation Agreement or any Ancillary Agreement, (i) neither HII nor any Affiliate of HII shall be required to provide SpinCo or any Affiliate of SpinCo or any other Person access to or copies of any information, documents or procedures (including the proceedings of any Tax Contest) other than information, documents or procedures that relate solely to SpinCo, the business or assets of SpinCo or any Affiliate of SpinCo, (ii) in no event shall HII or any Affiliate of HII be required to provide SpinCo, any

Affiliate of SpinCo or any other Person access to or copies of any information or documents if such action could reasonably be expected to result in the waiver of any Privilege, and (iii) in no event shall SpinCo or any Affiliate of SpinCo be required to provide HII, any Affiliate of HII or any other Person access to or copies of any information or documents if such action could reasonably be expected to result in the waiver of any Privilege. In addition, in the event that HII determines that the provision of any information or documents to SpinCo or any Affiliate of SpinCo, or SpinCo determines that the provision of any information or documents to HII or any Affiliate of HII, could be commercially detrimental, violate any Law or agreement or waive any Privilege, the Parties shall use reasonable best efforts to permit compliance with its obligations under this Section 5.01 in a manner that avoids any such harm or consequence.

(d) If any member of the SpinCo Group supplies information to a member of the Honeywell Group in connection with a Tax liability and an officer of a member of the Honeywell Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the Honeywell Group identifying the information being so relied upon, the chief financial officer of SpinCo (or any officer of SpinCo as designated by the chief financial officer of SpinCo) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete.

(e) If any member of the Honeywell Group supplies information to a member of the SpinCo Group in connection with a Tax liability and an officer of a member of the SpinCo Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the SpinCo Group identifying the information being so relied upon, the chief financial officer of HII (or any officer of HII as designated by the chief financial officer of HII) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete.

(f) If a Party fails to comply with any of its obligations set forth in this Section 5.01 upon reasonable request and notice by the other Party, and such failure results in the imposition of additional Taxes, the nonperforming Party shall be liable in full for such additional Taxes.

(g) To the extent that SpinCo makes a request pursuant to this Section 5.01 that requires HII to incur any costs and expenses (including costs and expenses related to employee time to respond to such request, and, for the avoidance of doubt, any costs and expenses incurred by HII for services of any third party engaged by HII to assist with such request), SpinCo shall reimburse the HII for all such costs and expenses, including a reasonable hourly charge for employee time. To the extent HII obtains the services of any third party to assist with such a request, HII shall select such third party in its sole discretion. Nothing contained in this Agreement, including this Section 5.01, shall be construed to permit SpinCo access to Honeywell Separate Returns.

SECTION 5.02. Interest. Any payments required pursuant to this Agreement that are not made within the time period specified in this Agreement shall bear interest from the end of that period. Interest required to be paid pursuant to this Agreement shall, unless otherwise

specified, be computed at the rate and in the manner provided in the Code for interest on underpayments and overpayments, as applicable, for the relevant period.

SECTION 5.03. Indemnification Claims and Payments.

(a) An Indemnitee shall be entitled to make a claim for payment with respect to Taxes under this Agreement when the Indemnitee determines that it is entitled to such payment and is able to calculate with reasonable accuracy the amount of such payment (including as a result of the finalization of a Tax Return before filing). Except as otherwise provided in Sections 3.02(b) and 3.03, the Indemnitee shall provide to the Indemnifying Party notice of such claim within 60 business days of the first date on which it so becomes entitled to make such claim. Such notice shall include a description of such claim and a detailed calculation of the amount claimed.

(b) Except as otherwise provided in Sections 3.02(b) and 3.03, the Indemnifying Party shall make the claimed payment to the Indemnitee within 30 business days after receiving such notice, unless the Indemnifying Party reasonably disputes its liability for, or the amount of, such payment.

(c) A failure by an Indemnitee to give notice as provided in Section 3.02(b), 3.03 or 5.03(a) shall not relieve the Indemnifying Party's indemnification obligations under this Agreement, except to the extent that the Indemnifying Party shall have been actually prejudiced by such failure.

(d) Nothing in this Section 5.03 shall prejudice a Party's right to receive payments pursuant to Section 3.02(b) or 3.03.

SECTION 5.04. Amount of Indemnity Payments. The amount of any Indemnity Payment shall be (i) reduced to take into account any Tax benefit actually realized by the Indemnitee resulting from the incurrence of the liability in respect of which the Indemnity Payment is made and (ii) increased to take into account any Tax cost actually incurred by the Indemnitee resulting from the receipt of the Indemnity Payment, including any Tax cost arising from such Indemnity Payment having resulted in income or gain to either Party, for example, under Section 1.1502-19 of the Regulations, and any Taxes imposed on additional amounts payable pursuant to this clause (ii). For purposes of calculating the amount of any Tax benefit or Tax cost, the applicable Indemnitee shall be deemed to be subject to the maximum applicable statutory Tax rate in the applicable jurisdiction in the taxable year in which such Tax benefit or Tax cost was realized and any Tax attributes of such Indemnitee shall be disregarded.

SECTION 5.05. Treatment of Indemnity Payments. Except as provided herein, any Indemnity Payment (other than any portion of a payment that represents interest accruing after the Distribution Date) shall be treated by HII and SpinCo for all Tax purposes as a distribution from SpinCo to HII immediately prior to the Distribution (if such payment is made by SpinCo to HII) or as a contribution from HII to SpinCo immediately prior to the Distribution (if such payment is made by HII to SpinCo), except as otherwise required by applicable Law or a Determination. For the avoidance of doubt, amounts paid pursuant to the Indemnification Agreement shall be treated in the manner described in the Indemnification Agreement. All

Parties hereto shall, and shall cause their Affiliates to, file all Tax returns on a basis consistent with the foregoing, and neither any Party nor an Affiliate shall take any Tax position inconsistent with this Section 5.05.

SECTION 5.06. Tax Disputes. Notwithstanding anything to the contrary in Article VI, this Section 5.06 shall govern the resolution of any dispute arising between the Parties in connection with this Agreement (a “Tax Dispute”), other than a dispute (i) relating to liability for Transaction Taxes (ii) in which the amount of liability in dispute exceeds \$20 million or (iii) relating to a Tax Return as described in Section 3.01(d). The Parties shall negotiate in good faith to resolve any Tax Dispute for 45 calendar days (unless earlier resolved). Upon notice of either Party after 45 calendar days, the matter will be referred to an Accounting Firm acceptable to both Parties. The Accounting Firm may, in its discretion, obtain the services of any third party necessary to assist it in resolving the Tax Dispute. The Parties shall instruct the Accounting Firm to furnish notice to each Party of its resolution of the Tax Dispute as soon as practicable, but in any event no later than 60 calendar days after its acceptance of the matter for resolution. Any such resolution by the Accounting Firm will be binding on the Parties and the Parties shall take, or cause to be taken, any action necessary to implement the resolution. All fees and expenses of the Accounting Firm shall be shared equally by the Parties.

ARTICLE VI

Miscellaneous

SECTION 6.01. Disposition of SpinCo Subsidiaries. In the event that SpinCo disposes of the stock of a Subsidiary that is not a Party to this Agreement (i) without receiving compensation equal to the fair market value of such Subsidiary, prior to the disposition, such Subsidiary shall deliver to HII an executed agreement, in a form reasonably acceptable to HII, agreeing to be bound by this Agreement as if it had been an original Party hereto or (ii) in an exchange intended to result in the receipt of compensation equal to the fair market value of such Subsidiary, prior to the disposition, such Subsidiary shall deliver to HII an executed agreement, in a form reasonably acceptable to HII, agreeing to be bound by Section 5.01 and Article VI of this Agreement as if it had been an original Party hereto.

SECTION 6.02. Termination. This Agreement will terminate without further action at any time before the Distribution upon termination of the Separation Agreement. If terminated, no Party will have any Liability of any kind to the other Party or any other Person on account of this Agreement, except as provided in the Separation Agreement.

SECTION 6.03. Applicability. This Agreement shall not apply before the Distribution.

SECTION 6.04. Survival. Except as expressly set forth in this Agreement, the covenants and indemnification obligations in this Agreement shall survive the Spin-Off and shall remain in full force and effect.

SECTION 6.05. Separation Agreement. The Parties agree that, in the event of a conflict between the terms of this Agreement and the Separation Agreement with respect to the subject matter hereof, the terms of this Agreement shall govern.

SECTION 6.06. Confidentiality. Each Party hereby acknowledges that confidential Information of such Party or its Subsidiaries may be exposed to employees and agents of the other Party or its Subsidiaries who have a need to know such confidential Information as a result of, or in connection with, the activities contemplated by this Agreement. Each Party agrees, on behalf of itself and its Affiliates, that such Party's obligation (and the obligation of its Subsidiaries) to use and keep confidential such Information of the other Party or its Subsidiaries shall be governed by Sections 8.01(c) and 8.09 of the Separation Agreement.

SECTION 6.07. Counterparts; Entire Agreement.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, the Separation Agreement, the other Ancillary Agreements and the Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

SECTION 6.08. Dispute Resolutions. Subject to Section 5.06, in the event that any Party, acting reasonably, forms the view that another Party has caused a material breach of the terms of this Agreement, then the Party that forms such a view shall serve written notice of the alleged breach on the other Parties and the Parties shall work together in good faith to resolve any such alleged breach within thirty (30) days of such notice (a "Dispute"). If any such alleged breach is not so resolved, then a senior executive of each Party shall, in good faith, attempt to resolve any such alleged breach within the following thirty (30) days of the referral of the matter to the senior executives. If no resolution is reached with respect to any such alleged breach in accordance with the procedures contained in this Section 6.08, then the Parties may seek to resolve such matter in accordance with Section 6.09, Section 6.10 and Section 6.17.

SECTION 6.09. Governing Law; Jurisdiction. Any disputes arising out of or relating to this Agreement, including, without limitation, to its execution, performance, or enforcement, shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Subject to Section 5.06, each Party irrevocably consents to the exclusive jurisdiction, forum and venue of any state or federal court sitting in New York City in the State of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Affiliates, successors and assigns under or related to this Agreement or any of the transactions contemplated hereby, including, without limitation, to their execution, performance or enforcement, whether in contract, tort or otherwise. Each of the Parties hereby agrees that it shall not assert and shall hereby waive any claim or right or defense that it is not subject to the jurisdiction of such courts, that the venue is improper, that the forum is inconvenient or any similar objection, claim or argument. Each Party agrees that a final judgment in any legal proceeding resolved in accordance with Section 5.06, this Section 6.09, Section 6.10, Section 6.17 and Section 6.18 shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

SECTION 6.10. WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY INCLUDING, WITHOUT LIMITATION, THEIR EXECUTION, PERFORMANCE OR ENFORCEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS.

SECTION 6.11. Assignability. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by either Party without the prior written consent of the other Party. Any purported assignment without such consent shall be void. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns. Notwithstanding the foregoing, either Party may assign this Agreement without consent in connection with (a) a merger transaction in which such Party is not the surviving entity and the surviving entity acquires or assumes all or substantially all of such Party's assets, or (b) the sale of all or substantially all of such Party's assets; provided, however, that the assignee expressly assumes in writing all of the obligations of the assigning Party under this Agreement, and the assigning Party provides written notice and evidence of such assignment and assumption to the non-assigning Party. No assignment permitted by this Section 6.10 shall release the assigning Party from liability for the full performance of its obligations under this Agreement.

SECTION 6.12. Third-Party Beneficiaries.

(a) The provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third Person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

SECTION 6.13. Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given when (a) delivered in person, (b) on the date received, if sent by a nationally recognized delivery or courier service or (c) upon the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if sent by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to HII, to:

Honeywell International Inc.
115 Tabor Road
Morris Plains, NJ 07950
Attn: Vice President, Tax and General Tax Counsel
e-mail: Jamie.DiStefano@honeywell.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attn: Jason R. Factor, Esq.
e-mail: jfactor@cgsh.com

If to SpinCo, to:

Resideo Technologies, Inc.
2 Corporate Center Dr #100
Melville, NY 11747
Attn: General Counsel
e-mail: Jeannine.Lane@Resideo.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attn: Jason R. Factor, Esq.
e-mail: jfactor@cgsh.com

Either Party may, by notice to the other Party, change the address to which such notices are to be given.

SECTION 6.14. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

SECTION 6.15. Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 6.16. Waivers of Default. No failure or delay of either Party (or the applicable member of its Group) in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by either Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

SECTION 6.17. Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, HII shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. SpinCo shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

SECTION 6.18. Court-Ordered Interim Relief. In accordance with Section 6.09 and Section 6.10, at any time after giving notice of a Dispute, each Party shall be entitled to interim measures of protection duly granted by a court of competent jurisdiction: (1) to preserve the status quo pending resolution of the Dispute; (2) to prevent the destruction or loss of documents and other information or things relating to the Dispute; or (3) to prevent the transfer, disposition or hiding of assets. Any such interim measure (or a request therefor to a court of competent jurisdiction) shall not be deemed incompatible with the provisions of Section 6.08, Section 6.09 and Section 6.10. Until such Dispute is resolved in accordance with Section 6.08 or final judgment is rendered in accordance with Section 6.09 and Section 6.10, each Party agrees that such Party shall continue to perform its obligations under this Agreement and that such obligations shall not be subject to any defense or set-off, counterclaim, recoupment or termination.

SECTION 6.19. Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by either Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

SECTION 6.20. Interpretation. The rules of interpretation set forth in Section 12.17 of the Separation Agreement shall be incorporated by reference to this Agreement, *mutatis mutandis*. NOTWITHSTANDING THE FOREGOING, THE PURPOSE OF ARTICLE IV IS TO ENSURE THAT EACH OF THE APPLICABLE TRANSACTIONS QUALIFIES FOR ITS INTENDED TAX TREATMENT AND, ACCORDINGLY, THE PARTIES AGREE THAT THE LANGUAGE THEREOF SHALL BE INTERPRETED IN A MANNER THAT SERVES THIS PURPOSE TO THE GREATEST EXTENT POSSIBLE.

SECTION 6.21. Compliance by Subsidiaries. The Parties shall cause their respective Subsidiaries to comply with this Agreement.

EMPLOYEE MATTERS AGREEMENT

By and Between

HONEYWELL INTERNATIONAL INC.

and

RESIDEO TECHNOLOGIES, INC.

Dated as of October 19, 2018

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EMPLOYEE MATTERS AGREEMENT (this “Agreement”), dated as of October 19, 2018, by and between HONEYWELL INTERNATIONAL INC., a Delaware corporation (“Honeywell”), and RESIDEO TECHNOLOGIES, INC., a Delaware corporation (“SpinCo”, and together with Honeywell, the “Parties”).

RECITALS

WHEREAS the Parties have entered into the Separation and Distribution Agreement (the “Separation Agreement”) dated as of October 19, 2018, pursuant to which Honeywell intends to effect the Distribution; and

WHEREAS the Parties wish to set forth their agreements as to certain matters regarding employment, compensation and employee benefits.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.01. Definitions. For purposes of this Agreement, the following terms shall have the following meanings. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Separation Agreement unless otherwise indicated.

“Benefit Plan” shall mean any plan, program, policy, agreement, arrangement or understanding that is an employment, consulting, deferred compensation, executive compensation, incentive bonus or other bonus, employee pension, profit sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation right, restricted stock, restricted stock unit, deferred stock unit, other equity-based compensation, severance pay, retention, change in control, salary continuation, life, death benefit, health, hospitalization, workers’ compensation, sick leave, vacation pay, disability or accident insurance or other employee compensation or benefit plan, program, policy, agreement, arrangement or understanding, including any “employee benefit plan” (as defined in Section 3(3) of ERISA) (whether or not subject to ERISA) sponsored or maintained by such entity or to which such entity is a party.

“COBRA” shall mean the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time, and any applicable similar state or local laws.

“Code” shall mean the U.S. Internal Revenue Code of 1986, as amended.

“Collective Bargaining Agreements” has the meaning set forth in Section 2.03.

“Continuing Options” has the meaning set forth in Section 12.03.

“Delayed Transfer Employee” has the meaning set forth in Section 2.02.

“Destination Employer” has the meaning set forth in Section 2.02.

“Employment Taxes” shall mean all fees, Taxes, social insurance payments or similar contributions to a fund of a Governmental Authority with respect to wages or other compensation of an employee or other service provider.

“ERISA” shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time.

“Former Business” means any terminated, divested or discontinued businesses, operations or properties of either the Honeywell Group, the SpinCo Group, any of their respective members or any of their respective predecessors, in each case, prior to the Distribution.

“Former Honeywell Employee” shall mean a former employee who, on the applicable date, is not a Former SpinCo Employee.

“Former SpinCo Employee” shall mean, as of any applicable date, each individual who (a) as of immediately prior to such individual’s termination of employment (x) was a SpinCo Employee or (y) dedicated all or substantially all of his or her employment services to the activities and operations of the SpinCo Business (excluding any employees providing services to the SpinCo Group pursuant to the TSA) and (b) as of such applicable date, is not employed by any member of the SpinCo Group.

“Formula Value” shall mean, in respect of a stock option award to purchase Honeywell Common Stock granted in 2018 under the Honeywell Equity Plans, the product of (a) the number of shares of Honeywell Common Stock subject to such option award multiplied by (b) \$23.65.

“GPUs” shall mean any growth plan units awarded using a 2016 Growth Plan Agreement under the Honeywell 2011 Stock Incentive Plan or the Honeywell 2016 Stock Incentive Plan.

“Honeywell 401(k) Plan” has the meaning set forth in Section 9.01.

“Honeywell Benefit Plan” shall mean any Benefit Plan sponsored, maintained or, unless such Benefit Plan is sponsored or maintained by a member of the SpinCo Group, contributed to by any member of the Honeywell Group or to which any member of the Honeywell Group is a party.

“Honeywell Employee” shall mean, as of any applicable date, (a) each individual who is an employee of the Honeywell Group as of immediately prior to the Distribution, including any individual who is not actively at work due to a leave of absence (including vacation, holiday, illness, injury, short-term disability and including, until such time as provided in ARTICLE 7, any SpinCo LTD Employee) from which such employee is permitted to return to active employment in accordance with the Honeywell Group’s personnel policies, as in effect from time to time, or applicable Law, (b) each individual who becomes an active employee of the Honeywell Group following the Distribution, but, in each case, excluding any SpinCo Employee or Former SpinCo Employee and (c) each individual who, although deemed to be an employee of the SpinCo Group due to the Transfer of Undertakings because of such individual’s rendering of services pursuant to the TSA or otherwise, is intended by Honeywell to be a Honeywell Employee.

“Honeywell Equity Plans” shall mean the 2016 Stock Incentive Plan, the 2011 Stock Incentive Plan, the 2006 Stock Incentive Plan, each as amended from time to time, and any other stock option, stock incentive compensation plan or arrangement, including equity award agreements, that is a Honeywell Benefit Plan, as in effect as of the time relevant to the applicable provision of this Agreement.

“Honeywell Flexible Spending Account” shall mean any flexible spending arrangement under any cafeteria plan qualifying under Section 125 of the Code that is a Honeywell Benefit Plan.

“Honeywell Health Savings Account” shall mean any health savings account under a health savings account plan that is a Honeywell Benefit Plan.

“Honeywell LTD Plan” shall mean any long-term disability insurance plan that is a Honeywell Benefit Plan.

“Honeywell Nonqualified Deferred Compensation Plans” shall mean the Honeywell Deferred Incentive Compensation Plan, the Honeywell Supplemental Savings Plan, the Supplemental Pension Plan, the Supplemental Executive Retirement Plan for Executives in Career Band 6 and Above, the Supplemental Defined Benefit Retirement Plan, each as amended from time to time, and any other nonqualified deferred compensation plan or arrangement (including individual arrangements) that is a Honeywell Benefit Plan, as in effect as of the time relevant to the applicable provision of this Agreement.

“Honeywell Partial Transfer Pension Plan” has the meaning set forth in Section 8.02.

“Honeywell Pension Plan” has the meaning set forth in Section 8.01.

“Honeywell RSU Value” shall mean, in respect of a restricted stock unit award related to Honeywell Common Stock granted and outstanding under the Honeywell Equity Plans as of immediately prior to the Distribution Date, the product of (a) the “regular way” closing price of a share of Honeywell Common Stock on the last trading day immediately prior to the Distribution Date, multiplied by (b) the number of shares of Honeywell Common Stock subject to such RSU.

“Honeywell Welfare Plan” shall mean each Welfare Plan that is a Honeywell Benefit Plan.

“Honeywell Workers’ Compensation Plan” shall mean any workers’ compensation plan that is a Honeywell Benefit Plan.

“Local Agreement” shall mean an agreement describing the implementation of the matters described in this Agreement (including, without limitation, matters regarding employment, compensation and employee benefits) with respect to Non-U.S. Employees in accordance with applicable non-U.S. Law in the custom of the applicable jurisdictions.

“Non-U.S. Employees” has the meaning set forth in Section 13.01.

“Projected Benefit Obligation” has the meaning set forth in Section 8.01.

“SpinCo 401(k) Plan” has the meaning set forth in Section 9.01.

“SpinCo Benefit Plan” shall mean any Benefit Plan sponsored, maintained or, unless such Benefit Plan is sponsored or maintained by a member of the Honeywell Group, contributed to by any member of the SpinCo Group or to which any member of the SpinCo Group is a party.

“SpinCo Business” means the business of designing, manufacturing and selling turbocharger, electric-boosting and connected vehicle technologies for light and commercial vehicle original equipment manufacturers and the aftermarket, as conducted by Honeywell and its Affiliates prior to the Distribution, including as described in the Information Statement; provided that the SpinCo Business shall not include any Former Business.

“SpinCo Employee” shall mean, as of any applicable date, (a) each individual who is an employee of the SpinCo Group as of immediately prior to the Distribution, including any individual who is not actively at work due to a leave of absence (including vacation, holiday, illness, injury, short-term disability but excluding, until such time as provided in ARTICLE 7, any SpinCo LTD Employee) from which such employee is permitted to return to active employment in accordance with the SpinCo Group’s personnel policies, as in effect from time to time, or applicable Law, (b) each individual who becomes an active employee of the SpinCo Group following the Distribution, but, in each case of clause (a) or (b), excluding any Former SpinCo Employee, (c) each individual listed on Schedule 1.01(a) or listed in a Local Agreement as a SpinCo Employee and (d) each individual who, although deemed to be an employee of the Honeywell Group due to the Transfer of Undertakings because of such individual’s rendering of services pursuant to the TSA or otherwise, is intended by Honeywell to be a SpinCo Employee; provided, however, that, unless otherwise required by applicable Law, each individual listed on Schedule 1.01(b) or listed in a Local Agreement as a Honeywell Employee shall be a Honeywell Employee for all purposes of this Agreement.

“SpinCo Incentive Payments” has the meaning set forth in Section 3.01.

“SpinCo Long-Term Incentive Plan” has the meaning set forth in Section 12.01.

“SpinCo LTD Employee” shall mean any employee of the SpinCo Group who, as of immediately prior to the Distribution, is receiving long-term disability benefits under the Honeywell LTD Plan.

“SpinCo Partial Transfer Pension Plan” has the meaning set forth in Section 8.02.

“SpinCo RSU” shall mean a restricted stock unit award related to SpinCo Common Stock.

“SpinCo RSU Value” shall mean, in respect of a SpinCo RSU award, the product of (a) the “when issued” closing price of a share of the SpinCo Common Stock on the last trading day immediately prior to the Distribution Date, and (b) the number of shares of SpinCo Common Stock subject to such SpinCo RSU.

“SpinCo Full Transfer Pension Plans” has the meaning set forth in Section 8.03.

“SpinCo U.S. Pension Liabilities” has the meaning set forth in Section 8.01.

“SpinCo U.S. Pension Participants” has the meaning set forth in Section 8.01.

“SpinCo U.S. Pension Plan” has the meaning set forth in Section 8.01.

“SpinCo U.S. Pension Transfer Date” has the meaning set forth in Section 8.01.

“SpinCo U.S. Pension Trust” has the meaning set forth in Section 8.01.

“SpinCo Welfare Plans” has the meaning set forth in Section 6.01.

“SpinCo Workers’ Compensation Plan” has the meaning set forth in Section 6.03.

“Spread Value” shall mean, in respect of a stock option award to purchase Honeywell Common Stock granted under the Honeywell Equity Plans, the product of (a) the excess of (x) the “regular way” closing price of a share of Honeywell Common Stock on the last trading day immediately prior to the Distribution Date, over (y) the applicable exercise price of such stock option, multiplied by (b) the number of shares of Honeywell Common Stock subject to such stock option award.

“Subsidiary” of any Person shall mean any corporation or other organization whether incorporated or unincorporated of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries; provided, however, that, solely for purposes of this Agreement, SpinCo and its Subsidiaries shall not be considered Subsidiaries of Honeywell (or members of the Honeywell Group) prior to, on or after the Distribution.

“Tax Return” shall have the meaning set forth in the TMA.

“Taxes” shall have the meaning set forth in the TMA.

“Taxing Authority” shall have the meaning set forth in the TMA.

“TMA” shall mean the Tax Matters Agreement dated as of the date of this Agreement by and between Honeywell and SpinCo.

“Transfer of Undertakings” shall mean the Transfers of Undertakings Directive 2001/23/EC of the European Council and any similar applicable Law.

“TSA” shall mean the Transition Services Agreement dated as of the date of this Agreement by and between Honeywell and Ademco Inc.

“UK Share Purchase Plan” has the meaning set forth in Section 12.06.

“Welfare Plan” shall mean each Benefit Plan that provides life insurance, health care, dental care, accidental death and dismemberment insurance, disability, severance, vacation or other group welfare or fringe benefits.

“Welfare Plan Date” has the meaning set forth in Section 6.01.

“Workers’ Compensation Event” shall mean the event, injury, illness or condition giving rise to a workers compensation claim with respect to a SpinCo Employee or Former SpinCo Employee.

“Workers’ Compensation Plan Date” has the meaning set forth in Section 6.03.

ARTICLE 2 GENERAL PRINCIPLES

Section 2.01. SpinCo Employees. Except as provided in Section 2.02, all SpinCo Employees as of immediately prior to the Distribution shall continue to be employees of the SpinCo Group immediately following the Distribution. The Parties hereto agree that none of the transactions contemplated by the Separation Agreement or any of the Ancillary Agreements, including this Agreement, shall result in any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee being deemed to have incurred a termination of employment or being eligible to receive severance benefits, solely as a result of the Distribution.

Section 2.02. Delayed Transfer Employees. To the extent that applicable Law or any arrangement with a Governmental Authority prevents the Parties from causing any (a) Honeywell Employee who is intended to be a SpinCo Employee to be employed by a member of the SpinCo Group as of immediately following the Distribution as contemplated by Section 2.01 or (b) SpinCo Employee who is intended to be a Honeywell Employee to be employed by a member of the Honeywell Group as of immediately following the Distribution (each such employee, a “Delayed Transfer Employee” and the SpinCo Group or Honeywell Group entity to which such Delayed Transfer Employee is intended to be transferred, the “Destination Employer”), the Parties shall use commercially reasonable efforts to ensure that (i) such Delayed Transfer Employee becomes employed by the Destination Employer at the earliest time permitted by applicable Law or such agreement with a Governmental Authority and (ii) the Destination Employer receives the benefit of such Delayed Transfer Employee’s services from and after the Distribution, including under the TSA or by entering into an employee leasing or similar arrangement. “Delayed Transfer Employee” shall also include any Honeywell Employee who, following the Distribution, provides services to the SpinCo Group under the TSA and whose employment is intended by Honeywell to transfer to the SpinCo Group following the completion of the applicable TSA service, and with respect to such Delayed Transfer Employees, the Parties shall use commercially reasonable efforts to ensure that any such Delayed Transfer Employee becomes employed by the SpinCo Group as soon as practicable following the completion of the applicable TSA service. From and after the commencement of a Delayed Transfer Employee’s employment with the Destination Employer, such Delayed Transfer Employee shall be treated for all purposes of this Agreement, including Section 4.02, as if such Delayed Transfer Employee commenced employment with the Destination Employer as of the Distribution as contemplated by Section 2.01.

Section 2.03. Collectively Bargained Employees. All provisions contained in this Agreement providing for the treatment of compensation and benefits in connection with the Distribution shall apply equally to any employee who is covered by any collective bargaining, works council or other labor union contract or labor arrangement (collectively, “Collective Bargaining Agreements”), except to the extent that any such agreement specifically provides for the compensation or benefits contemplated by such provision and, in each such case, such agreement shall apply rather than the terms of this Agreement.

Section 2.04. Collective Bargaining Agreements. As of the Distribution, SpinCo shall, and shall cause the members of the SpinCo Group as appropriate to, adopt and assume any Collective Bargaining Agreement covering any of the SpinCo Employees immediately prior to the Distribution, subject to any agreed upon changes required by the transition of such Collective Bargaining Agreement to SpinCo or applicable Law, and recognize the works councils, labor unions and other employee representatives that are party to such Collective Bargaining Agreements; provided that any compensation or benefits that were, prior to the Distribution, provided to SpinCo Employees under the Collective Bargaining Agreements through the Honeywell Benefit Plans shall, to the extent such compensation and benefits are still required to be provided under the Collective Bargaining Agreements on and after the Distribution, be provided as mutually agreed with such works councils, labor unions and other employee representatives through the SpinCo Benefit Plans as set forth in this Agreement.

Section 2.05. Liabilities and Assets Generally. From and after the Distribution Date, except as expressly provided in this Agreement (or a Local Agreement) or as required under applicable Law, (a) SpinCo and the SpinCo Group shall assume or retain, as applicable, and SpinCo hereby agrees to pay, perform, fulfill and discharge, in due course in full, (i) all Liabilities with respect to the employment or termination of employment of all SpinCo Employees, Former SpinCo Employees and their dependents and beneficiaries, and other service providers, in each case, to the extent arising, in whole or in part, in connection with or as a result of employment with or the performance or services to any member of the SpinCo Group, and (ii) any other Liabilities expressly assigned to SpinCo or any member of the SpinCo Group under this Agreement, and (b) Honeywell and the Honeywell Group shall assume or retain, as applicable, and Honeywell hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities with respect to the employment or termination of employment of all Honeywell Employees, Former Honeywell Employees and their dependents and beneficiaries, and other service providers, in each case to the extent solely arising in connection with or as a result of employment with or the performance of services to any member of the Honeywell Group and (ii) any other Liabilities expressly assigned to Honeywell or any member of the Honeywell Group under this Agreement. All assets held in trust to fund the Honeywell Benefit Plans and all insurance policies funding the Honeywell Benefit Plans shall be Honeywell Assets (as defined in the Separation Agreement), except to the extent specifically provided otherwise in this Agreement or a Local Agreement.

Section 2.06. Benefit Plans. Except as otherwise specifically provided in this Agreement or as may otherwise be provided in accordance with the TSA, as of the Distribution, each SpinCo Employee (and each of their respective dependents and beneficiaries) shall cease active participation in, and each member of the SpinCo Group shall cease to be a participating employer in, all Honeywell Benefit Plans, and, as of such time, SpinCo shall, or shall cause its Subsidiaries to, have in effect such corresponding SpinCo Benefit Plans as are necessary to comply with its obligations pursuant to this Agreement. Effective upon the Distribution, except as otherwise specifically provided in this Agreement (or a Local Agreement), (a) Honeywell shall, or shall cause one or more members of the Honeywell Group to, retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to all Honeywell Benefit Plans, and (b) SpinCo shall, or shall cause one of the members of the SpinCo Group to, retain, pay, perform, fulfill and discharge all Liabilities arising out of or relating to all SpinCo Benefit Plans.

Section 2.07. Payroll Services. Except as may otherwise be provided in accordance with the TSA, prior to, on and after the Distribution, the members of the SpinCo Group shall be solely responsible for providing payroll services to the SpinCo Employees and Former SpinCo Employees.

Section 2.08. No Change in Control. The Parties hereto agree that none of the transactions contemplated by the Separation Agreement or any of the Ancillary Agreements, including this Agreement, constitutes a “change in control,” “change of control” or similar term, as applicable, within the meaning of any Honeywell Benefit Plan or SpinCo Benefit Plan, including the SpinCo Long-Term Incentive Plan.

Section 2.09. Inadvertent Transfers. In the event that Honeywell determines following the Distribution that an individual who was intended to be a Honeywell Employee or a SpinCo Employee has inadvertently become employed by the SpinCo Group or the Honeywell Group, respectively, due to the operation of the Transfer of Undertakings because of such individual’s rendering of services pursuant to the TSA or otherwise, the Parties shall cooperate in good faith and take such actions as may be reasonably necessary in order to cause the employment of such individuals to be promptly transferred to a member of the Honeywell Group or the SpinCo Group, as applicable, and as intended by Honeywell prior to the Distribution.

ARTICLE 3 NON-EQUITY INCENTIVES

Section 3.01. SpinCo Employee Incentives. Unless otherwise provided for in an individual agreement with a SpinCo Employee to which Honeywell is a party, on and after the Distribution, SpinCo shall assume and be solely responsible for Liabilities with respect to any annual bonus or other cash-based incentive or retention awards, but excluding GPUs, which shall be treated in accordance with ARTICLE 12, under any Benefit Plan to any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee, including, for the avoidance of doubt, any such awards with respect to the year in which the Distribution occurs (the “SpinCo Incentive Payments”). SpinCo shall be responsible for determining the amounts of all SpinCo Incentive Payments that have not been determined prior to the Distribution, including the extent to which established performance criteria (as interpreted by SpinCo, in its sole discretion) have been met, and shall pay all SpinCo Incentive Payments no later than the times provided for under the applicable Benefit Plan. For the avoidance of doubt, any determinations made prior to the Distribution regarding the amounts of any SpinCo Incentive Payments shall be subject to Honeywell’s prior written approval.

ARTICLE 4
SERVICE CREDIT

Section 4.01. Honeywell Benefit Plans. Except as may otherwise be provided in accordance with the TSA and except as otherwise provided in Section 12.03, service of SpinCo Employees and Former SpinCo Employees, on and after the Distribution, with any member of the SpinCo Group or any other employer, as applicable, other than any member of the Honeywell Group, shall not be taken into account for any purpose under any Honeywell Benefit Plan.

Section 4.02. SpinCo Benefit Plans. Unless prohibited by applicable Law, SpinCo shall, and shall cause its Subsidiaries to, credit service accrued by each SpinCo Employee with, or otherwise recognized for purposes of any Benefit Plan by, any member of the Honeywell Group or the SpinCo Group on or prior to the Distribution for purposes of (a) eligibility, vesting and benefit accrual under each SpinCo Benefit Plan under which service is relevant in determining eligibility, vesting and benefit accrual, (b) determining the amount of severance payments and benefits (if any) payable under each SpinCo Benefit Plan that provides severance payments or benefits and (c) determining the number of vacation days to which each such employee shall be entitled following the Distribution, in the case of clauses (a), (b) and (c), (i) to the same extent recognized by the relevant members of the Honeywell Group or SpinCo Group or the corresponding Honeywell Benefit Plan or SpinCo Benefit Plan immediately prior to the later of the Distribution Date and the date such employee ceases participating in the applicable Honeywell Benefit Plan in accordance with the TSA and (ii) except to the extent such credit would result in a duplication of benefits for the same period of service.

ARTICLE 5
SEVERANCE

Section 5.01. Severance. The SpinCo Group shall be solely responsible for all Liabilities, including all severance or other separation payments and benefits (including any termination indemnity or retirement indemnity plan (*e.g.*, the termination indemnity plan in France)), relating to the termination or alleged termination of any SpinCo Employee's or Former SpinCo Employee's employment, whether occurring prior to, on or following the Distribution Date. For the avoidance of doubt, such Liabilities shall include any employer-paid portion of any Employment Taxes and shall be treated as Liabilities of SpinCo and the SpinCo Group in accordance with the principles of Section 2.05.

ARTICLE 6
CERTAIN WELFARE BENEFIT PLAN MATTERS;
WORKERS' COMPENSATION CLAIMS

Section 6.01. SpinCo Welfare Plans. Without limiting the generality of Section 2.06, effective as of the Distribution or such later date as agreed to between Honeywell and SpinCo in accordance with the TSA (such applicable date, the "Welfare Plan Date"), SpinCo shall establish Welfare Plans (collectively, the "SpinCo Welfare Plans") to provide welfare benefits to the SpinCo Employees (and their dependents and beneficiaries) in each applicable jurisdiction and as of the applicable Welfare Plan Date, each SpinCo Employee (and his or her dependents and beneficiaries) shall cease active participation in the corresponding Honeywell Welfare Plan. For the avoidance of doubt, for purposes of this ARTICLE 6, the term "SpinCo Employees" shall be deemed to include any Former SpinCo Employee who was receiving welfare benefits in connection with his or her termination of employment from a member of the Honeywell Group or the SpinCo Group as of the applicable Welfare Plan Date. Notwithstanding the foregoing, to the extent that Honeywell determines that the aforementioned provision of welfare benefits by SpinCo to a Former SpinCo Employee is not feasible, such Former SpinCo Employee may continue active participation in the corresponding Honeywell Welfare Plan after the Welfare Plan Date and SpinCo shall reimburse the Honeywell Group for any Liabilities associated with such Former SpinCo Employee after the Welfare Plan Date.

Section 6.02. Allocation of Welfare Benefit Claims. (a) The members of the Honeywell Group shall retain all Liabilities in accordance with the applicable Honeywell Welfare Plan for all reimbursement claims (such as medical and dental claims) and for all non-reimbursement claims (such as life insurance claims), in each case, incurred by SpinCo Employees and Former SpinCo Employees (and each of their respective dependents and beneficiaries) under such plans prior to the applicable Welfare Plan Date and (b) the members of the SpinCo Group shall retain all Liabilities in accordance with the SpinCo Welfare Plans for all reimbursement claims (such as medical and dental claims) and for all non-reimbursement claims (such as life insurance claims), in each case, incurred by SpinCo Employees and Former SpinCo Employees (and each of their respective dependents and beneficiaries) on or after the applicable Welfare Plan Date; provided that, SpinCo shall reimburse Honeywell in accordance with the TSA for Liabilities incurred under clause (a) between the Distribution Date and the applicable Welfare Plan Date. For purposes of this Section 6.02, a benefit claim shall be deemed to be incurred as follows: (i) health, dental, vision, employee assistance program and prescription drug benefits (including in respect of any hospital confinement), upon provision of such services, materials or supplies; and (ii) life, accidental death and dismemberment and business travel accident insurance benefits, upon the death, cessation of employment or other event giving rise to such benefits.

Section 6.03. Workers' Compensation Claims. In the case of any workers' compensation claim of any SpinCo Employee or Former SpinCo Employee in respect of his or her employment with the Honeywell Group or the SpinCo Group, such claim shall be covered (a) under the applicable Honeywell Workers' Compensation Plan if the Workers' Compensation Event occurred prior to the Distribution, (b) under a workers' compensation plan of the SpinCo Group (each, a "SpinCo Workers' Compensation Plan") for the applicable jurisdiction if the Workers' Compensation Event occurs on or after the Distribution and the related claim is submitted after the date SpinCo has established a workers' compensation plan (the "Workers' Compensation Plan Date") and (c) under the applicable Honeywell Workers' Compensation Plan if the Workers' Compensation Event occurs on or after the Distribution and the related claim is submitted prior to the Workers' Compensation Plan Date; provided, that, SpinCo shall reimburse Honeywell in accordance with the TSA for Liabilities incurred under clause (c) between the Distribution Date and the applicable Workers' Compensation Plan Date. If the Workers' Compensation Event occurs over a period both preceding and following the Distribution, the claim shall be jointly covered under the Honeywell Workers' Compensation Plan and the SpinCo Workers' Compensation Plan and shall be equitably apportioned between them based upon the relative periods of time that the Workers' Compensation Event transpired preceding and following the Distribution; provided, that, if a claim in respect of such Workers' Compensation Event is submitted prior to the Workers' Compensation Plan Date, then such claim shall be covered under the Honeywell Workers' Compensation Plan and SpinCo shall appropriately reimburse Honeywell in accordance with the TSA.

Section 6.04. COBRA. In the event that a SpinCo Employee or Former SpinCo Employee (a) was receiving, or was eligible to receive, continuation health coverage pursuant to COBRA on or prior to the applicable Welfare Plan Date, Honeywell and the Honeywell Welfare Plans shall be responsible for all Liabilities to such employee (or his or her eligible dependents) in respect of COBRA; or (b) becomes eligible to receive continuation health coverage pursuant to COBRA following the applicable Welfare Plan Date, SpinCo and the SpinCo Welfare Plans shall be responsible for all Liabilities to such employee (or his or her eligible dependents) in respect of COBRA; provided that SpinCo shall reimburse Honeywell in accordance with the TSA for Liabilities incurred under clause (a) prior to the applicable Welfare Plan Date. SpinCo shall indemnify, defend and hold harmless the members of the Honeywell Group from and against any and all Liabilities relating to, arising out of or resulting from COBRA provided by SpinCo, or the failure of SpinCo to meet its COBRA obligations, to SpinCo Employees, Former SpinCo Employees and their respective eligible dependents.

Section 6.05. Health Savings Account. Without limiting the generality of Section 2.05, Section 2.06 and Section 14.01 and subject to Section 16.09, Honeywell and SpinCo shall use commercially reasonable efforts to cooperate in administering any Honeywell Health Savings Account in connection with the Distribution in accordance with the terms of the applicable Honeywell Benefit Plan, including by exchanging any necessary participant records and engaging recordkeepers, administrators, providers, insurers and other third parties.

Section 6.06. Flexible Spending Account. Without limiting the generality of Section 2.05, Section 2.06 and Section 14.01 and subject to Section 16.09, Honeywell and SpinCo shall use commercially reasonable efforts to cooperate in administering any Honeywell Flexible Spending Account in connection with the Distribution in accordance with the terms of the applicable Honeywell Benefit Plan, including by exchanging any necessary participant records and engaging recordkeepers, administrators, providers, insurers and other third parties.

ARTICLE 7 LONG-TERM DISABILITY

Section 7.01. Benefits. Except as otherwise specifically provided in this Agreement and subject to Section 7.02, on and after the Distribution, the SpinCo LTD Employees shall be deemed to be employees of the Honeywell Group for purposes of this Agreement, including participation in the Honeywell LTD Plans; provided that SpinCo shall reimburse Honeywell in accordance with the TSA for Liabilities incurred under this Section 7.01 with respect to any additional ancillary benefits that any SpinCo LTD Employee is eligible to receive while receiving payments under any Honeywell LTD Plan, in accordance with applicable Honeywell policies (including, without limitation, continued health insurance subsidies, continued participation in life insurance programs and continued participation in any Honeywell Benefit Plan other than a Honeywell LTD Plan). For the avoidance of doubt, other than the benefits provided under any Honeywell LTD Plan to any SpinCo LTD Employee, all Liabilities with respect to SpinCo LTD Employees (including, without limitation, any Liabilities arising out of any such SpinCo LTD Employee ceasing to participate in, or receive benefits under, any Honeywell LTD Plan for any reason) shall be treated as a Liability of SpinCo and the SpinCo Group in accordance with Section 2.05.

Section 7.02. Return to Work. To the extent required by applicable SpinCo policies, as in effect from time to time, and applicable Law, SpinCo shall, or shall cause its Subsidiaries to, employ any SpinCo LTD Employee at such time, if any, as such SpinCo LTD Employee is ready to return to active employment, and from and after such time, such employee shall no longer be deemed an employee of the Honeywell Group and shall be deemed a SpinCo Employee for purposes of this Agreement; provided that, if SpinCo receives actual notice from the Honeywell Group, the SpinCo LTD Employee or otherwise that such SpinCo LTD Employee is ready to return to active employment, and such SpinCo LTD Employee is not employed by a member of the SpinCo Group due to applicable SpinCo policies, and if such SpinCo LTD Employee's employment is terminated by a member of the Honeywell Group within a reasonable time thereafter, SpinCo shall indemnify the Honeywell Group for all Liabilities incurred in connection with such termination.

ARTICLE 8 DEFINED BENEFIT PENSION PLANS

Section 8.01. Honeywell U.S. Defined Benefit Pension Plan. Notwithstanding Section 2.06 or any other provision of this Agreement to the contrary, following the Distribution, the Honeywell Group shall retain sponsorship of the Honeywell International Inc. Retirement Earnings Plan (the "Honeywell Pension Plan") and all assets and Liabilities arising out of or relating to the Honeywell Pension Plan; provided, that, on or prior to the Distribution, Honeywell shall assign, and SpinCo shall accept such assignment (or cause such assignment to be accepted), to a new U.S. defined benefit pension plan sponsored by SpinCo (the "SpinCo U.S. Pension Plan") all Liabilities for vested and unvested benefits under the Honeywell Pension Plan relating to SpinCo Employees, SpinCo LTD Employees and Former SpinCo Employees (the "SpinCo U.S. Pension Liabilities", and such individuals, the "SpinCo U.S. Pension Participants"). No later than the Distribution Date, SpinCo shall establish or maintain, or cause to be established or maintained, such SpinCo U.S. Pension Plan, which shall have material terms and conditions that are substantially identical to the terms and conditions of the Honeywell Pension Plan that apply to the SpinCo U.S. Pension Participants and shall be (or remain) qualified under Section 401(a) of the Code, and a trust which is part of such SpinCo U.S. Pension Plan and which shall be exempt from tax under Section 501(a) of the Code (the "SpinCo U.S. Pension Trust"). Each SpinCo U.S. Pension Participant shall become a participant in the SpinCo U.S. Pension Plan as of the Distribution Date. As soon as reasonably practicable following the Distribution Date, Honeywell shall transfer (or cause to be transferred) from the Honeywell Pension Plan (or applicable trust related thereto) to the SpinCo U.S. Pension Trust an amount of assets from the Honeywell Pension Plan with a fair market value equal to the "Projected Benefit Obligation" (as defined in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 715) related to the SpinCo U.S. Pension Liabilities as of the Distribution Date, as calculated by an actuary designated by Honeywell using the actuarial assumptions and calculation procedures used by Honeywell in the determination of the most recent Projected Benefit Obligation amount disclosed by Honeywell in an applicable filing with the SEC in accordance with Accounting Standards Codification Topic 715-30, except that the discount rate assumption shall be the discount rate used by Honeywell for its internal modeling, reporting and financial statement purposes as of the last day of the calendar month immediately prior to the calendar month in which the Distribution Date occurs, with the fair market value of such transferred assets based on actual market values as of the date of transfer (and, for the avoidance of doubt, such amount of assets shall be determined and certified by an actuary in accordance with Section 414(l) of the Code and Treasury Regulation 1.414(l)-1 promulgated thereunder). The date of such transfer is hereinafter referred to as the "SpinCo U.S. Pension Transfer Date".

Notwithstanding the foregoing, no transfer of Liabilities or assets shall be made from the Honeywell Pension Plan to the SpinCo U.S. Pension Plan until the later of (a) such date as agreed to between Honeywell and SpinCo in accordance with the TSA, if any, and (b) such time as Honeywell has determined, in its sole discretion, that (i) SpinCo has established the SpinCo U.S. Pension Trust, (ii) the SpinCo U.S. Pension Plan satisfies the requirements for a qualified plan under Section 401(a) of the Code, (iii) the SpinCo U.S. Pension Trust is exempt from tax under Section 501(a) of the Code and (iv) the parties have received all other approvals from all applicable Governmental Authorities (or such approvals are pending). Following the SpinCo U.S. Pension Transfer Date, Honeywell and the Honeywell Group shall have no further liability (either under this Agreement or otherwise) to provide the SpinCo U.S. Pension Participants with benefits under the Honeywell Pension Plan. The SpinCo U.S. Pension Plan and the SpinCo U.S. Pension Trust (and any successor to such plan and/or trust) shall provide that (i) with respect to assets transferred to the SpinCo Pension Plan from the Honeywell Pension Plan, such assets shall be held by the SpinCo U.S. Pension Trust for the exclusive benefit of the participants in the SpinCo U.S. Pension Plan, and (ii) the accrued benefits as of the Distribution Date of each SpinCo U.S. Pension Participant may not be decreased by amendment or otherwise. Following the date of this Agreement, Honeywell and SpinCo shall use commercially reasonable efforts to cooperate in administering the SpinCo U.S. Pension Plan, including by exchanging any necessary participant records, engaging recordkeepers, administrators, providers, insurers and other third parties and making any and all filings and submissions to the appropriate Governmental Authorities in effectuating the provisions of this Section 8.01 (including IRS Forms 5310-A in respect of the transfers of assets and, in the event that the transactions contemplated by this Agreement constitute a “reportable event” within the meaning of Section 4043 of ERISA and the regulations promulgated thereunder for which the applicable notice period has not been waived, timely notification to the Pension Benefit Guaranty Corporation and filing of all reports required in connection therewith). For the avoidance of doubt, the SpinCo U.S. Pension Plan shall be a SpinCo Benefit Plan. Notwithstanding anything to the contrary in this Agreement, for purposes of this Section 8.01, “Former SpinCo Employee” shall mean each individual who is listed on the attachments to the Honeywell Pension Plan and the SpinCo U.S. Pension Plan as of the SpinCo U.S. Pension Transfer Date.

Section 8.02. Non-U.S. Partial Transfer Pension Plans. Except as required by applicable Law or under the terms of a Local Agreement, Honeywell and SpinCo shall use commercially reasonable efforts to effectuate an assignment and transfer of Liabilities for vested and unvested benefits relating to SpinCo Employees, SpinCo LTD Employees and Former SpinCo Employees, and an amount of assets related thereto, under any non-U.S. defined benefit pension plans sponsored by Honeywell or a member of the Honeywell Group in respect of employees in Belgium, Finland, Germany, and Switzerland (each, a “Honeywell Partial Transfer Pension Plan”) to a non-U.S. defined benefit pension plan or plans sponsored by SpinCo (each, a “SpinCo Partial Transfer Pension Plan”) in accordance with the principles of Section 8.01 (or any analogous principles or other requirements under applicable Law), except that the amount of assets transferred from any such Honeywell Partial Transfer Pension Plan (or any trust related thereto) to a corresponding SpinCo Partial Transfer Pension Plan (or any trust related thereto) shall be determined on a plan-by-plan, country-by-country (or, if required by applicable Law, other jurisdiction-by-jurisdiction) basis and shall be equal to a percentage of the Projected Benefit Obligation relating to SpinCo Employees, SpinCo LTD Employees and Former SpinCo Employees participating in such Honeywell Partial Transfer Pension Plan or SpinCo Partial Transfer Pension Plan, as of the Distribution Date, applicable to such plan in such country (or other required jurisdiction) equal to the applicable Honeywell Partial Transfer Pension Plan’s funding level (expressed as a percentage and as determined by an actuary designated by Honeywell) in such country (or other required jurisdiction) as of the Distribution Date, or such higher amount as required by applicable Law in such country (or other required jurisdiction). However, pension Liabilities for Germany shall transfer with zero assets. For the avoidance of doubt, any such SpinCo Partial Transfer Pension Plan shall be a SpinCo Benefit Plan. Further details regarding the treatment of the Honeywell Partial Transfer Pension Plans and SpinCo Partial Transfer Pension Plans will be as set forth in the applicable Local Agreement.

Section 8.03. Non-U.S. Full Transfer Pension Plans. Following the Distribution, the SpinCo Group shall retain sponsorship of the defined benefit pension plans in the Netherlands for the ADI Gardner plan (the “SpinCo Full Transfer Pension Plans”) and all assets and Liabilities arising out of or relating to such plans. For the avoidance of doubt, following such assignment and transfer, each of the SpinCo Full Transfer Pension Plans shall be a SpinCo Benefit Plan.

ARTICLE 9 DEFINED CONTRIBUTION PLANS

Section 9.01. SpinCo 401(k) Plan. Effective as of the Distribution, SpinCo shall establish a defined contribution plan that includes a qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code (the “SpinCo 401(k) Plan”) providing benefits to the SpinCo Employees participating in any qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code sponsored by any member of the Honeywell Group (collectively, the “Honeywell 401(k) Plans”) as of the Distribution.

Section 9.02. 401(k) Rollover. As of the Distribution, the Honeywell Group shall permit each SpinCo Employee to elect, and the SpinCo Group shall cause the SpinCo 401(k) Plan to accept, in accordance with applicable Law and the terms of the Honeywell 401(k) Plans and the SpinCo 401(k) Plan, a rollover of the account balances (including earnings through the date of transfer and promissory notes evidencing all outstanding loans) of such SpinCo Employee under the Honeywell 401(k) Plans, if such rollover is elected in accordance with applicable Law and the terms of the Honeywell 401(k) Plan and by such employee. Upon completion of a transfer of the account balances of any SpinCo Employee, as described in this Section 9.02, SpinCo and the SpinCo 401(k) Plan shall be responsible for all Liabilities of the Honeywell Group under the Honeywell 401(k) Plan with respect to any SpinCo Employee or Former SpinCo Employee whose account balance was transferred to the SpinCo 401(k) Plan (and his or her respective beneficiaries), and the Honeywell Group and the Honeywell 401(k) Plan shall have no Liabilities to provide such participants (or any of their beneficiaries) with benefits under the Honeywell 401(k) Plan. In the event that the elections by SpinCo Employees pursuant to this Section 9.02 in connection with the Distribution result in a mass rollover, Honeywell and SpinCo shall use commercially reasonable efforts to cooperate to effect such mass rollover, including by exchanging any necessary participant records and engaging recordkeepers, administrators, providers, insurers and other third parties.

Section 9.03. Employer 401(k) Plan Contributions. The Honeywell Group shall remain responsible for making all employer contributions under the Honeywell 401(k) Plan with respect to any SpinCo Employees or Former SpinCo Employees relating to periods prior to the Distribution; provided that, prior to the rollover of any SpinCo Employee’s or Former SpinCo Employee’s account pursuant to Section 9.02, the Honeywell Group shall make all employer contributions with respect to such SpinCo Employee or Former SpinCo Employee required under the Honeywell 401(k) Plan for periods of time prior to the Distribution. Any such contributions that are unvested as of the Distribution shall be treated in accordance with the terms of the Honeywell 401(k) Plan. On and after the Distribution, the SpinCo Group shall be responsible for all employer contributions under the SpinCo 401(k) Plan with respect to any SpinCo Employees or Former SpinCo Employees.

Section 9.04. Stock Considerations. Following the Distribution, SpinCo Employees and Former SpinCo Employees shall not be permitted to acquire shares of Honeywell Common Stock in any stock fund under the SpinCo 401(k) Plan.

Section 9.05. Limitation of Liability. For the avoidance of doubt, Honeywell shall have no responsibility for any failure of SpinCo to properly administer the SpinCo 401(k) Plan in accordance with its terms and applicable Law, including any failure to properly administer the accounts of SpinCo Employees, Former SpinCo Employees and their respective beneficiaries, including accounts rolled over in accordance with Section 9.02, in such SpinCo 401(k) Plan.

Section 9.06. Non-U.S. Defined Contribution Plans. The treatment of any Honeywell Benefit Plan that is a defined contribution plan for the benefit of employees outside of the United States and in which any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee participates (each, a “Non-U.S. DC Plan”) shall be governed by the applicable Local Agreement; provided, that, if a Local Agreement does not address the treatment of an applicable Non-U.S. DC Plan, then Honeywell and SpinCo shall use commercially reasonable efforts to cause any such Non-U.S. DC Plan to be treated in a manner that is consistent with applicable Law and, to the extent practicable, the general principles of this ARTICLE 9.

ARTICLE 10 NONQUALIFIED DEFERRED COMPENSATION

Section 10.01. SpinCo Nonqualified Deferred Compensation Plans. Notwithstanding Section 2.06 or any other provision of this Agreement to the contrary, following the Distribution, the Honeywell Group shall retain sponsorship of the Honeywell Nonqualified Deferred Compensation Plans and all assets and Liabilities arising out of or relating to the Honeywell Nonqualified Deferred Compensation Plans; provided, that, except as required by applicable Law, on or prior to the Distribution, Honeywell shall assign, and SpinCo shall accept such assignment (or cause such assignment to be accepted), to a new nonqualified deferred compensation plan (or plans) sponsored by SpinCo with terms and conditions that are substantially similar to the corresponding Honeywell Nonqualified Deferred Compensation Plan (together, the “SpinCo Nonqualified Deferred Compensation Plans”) all Liabilities under the Honeywell Nonqualified Deferred Compensation Plans relating to (a) in the case of any Honeywell Nonqualified Deferred Compensation Plan that provides defined benefit pension benefits, SpinCo Employees, SpinCo LTD Employees and Former SpinCo Employees (as such term is defined in Section 8.01) and (b) in the case of all other Honeywell Nonqualified Deferred Compensation Plans, SpinCo Employees and SpinCo LTD Employees (but not Former SpinCo Employees). The Parties hereto agree that none of the transactions contemplated by the Separation Agreement or any of the Ancillary Agreements, including this Agreement, will trigger a payment or distribution of compensation under the Honeywell Nonqualified Deferred Compensation Plans or the SpinCo Nonqualified Deferred Compensation Plans to any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee (and their respective beneficiaries) and, consequently, that the payment or distribution of any compensation to which any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee (and their respective beneficiaries) is entitled under the Honeywell Nonqualified Deferred Compensation Plans and the SpinCo Nonqualified Deferred Compensation Plans will occur upon the time or times provided for under the applicable Honeywell Nonqualified Deferred Compensation Plans and the SpinCo Nonqualified Deferred Compensation Plans and such SpinCo Employee’s, SpinCo LTD Employee’s or Former SpinCo Employee’s deferral elections (which SpinCo shall cause such SpinCo Nonqualified Deferred Compensation Plans to recognize and maintain). Without limiting the generality of Section 4.01 and subject to Section 16.09, following the date of this Agreement, Honeywell and SpinCo shall use commercially reasonable efforts to cooperate in administering the Honeywell Nonqualified Deferred Compensation Plans and the SpinCo Nonqualified Deferred Compensation Plans for purposes of satisfying any obligations relating to the participation of any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee, including by exchanging any necessary participant records and engaging recordkeepers, administrators, providers, insurers and other third parties. For the avoidance of doubt, each SpinCo Nonqualified Deferred Compensation Plan shall be a SpinCo Benefit Plan.

Section 10.02. No Transfer of Assets. Except as required by applicable Law, nothing in this Agreement shall require any member of the Honeywell Group or the Honeywell Nonqualified Deferred Compensation Plans to transfer assets or reserves with respect to the Honeywell Nonqualified Deferred Compensation Plans to any member of the SpinCo Group or the SpinCo Nonqualified Deferred Compensation Plans.

Section 10.03. Employer Nonqualified Deferred Compensation Plan Contributions. The Honeywell Group shall remain responsible for making all employer contributions under the Honeywell Nonqualified Deferred Compensation Plans with respect to any SpinCo Employees, SpinCo LTD Employees or Former SpinCo Employees relating to periods prior to the Distribution. Any such contributions that are unvested as of the Distribution shall continue to vest in accordance with their terms. On and after the Distribution, the SpinCo Group shall be responsible for all employer contributions under the SpinCo Nonqualified Deferred Compensation Plans with respect to any SpinCo Employees, SpinCo LTD Employees or Former SpinCo Employees.

Section 10.04. Stock Considerations. Immediately prior to the Distribution, Honeywell shall cause any investments or notional investments in Honeywell Common Stock that are credited to any deferral accounts under the Honeywell Nonqualified Deferred Compensation Plans that will be transferred to a SpinCo Nonqualified Deferred Compensation Plan in accordance with Section 10.01 to be converted into a cash amount equal to the product of (a) the number of shares of Honeywell Common Stock in which such accounts are invested or notionally invested, multiplied by (b) the “regular way” closing price of a share of Honeywell Common Stock on the last trading day immediately prior to the Distribution Date (the “Converted NQDC Stock Amounts”). Following the Distribution, SpinCo Employees, SpinCo LTD Employees and Former SpinCo Employees shall not be permitted to acquire shares of Honeywell Common Stock in any stock fund or deferral account under the SpinCo Nonqualified Deferred Compensation Plans (and SpinCo shall cause the Converted NQDC Stock Amounts, if required under the terms of the applicable SpinCo Nonqualified Deferred Compensation Plan, to be invested or notionally invested in an investment other than Honeywell Common Stock).

Section 10.05. Limitation of Liability. Honeywell shall have no responsibility for any failure of SpinCo to properly administer the SpinCo Nonqualified Deferred Compensation Plans in accordance with their terms and applicable Law, including any failure to properly administer the accounts of SpinCo Employees, SpinCo LTD Employees or Former SpinCo Employees and their respective beneficiaries in such SpinCo Nonqualified Deferred Compensation Plans.

ARTICLE 11 VACATION

Section 11.01. Vacation. Upon the Distribution, the SpinCo Group shall assume and be solely responsible for all Liabilities for vacation accruals and benefits with respect to each SpinCo Employee; provided, however, that (a) for purposes of determining the number of vacation days to which such employee shall be entitled following the Distribution, SpinCo and its Subsidiaries shall assume and honor all vacation days accrued or earned but not yet taken by such employee, if any, as of the Distribution, and (b) to the extent such employee is entitled under any applicable Law or any policy of his or her respective employer that is a member of the Honeywell Group, as the case may be, to be paid for any vacation days accrued or earned but not yet taken by such employee as of the Distribution, SpinCo shall assume and be solely responsible for the Liability to pay for such vacation days.

ARTICLE 12 LONG-TERM INCENTIVE COMPENSATION AWARDS

Section 12.01. SpinCo Long-Term Incentive Plan. Prior to the Distribution, Honeywell shall cause SpinCo to adopt a long-term incentive plan or program, to be effective immediately prior to the Distribution (the “SpinCo Long-Term Incentive Plan”) and Honeywell shall approve the SpinCo Long-Term Incentive Plan as the sole stockholder of SpinCo.

Section 12.02. Equity Award Adjustments. Each outstanding equity award granted under the Honeywell Equity Plans held by any individual as of the Distribution shall be adjusted in accordance with the resolutions adopted by the Management Development and Compensation Committee of Honeywell in connection with the Distribution. Equity awards that are covered by this Section 12.02 shall not be exercisable and/or settled during a period beginning on a date prior to the Distribution Date determined by Honeywell in its sole discretion, and continuing until the adjustments made pursuant to such resolutions are completed, as determined by Honeywell in its sole discretion. Equity awards that remain outstanding under the Honeywell Equity Plans shall remain subject to all terms and conditions of the Honeywell Equity Plans, including the adjustment provisions thereof. For the avoidance of doubt, this Section 12.02 shall not apply to any awards that are canceled or converted pursuant to Section 12.03.

Section 12.03. Treatment of Incentive Awards Upon Distribution. Notwithstanding anything in this Agreement, the Honeywell Equity Plans or an applicable award agreement to the contrary, the following shall apply to awards under the Honeywell Equity Plans held by SpinCo Employees (including GPUs) that remain outstanding as of the Distribution Date: (a) stock options that are vested as of the Distribution Date shall remain outstanding through the earlier of (i) exercise by the applicable SpinCo Employee and (ii) the applicable scheduled expiration date of such stock options (disregarding for purposes of this clause (ii) the effect of any termination of employment with the SpinCo Group), and shall otherwise remain subject to the terms of the applicable Honeywell Equity Plan (the “Continuing Options”) and applicable award agreement; (b) stock option awards that were granted prior to January 1, 2018 and are unvested as of the Distribution Date shall be canceled effective as of the Distribution Date and, in respect of each such canceled stock option award, SpinCo shall grant to the applicable SpinCo Employee an award of restricted stock units relating to a number of shares of SpinCo Common Stock (“SpinCo RSUs”) with a SpinCo RSU Value equal to the Spread Value of such canceled stock option award and with the same vesting schedule and other terms and conditions (other than any such terms and conditions that are not applicable to full-value stock awards) that applied to such canceled stock option award as of the Distribution Date; provided, that, any such stock option awards that have an exercise price per share of Honeywell Common Stock in excess of the “regular way” closing price of a share of Honeywell Common Stock on the last trading day immediately prior to the Distribution Date shall be canceled with no consideration payable therefor; (c) stock option awards that were granted in 2018 and remain unvested as of the Distribution Date shall be canceled effective as of the Distribution Date and, in respect of each such canceled stock option award, SpinCo shall grant to the applicable SpinCo Employee an award of SpinCo RSUs with a SpinCo RSU Value equal to the Formula Value of such canceled stock option award and with the same vesting schedule and other terms and conditions (other than any such terms and conditions that are not applicable to full-value stock awards) that applied to such canceled stock option award as of the Distribution Date; (d) restricted stock unit awards shall be canceled effective as of the Distribution Date and, in respect of each such canceled restricted stock unit award, SpinCo shall grant to the applicable SpinCo Employee an award of SpinCo RSUs with a SpinCo RSU Value equal to the Honeywell RSU Value and with the same vesting schedule and other terms and conditions that applied to such canceled restricted stock unit award as of the Distribution Date; (e) SpinCo shall assume the obligation to make payments in respect of all outstanding GPU awards granted to SpinCo Employees in respect of the 2016-2017 performance period applicable to such GPU awards, and shall make payments for such awards on the regularly scheduled payment date of such awards in the first calendar quarter of 2019, subject to the applicable SpinCo Employee’s continued employment with SpinCo through the applicable payment date; (f) (i) performance stock units and cash units granted in respect of the Honeywell 2017-2019 Performance Plan, and (ii) performance-based restricted stock units granted prior to January 1, 2017 (the “Pre-2017 PSUs”), in each case that are held by the SpinCo Employees and outstanding as of the Distribution Date shall be canceled as of the Distribution Date and, in respect of such canceled awards, SpinCo shall grant to the applicable SpinCo Employees an award of SpinCo RSUs with a SpinCo RSU Value equal to a value determined by Honeywell based on the estimated performance against the performance metrics applicable to such 2017-2019 Performance Plan awards as of the latest practicable date prior to the Distribution Date (or, with respect to the Pre-2017 PSUs, based on Honeywell’s relative total shareholder return over a truncated performance period ending immediately prior to the Distribution Date, as determined by Honeywell) and with the same vesting schedule and other terms and conditions (other than any performance vesting requirements or other performance criteria) that applied to such canceled awards as of the Distribution Date; and (g) any and all other long-term incentive awards (including without limitation any performance stock units and cash units granted in respect of the Honeywell 2018-2020 Performance Plan) shall be canceled as of the Distribution Date, and from and after the Distribution Date, Honeywell shall have no liabilities or other obligations arising out of or related to such awards; provided, that, with respect to each of the conversions pursuant to clauses (b), (c), (d) and (f), the number of shares shall be rounded up to the nearest whole SpinCo share.

Section 12.04. Cooperation. For so long as any equity award in respect of Honeywell Common Stock is outstanding and held by a SpinCo Employee or Former SpinCo Employee, the Honeywell Group and the SpinCo Group shall reasonably cooperate in the exchange of information and take any action necessary to administer such equity awards following the Distribution, including the following: (a) SpinCo shall notify Honeywell in writing within five (5) days of any change in employment status (including without limitation termination of employment), (b) the Parties shall exchange any information necessary to satisfy their obligations under Section 12.03, (c) the Parties shall take any steps necessary to ensure that the employee-paid portion of any Taxes (including any Employment Taxes) required to be withheld upon the exercise of any such equity award is withheld by or paid over to, as applicable, the applicable Party responsible for remitting such amount to the appropriate Taxing Authority as promptly as reasonably practicable, (d) SpinCo shall provide payroll information to Honeywell in respect of SpinCo Employees and Former SpinCo Employees, including year-to-date amounts withheld for Federal Insurance Contribution Act Taxes, Medicare Taxes and supplemental compensation, (e) any U.S. Federal, state and local income Tax deduction arising as a result of the exercise of any Continuing Options held by a SpinCo Employee or Former SpinCo Employee shall be claimed by a member of the Honeywell Group; provided, however, that if a deduction claimed by a member of the Honeywell Group pursuant to this Section 12.04 is disallowed by a Taxing Authority for any reason, a member of the SpinCo Group shall amend its Tax Return to claim such deduction and pay to Honeywell an amount equal to the tax benefit actually realized by the SpinCo Group resulting from such deduction; provided, further, that Honeywell, upon the request of SpinCo, shall repay any amount paid to Honeywell under the immediately preceding proviso (plus any interest imposed by the relevant Taxing Authority) in the event SpinCo is required to surrender such tax benefit and (f) the Parties shall cooperate following the Distribution, so that the value of any tax benefit actually realized by any member of the Honeywell Group in connection with the vesting, settlement or exercise of any Award other than the Continuing Options shall be transferred to SpinCo following the Distribution.

Section 12.05. Treatment of Reimbursements. Any cash payment made by SpinCo to Honeywell in respect of any award exercised for Honeywell Common Stock pursuant to this ARTICLE 12 shall be treated by Honeywell and SpinCo for all Tax purposes as purchase price or partial purchase price for the shares of Honeywell Common Stock equal to the value of any such cash payment and not as a distribution from SpinCo to Honeywell immediately prior to the Distribution or as consideration for any property contributed to SpinCo in connection with the transactions contemplated by the Separation Agreement. Any cash payment made by Honeywell to SpinCo pursuant to this ARTICLE 12 shall be treated for all Tax purposes as a contribution from Honeywell to SpinCo immediately prior to the Distribution.

Section 12.06. Treatment of UK Share Plan. Effective as of the Distribution, SpinCo Employees shall cease actively participating in the Honeywell Share Builder Plan (the “UK Share Purchase Plan”) and shall no longer be entitled to make any additional contributions to such UK Share Purchase Plan to purchase Honeywell Common Stock, or to receive any “Matching Shares” as defined in the UK Share Purchase Plan. The Parties expect that SpinCo shall establish a similar plan to the UK Share Purchase Plan for the benefit of SpinCo Employees in the United Kingdom effective as of the Distribution.

ARTICLE 13 NON-U.S. EMPLOYEES

Section 13.01. Treatment of Non-U.S. Employees. Honeywell Employees and SpinCo Employees who reside outside of the United States or otherwise are subject to non-U.S. Law (“Non-U.S. Employees”) and their related benefits and Liabilities shall be treated under this Agreement in the same manner as the Honeywell Employees and SpinCo Employees, respectively, who are residents of the United States and are not subject to non-U.S. Law; provided, that, notwithstanding anything to the contrary in this Agreement, all actions taken with respect to such Non-U.S. Employees shall be subject to and accomplished in accordance with applicable Law in the custom of the applicable jurisdictions and may be effectuated by implementation of a Local Agreement. In the case of a conflict between the terms and provisions of this Agreement and a Local Agreement, the terms and provisions of such Local Agreement shall control.

ARTICLE 14
COOPERATION; ACCESS TO INFORMATION; LITIGATION; CONFIDENTIALITY

Section 14.01. Cooperation. Following the date of this Agreement, the Parties shall, and shall cause their respective Subsidiaries to, use commercially reasonable efforts to cooperate with respect to any employee compensation or benefits matters that either Party reasonably determines require the cooperation of the other Party in order to accomplish the objectives of this Agreement. Without limiting the generality of the preceding sentence, (a) Honeywell, SpinCo and their respective Subsidiaries shall cooperate in connection with any audits of any Benefit Plan with respect to which such Party may have Information, (b) Honeywell, SpinCo and their respective Subsidiaries shall cooperate in connection with any audits of their respective payroll services (whether by a Governmental Authority in the U.S. or otherwise) in connection with the services provided by one Party to the other Party and (c) Honeywell, SpinCo and their respective Subsidiaries shall cooperate in good faith in connection with the notification and consultation with labor unions and other employee representatives of employees of the Honeywell Group and the SpinCo Group. With respect to each Benefit Plan, the obligations of the Honeywell Group and the SpinCo Group to cooperate pursuant to this Section 14.01 or any other provision of this Agreement shall remain in effect until the later of (i) the date all audits of such Benefit Plan with respect to which a Party may have Information have been completed, (ii) the date the applicable statute of limitations with respect to such audits has expired and (iii) the date the Honeywell Group discharges all obligations to SpinCo Employees, Former SpinCo Employees and their respective beneficiaries under such Benefit Plan.

Section 14.02. Access to Information; Privilege; Confidentiality. Except as would be inconsistent with Section 14.01 or any other provision of this Agreement relating to cooperation, Article VIII of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

ARTICLE 15
TERMINATION

Section 15.01. Termination. This Agreement may be terminated by Honeywell at any time, in its sole discretion, prior to the Distribution; provided, however, that this Agreement shall automatically terminate upon the termination of the Separation Agreement in accordance with its terms.

Section 15.02. Effect of Termination. In the event of any termination of this Agreement prior to the Distribution, none of the Parties (or any of its directors or officers) shall have any Liability or further obligation to any other Party under this Agreement.

ARTICLE 16
MISCELLANEOUS

Section 16.01. Incorporation of Indemnification Provisions of Separation Agreement. In addition to the specific indemnification provisions in this Agreement, Article VII of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

Section 16.02. Additional Indemnification. If the Parties determine that SpinCo is unable to establish any SpinCo Benefit Plan as of the Distribution Date (or the applicable Welfare Plan Date, if applicable) that it is required under this Agreement to establish by such date, then SpinCo shall indemnify, defend and hold harmless each of the Honeywell Indemnitees from and against any and all Liabilities of the Honeywell Indemnitees relating to, arising out of or resulting from participation by any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee on or after the Distribution Date (or the applicable Welfare Plan Date) in any such Honeywell Benefit Plan due to the failure to timely establish such SpinCo Benefit Plan or Plans. In addition, SpinCo shall indemnify, defend and hold harmless each of the Honeywell Indemnitees from and against any and all Liabilities of the Honeywell Indemnities relating to, arising out of or resulting from any claim by any SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee that Honeywell or any other member of the Honeywell Group is a “joint employer” or “co-employer” (or term of similar meaning under applicable Law) with SpinCo or any other member of the SpinCo Group of any such SpinCo Employee, SpinCo LTD Employee or Former SpinCo Employee on or after the Distribution Date (including, except as otherwise specifically provided in this Agreement or the TSA, with respect to a claim that any of the foregoing are entitled to participate in any Honeywell Benefit Plan at any time on or after the Distribution Date).

Section 16.03. Further Assurances. Article X of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

Section 16.04. Administration. SpinCo hereby acknowledges that Honeywell has provided or will provide administration services for certain SpinCo Benefit Plans and SpinCo agrees to assume responsibility for the administration and administration costs of such plans and each other SpinCo Benefit Plan. The Parties shall cooperate in good faith to complete such transfer of responsibility on commercially reasonable terms and conditions effective no later than the Distribution or the applicable Welfare Plan Date or Workers’ Compensation Plan Date.

Section 16.05. Third-Party Beneficiaries. Except as otherwise may be provided in the Separation Agreement with respect to the rights of any Honeywell Indemnitee or SpinCo Indemnitee, (a) the provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and (b) there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 16.06. Employment Tax Reporting Responsibility. To the extent applicable, the Parties hereby agree to follow the alternate procedure for U.S. Employment Tax withholding as provided in Section 5 of Rev. Proc. 2004-53, I.R.B. 2004-35. Accordingly, except as otherwise provided in Section 12.04, the members of the Honeywell Group shall not have any Employment Tax reporting responsibilities, and the members of the SpinCo Group shall have full Employment Tax reporting responsibilities, for SpinCo Employees on and after the Distribution.

Section 16.07. Data Privacy. The Parties agree that any applicable data privacy laws and any other obligations of the SpinCo Group and the Honeywell Group to maintain the confidentiality of any Information relating to employees in accordance with applicable Law shall govern the disclosure of Information relating to employees among the Parties under this Agreement. Honeywell and SpinCo shall ensure that they each have in place appropriate technical and organizational security measures to protect the personal data of the SpinCo Employees and Former SpinCo Employees. Additionally, each Party shall sign any documentation as may be required to comply with applicable data privacy Laws.

Section 16.08. Section 409A. Honeywell and SpinCo shall cooperate in good faith and use reasonable best efforts to ensure that the transactions contemplated by the Separation Agreement and the Ancillary Agreements, including this Agreement, will not result in adverse tax consequences under Section 409A of the Code to any SpinCo Employee or Former SpinCo Employee (or any of their respective beneficiaries), in respect of their respective benefits under any Benefit Plan.

Section 16.09. Confidentiality. (a) Each of Honeywell and SpinCo, on behalf of itself and each Person in its respective Group, shall, and shall cause its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives to, hold, in strict confidence and not release or disclose, with at least the same degree of care, but no less than a reasonable degree of care, that it applies to its own confidential and proprietary Information pursuant to policies in effect as of the Distribution, all Information concerning the other Group or its business that is either in its possession (including Information in its possession prior to the Distribution) or furnished by the other Group or its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder, except, in each case, to the extent that such Information is (i) in the public domain through no fault of any member of the Honeywell Group or the SpinCo Group, as applicable, or any of its respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by any of Honeywell, SpinCo or its respective Group, directors, officers, employees or agents, accountants, counsel and other advisors and representatives, as applicable, which sources are not themselves bound by a confidentiality obligation to the knowledge of any of Honeywell, SpinCo or Persons in its respective Group, as applicable, regarding such Information, (iii) independently generated without reference to any proprietary or confidential Information of the Honeywell Group or the SpinCo Group, as applicable, or (iv) required to be disclosed by applicable Law; provided, however, that the Person required to disclose such Information gives the applicable Person prompt, and to the extent reasonably practicable, prior notice of such disclosure and an opportunity to contest such disclosure and shall use commercially reasonable efforts to cooperate, at the expense of the requesting Person, in seeking any reasonable protective arrangements requested by such Person. In the event that such appropriate protective order or other remedy is not obtained, the Person that is required to disclose such Information shall furnish, or cause to be furnished, only that portion of such Information that is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such Information. Notwithstanding the foregoing, each of Honeywell and SpinCo may release or disclose, or permit to be released or disclosed, any such Information concerning the other Group (A) to their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such Information (who shall be advised of the obligations hereunder with respect to such Information) and (B) to any nationally recognized statistical rating agency as it reasonably deems necessary, solely for the purpose of obtaining a rating of securities upon normal terms and conditions; provided, however, that the Party whose Information is being disclosed or released to such rating agency is promptly notified thereof.

(b) Without limiting the foregoing, when any Information concerning the other Group or its business is no longer needed for the purposes contemplated by this Agreement, each of Honeywell and SpinCo shall, promptly after request of the other Party, either return all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party, as applicable, that it has destroyed such Information (and used commercially reasonable efforts to destroy all such Information electronically preserved or recorded within any computerized data storage device or component (including any hard-drive or database)).

Section 16.10. Additional Provisions. Article XII of the Separation Agreement is hereby incorporated into this Agreement *mutatis mutandi*.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

HONEYWELL INTERNATIONAL INC.

By: /s/ Richard Kent

Name: Richard Kent

Title: Vice President, Deputy General Counsel,
Finance and Assistant Secretary

RESIDEO TECHNOLOGIES, INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: President

Schedule 1.01

(a) SpinCo Employees

In the event that Honeywell determines following the Distribution that an individual who was intended by Honeywell to be a SpinCo Employee has inadvertently remained employed by the Honeywell Group, the Parties shall cooperate in good faith and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to the appropriate member of the SpinCo Group. Each individual identified pursuant to this Schedule 1.01(a) as a SpinCo Employee shall be a SpinCo Employee for all purposes of this Agreement.

(b) Honeywell Employees

In the event that Honeywell determines following the Distribution that an individual who was intended by Honeywell to remain a Honeywell Employee has inadvertently become employed by the SpinCo Group, the Parties cooperate in good faith and take such actions as may be reasonably necessary in order to cause the employment of such individual to be promptly transferred to the appropriate member of the Honeywell Group. Each individual identified pursuant to this Schedule 1.01(b) as a Honeywell Employee shall be a Honeywell Employee for all purposes of this Agreement.

PATENT CROSS-LICENSE AGREEMENT

BY AND BETWEEN

HONEYWELL INTERNATIONAL INC.

AND

RESIDEO TECHNOLOGIES, INC.

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PATENT CROSS-LICENSE AGREEMENT

This Patent Cross-License Agreement (this “Agreement”) is made and entered into as of October 19, 2018 by and between Honeywell International Inc., a Delaware corporation (“Honeywell”), and Resideo Technologies, Inc., a Delaware corporation (“Homes” or “SpinCo”) and shall become effective as of the Distribution Date (as defined below). Honeywell and Homes are referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, pursuant to the Separation and Distribution Agreement by and between Honeywell and Homes, dated as of October 19, 2018 (the “Separation Agreement”), Honeywell has agreed to divest its SpinCo Business (as defined in the Separation Agreement), and Homes has agreed to separate from Honeywell and, following the separation, Honeywell will distribute Honeywell’s entire interest in SpinCo, by way of a dividend of stock to be made to the holders of Honeywell common stock, after which Homes will continue to operate such SpinCo Business (the “Distribution”);

WHEREAS, pursuant to the Separation Agreement, Honeywell has agreed to contribute to Homes certain Intellectual Property Rights (as defined in the Separation Agreement) owned by Honeywell or its Affiliates (as defined below) and used in the SpinCo Business immediately prior to the Distribution, including the patents and patent applications listed in Exhibit A;

WHEREAS, Honeywell and its Affiliates desire to license to Homes the Honeywell HBT Patent Claims (as defined below), the Honeywell Combustion Patent Claims (as defined below) and the Honeywell Non-HBT Patent Claims (as defined below), and Homes desires to receive such licenses, as further described in this Agreement; and

WHEREAS, Homes and its Affiliates desire to license to Honeywell the Homes HBT Patent Claims (as defined below), and Honeywell desires to receive such license, as further described in this Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Parties agree as follows:

AGREEMENT

ARTICLE I

DEFINITIONS

Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in the Separation Agreement. For purposes of this Agreement:

“Acquired Entity” has the meaning set forth in Section 7.2(b).

“Acquirer” has the meaning set forth in Section 7.2(b).

“Action” has the meaning set forth in the Separation Agreement.

“Affiliate” has the meaning set forth in the Separation Agreement.

“After-Acquired Affiliate” has the meaning set forth in Section 2.2.

“Agreement” has the meaning set forth in the Preamble.

“Ancillary Agreements” has the meaning set forth in the Separation Agreement.

“Change of Control” means, with respect to any Person, (i) the sale of all or substantially all of the assets of, or the ownership interests in, such Person in a single transaction or a series of related transactions to a Third Party (that is not, prior to such transaction, an Affiliate of such Person), (ii) any direct or indirect acquisition of control, consolidation or merger of such Person by, with or into any Third Party (that is not, prior to such transaction, an Affiliate of such Person), or (iii) any other corporate transaction or series of related transactions in which control of such Person is directly or indirectly transferred to a Third Party (that is not, prior to such transaction, an Affiliate of such Person), including by transferring in excess of fifty percent (50%) of such Person’s voting power, shares or equity, through a merger, consolidation, tender offer or similar transaction, to one or more third parties.

“Code” has the meaning set forth in Section 8.16.

“Distribution” has the meaning set forth in the Preamble.

“Distribution Date” means the date on which the Distribution occurs.

“Divestiture” has the meaning set forth in Section 7.2(a).

“Divestiture Acquirer” means the Person or Persons that acquire or are successors to a Separated Business of Licensee.

“Governmental Authority” means any Federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other legislative, judicial, regulatory, administrative or governmental authority, including the United States Patent and Trademark Office and any equivalent authority or registrar anywhere in the world.

“HBT Patents” means, collectively, the patents and patent applications listed in Exhibit A or Exhibit C.

“Homes HBT Patent Claims” means:

(a) all claims of all patents or patent applications listed in Exhibit A;

(b) all claims of all patents or patent applications, whether U.S. or foreign, which are owned, as of the Distribution Date or in the future, by Homes or its Affiliates and claim priority to any patent or patent application described in clause (a), including any divisionals, continuations, continuations-in-part, reissues, reexaminations, extensions, foreign counterparts or equivalents of any such patent or patent application described in clause (a) that are filed after the Distribution Date; *provided, however*, that claims of continuation-in-part applications filed after the Distribution Date shall be deemed “Homes HBT Patent Claims” only if entitled to the priority date of any such patent or patent application described in clause (a), excluding any other claims within such continuation-in-part applications; and

(c) any claims of patents or patent applications owned by a Third Party and Licensable by Homes or its Affiliates to Honeywell as of the Distribution Date.

“Homes” has the meaning set forth in the Preamble.

“Homes Products” means any products of the Homes Business existing as of the Distribution Date or existing or future products substantially designed (or whose specifications were substantially developed) and manufactured by or for Homes or its Affiliates after the Distribution Date, and, in each case, any related services (except that “Homes Products” shall not include products or services of an After-Acquired Affiliate if such products or services existed prior to its becoming an Affiliate).

“Honeywell” has the meaning set forth in the Preamble.

“Honeywell Combustion Patent Claims” means:

(a) all claims of all patents or patent applications listed in Exhibit B; and

(b) all claims of all patents or patent applications, whether U.S. or foreign, which are owned, as of the Distribution Date or in the future, by Honeywell or its Affiliates and claim priority to any patent or patent application described in clause (a), including any divisionals, continuations, continuations-in-part, reissues, reexaminations, extensions, foreign counterparts or equivalents of any such patent or patent application described in clause (a) that are filed after the Distribution Date; *provided, however*, that claims of continuation-in-part applications filed after the Distribution Date shall be deemed “Honeywell Combustion Patent Claims” only if entitled to the priority date of any such patent or patent application described in clause (a), excluding any other claims within such continuation-in-part applications.

“Honeywell HBT Patent Claims” means:

(a) all claims of all patents or patent applications listed in Exhibit C;

(b) all claims of all patents or patent applications, whether U.S. or foreign, which are owned, as of the Distribution Date or in the future, by Honeywell or its Affiliates and claim priority to any patent or patent application described in clause (a), including any divisionals, continuations, continuations-in-part, reissues, reexaminations, extensions, foreign counterparts or equivalents of any such patent or patent application described in clause (a) that are filed after the Distribution Date; *provided, however*, that claims of continuation-in-part applications filed after the Distribution Date shall be deemed “Honeywell HBT Patent Claims” only if entitled to the priority date of any such patent or patent application described in clause (a), excluding any other claims within such continuation-in-part applications; and

(c) any claims of patents or patent applications owned by a Third Party and Licensable by Honeywell or its Affiliates as of the Distribution Date to Homes.

“Honeywell Non-HBT Patent Claims” means

(a) any claims of patents or patent applications owned by Honeywell or its Affiliates as of the Distribution Date to the extent the inventions claimed therein were practiced by the operation of the SpinCo Business immediately prior to the Distribution Date (other than any HBT Patents and Honeywell Combustion Patent Claims); and

(b) all claims of all patents or patent applications, whether U.S. or foreign, which are owned, as of the Distribution Date or in the future, by Honeywell or its Affiliates and claim priority to any patent or patent application described in clause (a), including any divisionals, continuations, continuations-in-part, reissues, reexaminations, extensions, foreign counterparts or equivalents of any such patent or patent application described in clause (a) that are filed after the Distribution Date; *provided, however*, that claims of continuation-in-part applications filed after the Distribution Date shall be deemed “Honeywell Non-HBT Patent Claims” only if entitled to the priority date of any such patent or patent application described in clause (a), excluding any other claims within such continuation-in-part applications.

“Honeywell Products” means any existing or future products substantially designed (or whose specifications were substantially developed) and manufactured by or for Honeywell or its Affiliates, and any related services (except that “Honeywell Products” shall not include products or services of an After-Acquired Affiliate if such products or services existed prior to its becoming an Affiliate).

“Law” has the meaning set forth in the Separation Agreement.

“Licensable” means that Licensor or any of its Affiliates has the right to grant sublicenses to Licensee within the scope granted in Article II or Article III, as applicable, without (i) the need to obtain consent of any Third Party, (ii) the payment of royalties or other consideration by Licensor, its Affiliates or Licensee to any Third Party, (iii) any relinquishment of rights by Licensor or its Affiliates or any narrowing of or any material limitation on the license to Licensor or its Affiliates and (iv) reducing the number of sublicenses which Licensor or its Affiliates may grant under the license.

“Licensed Patent Claims” means any Honeywell HBT Patent Claims, Honeywell Non-HBT Patent Claims, Honeywell Combustion Patent Claims or Homes HBT Patent Claims.

“Licensee” means (i) Homes, with respect to the Party receiving a license to the Honeywell HBT Patent Claims, the Honeywell Non-HBT Patent Claims or the Honeywell Combustion Patent Claims under this Agreement, and (ii) Honeywell, with respect to the Party receiving a license to the Homes HBT Patent Claims under this Agreement.

“Licensor” means (i) Honeywell, with respect to the Party providing a license to the Honeywell HBT Patent Claims, the Honeywell Non-HBT Patent Claims or the Honeywell Combustion Patent Claims under this Agreement and (ii) Homes, with respect to the Party providing a license to the Homes HBT Patent Claims under this Agreement.

“Party” and “Parties” have the meanings set forth in the Preamble.

“Patent Family” means all patents and patent applications that share a common priority application, excluding continuations in part, but including any divisionals, continuations, reissues, reexaminations, extensions, foreign counterparts or equivalents. For the avoidance of doubt, if any patent or patent application is subject to a terminal disclaimer with any other patent or patent application such patent or patent application and such other patent or patent application shall be deemed one (1) Patent Family for the purposes of this Agreement.

“Person” has the meaning set forth in the Separation Agreement.

“Separated Business” has the meaning set forth in Section 7.2(a).

“Separation Agreement” has the meaning set forth in the Preamble.

“Subsidiary” has the meaning set forth in the Separation Agreement.

“Third Party” means any Person other than Homes, Honeywell or their Affiliates.

“Trademark” has the meaning set forth in the Separation Agreement.

“Trademark License Agreement” means that certain Trademark License Agreement dated as of the date of this Agreement between Honeywell and Homes.

ARTICLE II

LICENSE FROM HOMES TO HONEYWELL

Section 2.1 License Grant to Homes HBT Patent Claims. Subject to the terms and conditions of this Agreement, effective on the Distribution Date, Homes, on behalf of itself and its Affiliates, hereby grants to Honeywell a perpetual, irrevocable (subject to Section 5.2), non-transferable (except as provided in Section 7.1 and Section 7.2(b)), non-exclusive, fully paid-up, royalty-free, worldwide license, without the right to grant sublicenses (except as set forth in Section 2.2), under the Homes HBT Patent Claims, to (i) make, have made (pursuant to Section 2.3), use, sell, offer for sale, provide, import, distribute and otherwise dispose of any Honeywell Products and (ii) otherwise practice any methods claimed in the Homes HBT Patent Claims in connection with the activities in the foregoing clause (i).

Section 2.2 Sublicense Rights. Subject to the terms and conditions of this Agreement, Honeywell may sublicense the rights granted in Section 2.1 to (i) Affiliates (including the right to further sublicense pursuant to clause (ii)) and (ii) customers, contractors and service providers, but in each case, solely with respect to any Honeywell Products; *provided, however*, that with respect to any Person that, after the Distribution Date, becomes an Affiliate that is not a Subsidiary (except if this Agreement has been assigned pursuant to Section 7.1(a), in which case, such an Affiliate may be a Subsidiary) (such Person, an “After-Acquired Affiliate”) of Honeywell, such sublicense in the foregoing clause (i) shall not include products or services of such After-Acquired Affiliate that existed prior to its becoming an Affiliate.

Section 2.3 Have Made Rights. The rights granted in Section 2.1 include the right of Honeywell and its Affiliates to have any Honeywell Products made by or on behalf of Honeywell or its Affiliates by one or more Third Party manufacturers solely for subsequent sale or distribution under a Trademark owned by Honeywell or its Affiliates.

ARTICLE III

LICENSES FROM HONEYWELL TO HOMES

Section 3.1 License Grants.

(a) License Grant to Honeywell HBT Patent Claims and Honeywell Combustion Patent Claims. Subject to the terms and conditions of this Agreement, effective on the Distribution Date, Honeywell, on behalf of itself and its Affiliates, hereby grants to Homes a perpetual, irrevocable (subject to Section 5.2), non-transferable (except as provided in Section 7.1 and Section 7.2(b)), non-exclusive, fully paid-up, royalty-free, worldwide license, without the right to grant sublicenses (except as set forth in Section 2.2), under the Honeywell HBT Patent Claims and Honeywell Combustion Patents Claims, to (i) make, have made (pursuant to Section 3.3), use, sell, offer for sale, provide, import, distribute and otherwise dispose of any Homes Products and (ii) otherwise practice and methods claimed in the Honeywell HBT Patent Claims and Honeywell Combustion Patent Claims in connection with the activities in the foregoing clause (i).

(b) License Grant to Honeywell Non-HBT Patent Claims. Subject to the terms and conditions of this Agreement, effective on the Distribution Date, Honeywell, on behalf of itself and its Affiliates, hereby grants to Homes a perpetual, irrevocable (subject to Section 5.2), non-transferable (except as provided in Section 7.1 and Section 7.2(b)), non-exclusive, fully paid-up, royalty-free, worldwide right and license, without the right to grant sublicenses (except as set forth in Section 3.2), under the Honeywell Non-HBT Patent Claims, to (i) make, have made (pursuant to Section 3.3), use, sell, offer for sale, provide, import, distribute and otherwise dispose of any Homes Products and (ii) otherwise practice any methods claimed in the Honeywell Non-HBT Patent Claims in connection with the activities in the foregoing clause (i); *provided, however*, that the license granted under this Section 3.1(b) shall be limited to the same scope and extent of use, and to Homes Products of the same type, as those in connection with which such Honeywell Non-HBT Patent Claims were practiced by Honeywell and its Affiliates (including Homes) in connection with the operation of the SpinCo Business immediately prior to the Distribution.

Section 3.2 Sublicense Rights. Subject to the terms and conditions of this Agreement, Homes may sublicense the rights granted in Section 3.1(a) and Section 3.1(b) to (i) Affiliates (including the right to further sublicense pursuant to clause (ii)) and (ii) customers, contractors and service providers, but in each case, solely with respect to any Homes Products; *provided, however*, that with respect to any After-Acquired Affiliate of Homes, such sublicense in the foregoing clause (i) shall not include products or services of such After-Acquired Affiliate that existed prior to its becoming an Affiliate.

Section 3.3 Have Made Rights. The rights granted in Section 3.1(a) and Section 3.1(b) include the right of Homes and its Affiliates to have (i) any Homes Products made by or on behalf of Homes or its Affiliates by one or more Third Party manufacturers solely for subsequent sale or distribution under a Trademark owned by Homes or its Affiliates (ii) any Homes Products that are also Licensed Products (as that term is defined in the Trademark License Agreement) made by or on behalf of Homes or its Affiliates by one or more Third Party manufacturers solely for subsequent sale or distribution under a Licensed Trademark (as that term is defined in the Trademark License Agreement) licensed or sublicensed (as applicable) to Homes or its Affiliates pursuant to, and subject to the terms of, the Trademark License Agreement.

ARTICLE IV

RESERVED RIGHTS; LIMITATIONS

Section 4.1 Reserved Rights; Limitations. Nothing contained in this Agreement shall be construed as conferring any rights by implication, estoppel or otherwise, under any Intellectual Property Rights, other than the rights expressly granted in this Agreement with respect to the Licensed Patent Claims. All rights not expressly granted in this Agreement are reserved by Licensor. Subject to the rights granted in Article II and Article III, Licensor and each of Licensor's Affiliates (as applicable) retain all of their respective right, title, and interest in and to the Licensed Patent Claims.

ARTICLE V

PROSECUTION; MAINTENANCE; ENFORCEMENT; NO CHALLENGE

Section 5.1 Prosecution; Maintenance; Enforcement.

(a) Nothing contained in this Agreement shall be construed as requiring the filing of any patent application, the securing of any patent, or the maintaining of any patent in force. No Party shall have any obligation hereunder to institute any Action against any Third Party for infringement of any of its Licensed Patent Claims or to defend any Action brought by a Third Party which challenges or concerns any of its Licensed Patent Claims.

(b) The Parties agree to cooperate with each other in connection with the enforcement of certain patents, as further set forth in Exhibit D.

Section 5.2 No Challenge. For a period of five (5) years from the Distribution Date, if Licensee or its Affiliates, directly or indirectly, initiate or voluntarily join, any Action (including before the United States Patent and Trademark Office and any equivalent authority or registrar anywhere in the world) to challenge any of Licensor's or its Affiliates' ownership of any Licensed Patent Claim, or the validity or enforceability thereof, Licensor (i) will have the right to, upon written notice to Licensee, terminate this Agreement and (ii) will be entitled to recover from Licensee any costs arising from such a challenge, including reasonable attorneys' fees and expenses of investigation and defense incurred in the course of participating in or defending the challenge. Notwithstanding the foregoing, should Licensor or its Affiliates assert any of its Licensed Patent Claims against the Licensee or any of its Affiliates or its or their respective sublicensees, Licensee may pursue such challenge, solely with respect to those particular Licensed Patent Claims, and Licensor shall not have the right to terminate this agreement and shall not be entitled to recover any costs.

ARTICLE VI

DISCLAIMERS

Section 6.1 WARRANTY DISCLAIMER. ALL OF THE RIGHTS PROVIDED HEREUNDER ARE PROVIDED ON AN AS-IS, WHERE-IS BASIS, WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY DISCLAIMED.

Section 6.2 LIMITATION OF LIABILITY. UNDER NO CIRCUMSTANCES SHALL ANY PARTY HEREUNDER BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL OR PUNITIVE DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, LOSS OF DATA OR OTHER PECUNIARY LOSS) ARISING OUT OF THE USE OF EITHER PARTY'S INTELLECTUAL PROPERTY RIGHTS OR THE RIGHTS GRANTED HEREUNDER, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Section 6.3 Disclaimer. No Licensor shall be liable under this Agreement for any claims, loss or damages arising from Licensee's or Licensee's Affiliates or its or their sublicensees' use of any Licensed Patent Claims under this Agreement.

Section 6.4 No Delivery or Support. Nothing in this Agreement shall be construed to require any delivery of any technology, documentation or other tangible items by any Party or any of their Affiliates to any other Person or to require any support or maintenance obligations whatsoever on the part of any Party.

ARTICLE VII

DIVESTITURES AND CHANGES OF CONTROL

Section 7.1 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either Party without the prior consent of the other Party. Notwithstanding the foregoing, (a) either Party may, upon notice to the other Party hereto, freely assign its rights and obligations under this Agreement (in whole, but not in part) to an Affiliate for tax or reorganization purposes, *provided* that the Affiliate assumes all obligations under this Agreement, and further provided that the assigning Party guarantees the performance of the assignee with respect to all such obligations, (b) either Party, as Licensee, may assign its rights and obligations under this Agreement pursuant to Section 7.2, and (c) Licensor may freely assign, or grant an exclusive license under, one or more of the Licensed Patent Claims to a Third Party or an Affiliate, subject to such assignment or grant being subject to, and such Licensed Patent Claims being encumbered by, the licenses and covenants granted in this Agreement with respect to such Licensed Patent Claims. This Agreement shall be binding upon and inure to the benefit of the Parties and their permitted successors and assigns. Any attempted assignment in violation of this Section 7.1 shall be null, void and of no effect.

Section 7.2 Divestitures and Changes of Control.

(a) Divestitures. Subject to Section 7.3, in the event that Licensee sells, separates, divests, disposes of or otherwise ceases to control, in one transaction or a series of related transactions (such act a “Divestiture”), (A) all or substantially all of the assets or businesses of such Licensee and its Subsidiaries, (B) any one or more Subsidiaries, (C) any business or product or service area (which may include one or more Subsidiaries), in each case of the foregoing (B) and (C), that at the time of such Divestiture, (w) uses any Licensed Patent Claim licensed to it under this Agreement and (x) had aggregate revenue (attributable to such Subsidiary (or Subsidiaries) or the sale or provision of products or services included in such business or product or service area) in excess of fifty million Dollars (\$50,000,000) in the full calendar year prior to such sale (such Subsidiary (or Subsidiaries) in clause (B), the business or product or service area in Clause (C), or all or substantially all of the assets or businesses of such Licensee and its Subsidiaries in clause (A), a “Separated Business”), then, following any such Divestiture in any of the foregoing clauses (A), (B) or (C), Licensee may, at no additional cost to Licensee or the Separated Business, assign the rights and licenses granted to it and its obligations as a licensee under this Agreement, in whole or in part, to any such Separated Business or the Divestiture Acquirer (to the extent it contains the Separated Business); *provided*, that, in the event of an assignment in part, immediately upon such assignment, the applicable Licensee agrees to relinquish any such rights assigned to such Separated Business or Divestiture Acquirer.

(b) Change of Control. Except as provided in Section 7.2(a), following a Change of Control of an Affiliate of a Party, all licenses and rights granted to such Affiliate under this Agreement shall automatically terminate, but, for the avoidance of doubt, all licenses granted by such Affiliate under this Agreement shall remain in full force and effect. Following a Change of Control of a Party (such Party referred to as the “Acquired Entity” and the Third Party acquirer referred to as the “Acquirer”), the licenses granted to such Acquired Entity in Article II and Article III, as applicable, shall remain in effect, subject to the limitations in Section 7.3.

Section 7.3 Limitations Following Divestitures or Changes of Control.

(a) Following (i) a Divestiture for which Licensee exercises any of its rights under Section 7.2(a) or (ii) a Change of Control of a Party pursuant to Section 7.2(b), the rights and licenses granted hereunder with respect to any such Separated Business or any Divestiture Acquirer thereof, or any Acquired Entity, as applicable, shall automatically: (A) be limited to the types of products and services that were commercialized or in development by such Separated Business or the Acquired Entity, as applicable, prior to the Divestiture or Change of Control, as applicable, and natural evolutions thereof and (B) not include any pre-existing products or services of the Divestiture Acquirer or Acquirer, as applicable, or any of their applicable respective Affiliates (other than those included in the Separated Business or the Acquired Entity) or any products or services of any Person or business subsequently acquired by the Divestiture Acquirer or Acquirer, as applicable, or any of their applicable respective Affiliates if such products or services were existing as of the time of such Divestiture or Change of Control. As an express condition to the effectiveness of the exercise by Licensee of the rights under Section 7.2(a) or Section 7.2(b), as applicable, the Divestiture Acquirer or Acquirer, as applicable, shall provide notice thereof to the Licensor and shall agree in writing to comply with the obligations of Licensee hereunder, to the extent applicable to such Divestiture Acquirer or Acquirer, as applicable.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Separation Agreement. The Parties agree that, in the event of a conflict between the terms of this Agreement and the Separation Agreement with respect to the subject matter hereof, the terms of this Agreement shall govern.

Section 8.2 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating a relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of any Party or any of such Party's Affiliates, shall be deemed to create any relationship between the Parties or their respective Affiliates, other than the relationship set forth herein. Each Party shall act under this Agreement solely as an independent contractor and not as an agent or employee of any other Party or any of such Party's Affiliates.

Section 8.3 Confidentiality. No Party shall, and each Party shall cause their respective directors, officers, employees, agents, accountants, contractors, counsel and other advisors and representatives not to, directly or indirectly, disclose any information, or issue or make any statement or communication, to any Third Party (other than its legal, accounting and financial advisors that are bound by confidentiality restrictions) regarding the terms of this Agreement and the transactions contemplated hereby, *provided*, that, nothing in this Section 8.3 will prohibit any Person from disclosing, or permitting the disclosure of, the terms of this Agreement (a) subject to advanced written notice to, and a duty to cooperate with, the other Party, if such Person is compelled to disclose such terms by judicial or administrative process or otherwise required to disclose such terms under applicable Law or regulations, including stock exchange regulation, (b) in confidence, as reasonably necessary, to any beneficiary of a permitted sublicense under this Agreement or any other Person who acquires or uses products or services of a Party that are covered by a license hereunder, and (c) in confidence, as reasonably necessary, to any Acquirer or Divestiture Acquirer or potential Acquirer or Divestiture Acquirer. For the avoidance of doubt, this Section 8.3 shall be without prejudice to any confidentiality or non-disclosure obligations of Homes or Honeywell under any other agreement or any Law.

Section 8.4 Counterparts; Entire Agreement.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective only after one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, the Separation Agreement, the other Ancillary Agreements and the Exhibits and Schedules hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

Section 8.5 Dispute Resolution. In the event that either Party, acting reasonably, forms the view that another Party has caused a material breach of the terms of this Agreement, then the Party that forms such a view shall serve written notice of the alleged breach on the other Parties and the Parties shall work together in good faith to resolve any such alleged breach within thirty (30) days of such notice. If any such alleged breach is not so resolved, then a senior executive of each Party shall, in good faith, attempt to resolve any such alleged breach within the following thirty (30) days of the referral of the matter to the senior executives. If no resolution is reached with respect to any such alleged breach in accordance with the procedures contained in this Section 8.5, then the Parties may seek to resolve such matter in accordance with Section 8.6, Section 8.7 and Section 8.8.

Section 8.6 Governing Law; Jurisdiction. Any disputes arising out of or relating to this Agreement, including, without limitation, to its execution, performance, or enforcement, shall be governed by, and construed in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of any state or federal court sitting in New York City in the State of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Affiliates, successors and assigns under or related to this Agreement or any of the transactions contemplated hereby, including, without limitation, to their execution, performance or enforcement, whether in contract, tort or otherwise. Each of the Parties hereby agrees that it shall not assert and shall hereby waive any claim or right or defense that it is not subject to the jurisdiction of such courts, that the venue is improper, that the forum is inconvenient or any similar objection, claim or argument. Each Party agrees that a final judgment in any legal proceeding resolved in accordance with this Section 8.6, Section 8.7 and Section 8.8 shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

Section 8.7 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY INCLUDING, WITHOUT LIMITATION, THEIR EXECUTION, PERFORMANCE OR ENFORCEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS.

Section 8.8 Specific Performance. Subject to Section 8.5, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at Law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

Section 8.9 Third-Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

Section 8.10 Notices. All notices or other communications under this Agreement shall be in writing and shall be provided in the manner set forth in the Separation Agreement.

Section 8.11 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 8.12 Waivers of Default. No failure or delay of any Party (or one of its Affiliates, as applicable) in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

Section 8.13 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

Section 8.14 Interpretation. The rules of interpretation set forth in Section 12.17 of the Separation Agreement are incorporated by reference into this Agreement, *mutatis mutandis*.

Section 8.15 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

Section 8.16 Bankruptcy. The licenses granted hereunder (including those set forth in Article II and Article III) shall be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the “Code”) insofar as it is applicable to any Licensor, a license to rights to “Intellectual Property” as defined in the Code. The Parties agree that a Licensee shall retain and may fully exercise all of its rights and elections under the Code and any similar provisions under the law of any other jurisdiction throughout the world. Without limiting the foregoing, each Party acknowledges and agrees that all licenses and other rights granted by it under or pursuant to this Agreement shall survive any bankruptcy proceeding under the law of any jurisdiction throughout the world, notwithstanding any right of rejection or termination arising under the law of any jurisdiction throughout the world. A Licensor is not entitled to exercise any right of termination solely as a result of (i) the initiation, conduct or commencement of any insolvency, bankruptcy, resolution (such as the assumption of control by any Governmental Authority (or any other person appointed by the Governmental Authority), the compulsory restructuring of share capital of or the compulsory transfer of business/shares of Licensee), liquidation, administration, arrangement or composition with creditors, receivership, judicial management or other similar proceedings instituted with respect to Licensee by any Governmental Authority or by any other person or entity, or (ii) the insolvency, serious liquidity problems, non-compliance with capital adequacy requirements or other inability to pay debts as they come due of Licensee or any other deterioration in Licensee’s financial circumstances. In the event that either Party seeks or otherwise attempts in any way to avoid, invalidate, reject or otherwise terminate any license granted by it to the other Party, including without limitation by bringing, or having brought on its behalf or for its benefit (e.g., by shareholders or other representatives), or causing any third party to bring, any action or other proceeding to invalidate, avoid, reject or otherwise terminate this Agreement or any license granted, whether successful or not, then the licenses granted to such Party by the other Party shall immediately terminate without notice or the requirement of any further action by any Party.

The remainder of this page is intentionally left blank; the signature pages follow.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above by their respective offices thereunto duly authorized.

HONEYWELL INTERNATIONAL INC.

By: /s/ Richard Kent
Name: Richard Kent
Title: Vice President, Deputy General
Counsel, Finance and Assistant Secretary

RESIDEO TECHNOLOGIES, INC.

By: /s/ Jacqueline W. Katzel
Name: Jacqueline W. Katzel
Title: President

TRADEMARK LICENSE AGREEMENT

BY AND BETWEEN

HONEYWELL INTERNATIONAL INC.

AND

RESIDEO TECHNOLOGIES, INC.

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TRADEMARK LICENSE AGREEMENT

AGREEMENT is made and entered into as of the 19th day of October, 2018, between Honeywell International Inc., a corporation of the state of Delaware, U.S.A., having offices located at 115 Tabor Road, Morris Plains, NJ 07950 (“Licensor”) and Resideo Technologies, Inc., located at 1985 Douglas Drive North, Golden Valley, Minnesota 55422 (“Resideo”), on behalf of itself and its wholly-owned Subsidiaries (as hereafter defined) that are listed on **Attachment A** (each of Resideo and such wholly-owned Subsidiaries, a “Licensee”) and shall become effective as of the Distribution Date (as hereafter defined).

WITNESSETH:

WHEREAS, pursuant to the Separation and Distribution Agreement by and between Licensor and Resideo, dated as of October 19, 2018 (the “Separation Agreement”), Licensor has agreed to divest its SpinCo Business (as hereafter defined) and Resideo has agreed to separate from Licensor and, following the separation, Licensor will distribute Licensor’s entire interest in Resideo, by way of a dividend of stock to be made to the holders of Licensor common stock, after which Resideo will continue to operate such SpinCo Business (the “Distribution”),

WHEREAS, Licensor is the owner of valuable Licensed Trademarks (as hereafter defined) in the Territory (as hereafter defined), and

WHEREAS, Licensee desires to use the Licensed Trademarks in the operation of the SpinCo Business for the advertising, sale and distribution of Licensed Products (as hereafter defined) in the Territory, and Licensor is willing to authorize the Licensee’s use subject to the terms and conditions herein.

NOW THEREFORE, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

Any defined terms, unless the context otherwise requires, may be used in the singular or the plural or the present or past tense, depending upon the reference. The use of the singular form of any word includes the plural and vice versa. All monetary amounts referred to herein are in United States Dollars unless otherwise stated.

1.1 “Affiliate” of any entity means an entity that controls, is controlled by or is under common control with such entity. As used herein, “control” of any entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise; provided, however, that (i) each Licensee and its Subsidiaries shall not be considered Affiliates of Licensor or any of the other members of the Honeywell Group and (ii) Licensor and the other members of the Honeywell Group shall not be considered Affiliates of any Licensee or any of its Subsidiaries.

1.2 “Change of Control” means, with respect to any entity, (i) the sale of all or substantially all of the assets of, or the ownership interests in, such entity in a single transaction or a series of related transactions to a third party (that is not, prior to such transaction, an Affiliate of such entity), (ii) any direct or indirect acquisition of control, consolidation or merger of such entity by, with or into any third party (that is not, prior to such transaction, an Affiliate of such entity), or (iii) any other corporate transaction or series of related transactions in which control of such entity is directly or indirectly transferred to a third party (that is not, prior to such transaction, an Affiliate of such entity), including by transferring in excess of fifty percent (50%) of such entity’s voting power, shares or equity, through a merger, consolidation, tender offer or similar transaction, to one or more third parties.

1.3 “Complaint” shall mean a telephone call or communication of any kind from a customer notifying a Licensee or any of its Affiliates of a problem relating to or a question about any or all of the following: the Licensed Products; a Licensee’s advertising or other business practice; the conduct of an employee of a Licensee or an employee of any Affiliate of Licensee in connection with this Agreement.

1.4 “Distribution Date” shall mean the date on which the Distribution occurs.

1.5 “Home Trademark” shall mean the trademark and service mark “HONEYWELL HOME” (but not any variations thereof) in the form and manner as further specified in **Attachment B**, when used without any additional words, letters or designs, to the extent owned by Licensor.

1.6 “Honeywell Group” means Licensor and each of its Affiliates, including any entity that becomes an Affiliate of Licensor as a result of transactions that occur following the Distribution, but excluding Licensee and its Subsidiaries.

1.7 “Honeywell Trademark” shall mean the trademark and service mark “HONEYWELL” (but not any variations thereof) in the form and manner as further specified in **Attachment C**, when used without any additional words, letters or designs, to the extent owned by Licensor.

1.8 “Including” shall mean including without limitation.

1.9 “Licensed Product(s)” shall mean (i) any product identified in **Attachment D** that, as of the Distribution Date or in the six (6) months prior thereto, is or was manufactured by or for the Honeywell Group and marketed, sold or distributed by the SpinCo Business (the “Existing Products”) and (ii) any products that are manufactured by or for Licensee after the Distribution Date and are either (x) identical to the Existing Products or (y) constitute extensions or

derivatives of Existing Products that are not materially different in functionality from the Existing Products; provided, however, that “Licensed Products” shall not include those products identified in **Attachment E** even if they could also fall within the definition of Existing Products or are covered by the foregoing clause (ii). The definition of Licensed Products shall also mean such other products as may be agreed to, via amendment, between the Parties from time to time. In addition, Resideo may delete any products from the definition of Licensed Products effective, for all Licensees, as of twelve (12) months from the date of notice of this deletion to Licensor, and during such twelve- (12) month period, Licensees will not have to meet the obligations of Section 6.9 with respect to such deleted products. Following such twelve- (12) month period, such deleted products shall be excluded from Licensed Products.

1.10 “Licensed Trademarks” shall mean, collectively, the Home Trademark, the Honeywell Trademark and the POC Trademark.

1.11 “Net Sales” shall mean, subject to Section 3.3, all of Licensees’ gross sales (including, for the avoidance of doubt, all sales on all Licensees’ behalf) of Licensed Products that bear a Licensed Trademark (defined as the number of units of such Licensed Products sold, multiplied by Licensees’ invoiced unit price of such Licensed Products to its customers), less only:

- (a) reasonable trade discounts (defined as reductions in the list wholesale selling price that are customary in the trade) that Licensees actually grant in writing prior to delivery;
- (b) returns that Licensees actually authorize and receive or have verified proof from their customer of returns with a corresponding request for credit;
- (c) defective allowances granted to the customer;

(d) reasonable credits to a customer after delivery that Licensees actually grant in writing;

(e) unrelated freight billed separately on the invoice; and

(f) free samples of Licensed Products given to existing or potential new customers for marketing, product demo or promotional purposes or given to agencies for testing (but not for personal use).

For the purpose of computing Net Sales, the above deductions from gross sales shall not exceed twenty percent (20%) of gross sales shipped in any calendar year during which Royalties are calculated unless agreed to in writing for specific customers by both the Licensor and Resideo; moreover, the total deductions for a particular royalty period shall never exceed the Net Sales for such period. Net Sales shall be determined without deducting uncollectible accounts or financial discounts. Net Sales shall include all transactions of Licensed Products distributed by or on behalf of Licensees to customers even if such transactions are not billed. Net Sales of Licensed Products to the ADI global distribution business (“ADI”) of Resideo shall be calculated based on Licensees’ sales price to ADI less guaranteed margin adjustment (the details of such adjustment will be demonstrated to Licensor upon request).

1.12 “Party” or “Parties” shall mean (i) Honeywell International Inc. and/or (ii) Resideo Technologies, Inc. and its wholly-owned Subsidiaries, depending on the context.

1.13 “POC Trademark” shall mean the trademark and service mark “THE POWER OF CONNECTED” (but not any variations thereof) in the form and manner as further specified in **Attachment F**, when used without any additional words, letters or designs, to the extent owned by Licensor.

1.14 “SpinCo Business” shall mean the business and operations constituting Licensor’s residential Comfort & Care and Security & Safety product portfolio and ADI businesses, as conducted by Licensor and its Affiliates prior to the Distribution; provided that the SpinCo Business shall not include any terminated, divested or discontinued businesses, operations or properties of any of the Honeywell Group, Licensee and Licensee’s Subsidiaries, any of their respective members or any of their respective predecessors, in each case, prior to the Distribution.

1.15 “Subsidiary” of any entity shall mean any corporation or other organization whether incorporated or unincorporated of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such entity or by any one or more of its Subsidiaries, or by such entity and one or more of its Subsidiaries; provided that such corporation or other organization shall be a “Subsidiary” solely during the period of such ownership or control.

1.16 “Term” shall mean a period of forty (40) years, commencing on the Distribution Date.

1.17 “Territory” shall mean worldwide, except (i) with respect to all Licensed Products, the territories set forth in **Attachment G(2)(i)** and (ii) with respect to products falling within the Connected Living Solutions Product Category, the territories set forth in **Attachment G(2)(ii)**.

1.18 “Third Party” shall mean any entity other than Licensees, Licensor and their respective Affiliates.

1.19 Table of Defined Terms. Except as otherwise set forth in this Agreement, the following terms have the meanings set forth in the Sections referenced below:

<u>TERM</u>	<u>SECTION</u>
Additional Royalties	6.9
ADI	1.11
Connected Living Solutions Product Category	Attachment G(1)
Copy	4.3
Distribution	Recitals
Existing Products	1.9
Extended Term	8.2
Guaranteed Sales Percentage	6.9
Licensed Products	1.9
Licensee	Preamble
Licensor	Preamble
Log	Attachment U
Minimum Guaranteed Net Sales	3.3
Minimum Guaranteed Royalty Payments	3.2
NPS	6.4
Packaging	4.3
Pantone Matching System	Attachment S
Payment	12.4
prevailing party	11.4
Product Category	3.6(a)
Royalties	3.1

TERM

Royalty Report

Score

Sell-off Period

Separation Agreement

Trademark Use Guidelines

SECTION

3.6

6.4

12.2

Recitals

4.5

ARTICLE 2 TRADEMARK LICENSE

2.1 License to Home Trademark. Subject to the terms and conditions of this Agreement, Licensor hereby grants to each Licensee, solely in the Territory, during the Term and, if applicable, the Extended Term, an exclusive (subject to Section 4.9), personal, non-transferable (except as set forth in Section 15.1), royalty-bearing license, without the right to sublicense (except as set forth in Section 2.5), to use the Home Trademark under the conditions further described below:

(a) each Licensee may use the Home Trademark (but no other intellectual property rights of Licensor) solely in connection with the manufacturing, advertising, sale and distribution of Licensed Products, including in advertising and promotional materials for such Licensed Products;

(b) Licensor shall have the full right to use the Honeywell Trademark in connection with any Licensed Products (including through contract manufacturing);

(c) Licensor shall have the full right to grant any licenses to its Affiliates or any Third Party under the Honeywell Trademark in connection with the Licensed Products in the Connected Living Solutions Product Category;

(d) with respect to any Licensed Products other than the Licensed Products in the Connected Living Solutions Product Category, during the Term and, if applicable the Extended Term, Licensor shall only grant licenses under the Honeywell Trademark (x) to its Affiliates or, to the extent not an Affiliate, any joint venture in which Licensor or its Affiliates possess any ownership interest, in each instance, for such entity's own use of any such Licensed Products, but not to further sublicense to any Third Party and (y) in connection with such Licensed Products manufactured by or for the Honeywell Group, to any Third Party (including OEM/ODM/private label situations and to distributors/dealers/partners to sell such Licensed Products supplied to them).

2.2 Domain Name License. Subject to the terms and conditions of this Agreement, Licensor hereby grants to each Licensee, solely in the Territory, an exclusive, personal, non-transferable (except as set forth in Section 15.1) license, without the right to sublicense (except as set forth in Section 2.5(a)), to use the Home Trademark as part of the domain names on **Attachment H** during the Term and the Extended Term, if applicable, provided that (i) such domain names may be used only in connection with Licensees' SpinCo Business; (ii) Licensees will bear all costs or expenses associated with registration or renewal of such domain names, which costs or expenses shall be credited against Royalties; and (iii) Licensor shall have the full right to use and license the name "Honeywell" and the Honeywell Trademark in connection with any domain names which do not contain "HONEYWELLHOME."

2.3 Transition License to Honeywell Trademark and POC Trademark. Subject to the terms and conditions of this Agreement, Licensor hereby grants to each Licensee, solely in the Territory, a transitional license to the Honeywell Trademark and POC Trademark, pursuant to the terms set forth on **Attachment I**.

2.4 Change of Trade Name. As soon as practicable after the Distribution Date, but no later than six (6) months after the Distribution Date, with respect to the entities set forth in **Attachment R**, and twenty-four (24) months after the Distribution Date, with respect to the dormant entities set forth in **Attachment J**, Resideo shall cause each of its Subsidiaries to change its name to another name that does not include the name the "Honeywell", the Honeywell Trademark or any other trademarks owned by Licensor, or any other trademarks or service marks confusingly similar thereto, including making all filings with the appropriate governmental entities in any applicable jurisdiction, as necessary to effect these changes; provided, however, that should any entity set forth in **Attachment J** become operational at any point during the twenty-four (24) month transitional period, such entity must change its name as set forth in this Section 2.4 as promptly as practicable, but no later than three (3) months from the date on which such entity becomes operational.

2.5 Sublicensing.

(a) Subsidiaries. Upon execution and delivery to Licensor of a sublicensing agreement in the form set forth on **Attachment K**, Resideo may grant sublicenses, solely within the scope of the licenses granted in

Sections 2.1, 2.2 or 2.3, as applicable, solely to any wholly-owned Subsidiary of Resideo that is not then a Licensee, and upon such grant, such wholly-owned Subsidiary shall be deemed a “Licensee.”

(b) Dealers and Customers. Each Licensee may grant non-exclusive, non-transferable, non-sublicensable sublicenses, solely within the scope of the licenses granted in Sections 2.1 or 2.3, as applicable, to dealers and customers of such Licensee who are in the business of selling the Licensed Products to use the Home Trademark solely in connection with the resale of Licensed Products purchased from such Licensee; provided that such Licensee enters into written, signed agreements with such dealers and customers which contain the sublicense language set forth on **Attachment L** (each such sublicensed dealers or customers, a “Sublicensee”).

2.6 Enforcement Against Licensed Parties. Without limiting Licensor’s remedies under this Agreement to enforce any breach of this Agreement directly against a Licensee that is not Resideo, Resideo shall be responsible and liable for any breach of this Agreement by any Licensee that is not Resideo or any breach of any authorized sublicensing agreement (pursuant to Section 2.5(b)), or any infringement, misappropriation or other violation of the Licensed Trademarks, by any Sublicensee.

2.7 Historical References Using the Honeywell Trademark. Licensee acknowledges Licensor’s longstanding legacy of using the Honeywell Trademark and the goodwill from such use that has inured to Licensor. Licensee agrees not to use the name “Honeywell” or the Honeywell Trademark in reference to its product or company history, except as part of the approved description set forth in **Attachment M** or as otherwise approved by Licensor.

2.8 Home Trademark Jurisdictions. Licensee acknowledges that, as of the Distribution Date, the Honeywell Trademark is only registered by Licensor in connection with the Licensed Products in certain jurisdictions that are set forth on **Attachment N**. To the extent that a Licensee wishes Licensor to register the Home Trademark in any jurisdiction that is not at that time listed (or has been subsequently added pursuant to this Section 2.8) on **Attachment N**, Resideo shall notify Licensor and, upon registration, such jurisdiction shall be deemed added to **Attachment N**. Resideo shall bear the cost of any registrations and filings (and related prosecution activities) for the Home Trademark in each added jurisdiction, which cost shall be credited against Royalties owed for sales in such added jurisdiction. For the avoidance of doubt, Licensor shall maintain and bear the cost of any ongoing maintenance activities with respect to the Licensed Trademark in the jurisdictions set forth in (or subsequently added to) **Attachment N**.

2.9 Honeywell Ownership of Licensed Trademarks. The Licensed Trademarks are the sole and exclusive property of Licensor. Except for the license granted under this Agreement and subject to the terms and conditions stated in this Agreement, no Licensee or its Sublicensees shall have any right, title or interest, express or implied, in the Licensed Trademarks and their use, and no Licensee or its Sublicensees shall at any time, either during the Term, Extended Term (if applicable) or after expiration of this Agreement, contest the validity of such Licensed Trademarks or assert or claim any other right to manufacture, sell or offer for sale products under the Licensed Trademarks, or any trademark confusingly similar thereto.

2.10 Reservation of Rights. No license, either express or implied, is granted by Licensor to any Licensee hereunder with respect to any trademark except as specifically stated herein.

2.11 Infringement. While Licensor has no information or reason to believe that the Licensed Trademarks or any registrations for the Licensed Trademarks infringe the rights of any third person, it makes no representation, warranty or guarantee to that effect. If a Licensee receives notice or knowledge that its use of the Licensed Trademarks may infringe trademark or other rights of any third person in the Territory, such Licensee shall, as soon as possible and in no event longer than fifteen (15) business days, report to Licensor in writing the details relating to the potential infringement.

2.12 Use Solely in Territory. No Licensee or Sublicensee shall make or authorize any use, direct or indirect, of the Licensed Products in any other country outside the Territory and will not knowingly sell the Licensed Products to persons who intend or are likely to resell them in any country outside the Territory. Each Licensee shall use reasonable commercial efforts to ensure that neither such Licensee nor any Third Party acting on behalf of such Licensee (including its Sublicensees) is selling, marketing or distributing Licensed Products outside of the Territory and shall take action at such Licensee's own costs to prevent any such activities known to such Licensee.

2.13 No Other Trademarks. During the Term of this Agreement, and the Extended Term if applicable, no Licensee shall license or use any other trademark in connection with products that compete with or are similar to the Licensed Products, other than its own trademarks and third party trademarks pursuant to ODM/OEM arrangements with such Licensee.

2.14 Recordation of Agreement. If Licensor decides in its sole but reasonable discretion that this Agreement (or any short-form version of this Agreement) should be recorded with any governmental authorities within the Territory, or if any such prior recordation or application should be amended or updated in any manner, each applicable Licensee shall promptly provide or secure all reasonable assistance requested by Licensor, such as the furnishing of documents and information and the execution of all reasonably necessary documents, as Licensor may reasonably request. Any such costs associated with Licensor's requests for a Licensee's assistance shall be borne by Licensor.

ARTICLE 3 ROYALTY AND VOLUME PROVISIONS

3.1 Running Royalties. Resideo shall pay to Licensor running royalties in the amount set forth on **Attachment O** ("Royalties").

3.2 Minimum Royalties Following Assignment or Change of Control. In the event of a Change of Control of Resideo or Resideo's assignment of this Agreement, in each case, that is approved by Licensor in accordance with Section 15.1, Resideo (in the event of a Change of Control) or the assignee (in the event of assignment) shall pay to Licensor a minimum annual royalty equal to ninety (90) percent of the average Royalties owed by Resideo per calendar year during the three (3) full calendar years immediately preceding the Change of Control or assignment, as applicable (the "Minimum Guaranteed Royalty Payments"). Such Minimum Guaranteed Royalty Payments will be owed each calendar year whether or not Resideo and the other Licensees (or the assignee) make sufficient sales of Licensed Products to owe those amounts in Royalties pursuant to Section 3.1 based upon Net Sales during each specified calendar year. Resideo's or the assignee's, as applicable, obligation to pay Minimum Guaranteed Royalty Payments are guaranteed to Licensor, shall survive termination and expiration of this Agreement for the calendar year during which such termination or expiration occurs (except in the case of a termination under Sections 9.1(g), 9.1(h), 9.1(j), 9.1(k), 9.1(l), 9.1(n) or Sections 10.1 or 10.2), in which case the obligation shall survive until the end of the third (3rd) calendar year after the date of such termination) and must be paid according to Section 12.3, except if termination is due to Licensor's breach pursuant to Section 10.1 or pursuant to Section 9.2.

3.3 Net Sales Following Assignment or Change of Control. In the event of a Change of Control of Resideo or Resideo's assignment of this Agreement, in each case, that is approved by Licensor in accordance with Section 15.1, Resideo (in the event of a Change of Control) or the assignee (in the event of assignment) shall, following such Change of Control or assignment, be required, for each calendar year during the remainder of the Term, to achieve Net Sales of Licensed Products equal to the greater of (i) ninety (90) percent of the per-year average Net Sales of Licensed Products by all Licensees in the three (3) calendar years immediately preceding such Change of Control or assignment, as applicable ("Minimum Guaranteed Net Sales") and (ii) the actual Net Sales during such calendar year.

3.4 Timing. Royalties and Additional Royalties, if applicable, must be received by Licensor within sixty (60) days after the end of each calendar quarter following the Distribution Date in U.S. Dollars based on Net Sales of Licensed Products during the preceding quarter. All payments of Royalties and Additional Royalties, if applicable, shall be made as provided in **Attachment P**.

3.5 Minimum Guaranteed Royalty Payments. If the Royalties owed in any calendar year are less than the Minimum Guaranteed Royalty Payments in any given year, then Resideo shall also pay Licensor the difference between the Minimum Guaranteed Royalty Payments and the Royalties for such calendar year. Such difference payment shall be paid to Licensor in U.S. Dollars within thirty (30) days after the end of each calendar year following the applicable Change of Control, to the extent that such payments are due. Such payments shall be paid in the same manner set forth above for the payment of Royalties.

3.6 Royalty Report. Each payment of Royalties and Additional Royalties, if applicable, shall be accompanied by a report (“Royalty Report”), in a form substantially similar to **Attachment Q** and approved by Licensor in Licensor’s reasonable discretion, showing for such quarter:

- (a) the total quantity of Licensed Products sold on a sku basis broken down according to geographic region and product category as indicated on **Attachment D** (“Product Category”) (with descriptions so that each individual Licensed Product can be identified by sku);
- (b) the total Net Sales value of Licensed Products on a sku basis broken down according to geographic region and Product Category (with descriptions so that each individual Licensed Product can be identified by sku); and
- (c) the amount of Royalties payable to Licensor from the foregoing information.

3.7 Interest. On any and all amounts that are at any time overdue and payable to Licensor under this Agreement, Resideo shall pay interest to Licensor at the prime lending rate for commercial transactions as printed in *The Wall Street Journal* on the first day that any payment owed to Licensor is overdue. The payment of such interest shall not replace any of Licensor's other rights under this Agreement resulting from Resideo's default by failure to pay any amounts due hereunder. The acceptance of any overdue payments by Licensor at any time does not foreclose or impair Licensor's ability to collect the owed interest on such payments pursuant to this Section 3.7.

3.8 Records. Resideo further shall:

(a) preserve and maintain in the ordinary course of business in a facility in the United States accurate and up-to-date records which will contain the data from which amounts due to Licensor under this Agreement can be readily calculated including all inventory and sales records involving the Licensed Products (with manufacturing records maintained in the locations where Licensed Products are manufactured);

(b) no more than once annually during the Term of this Agreement, and for two (2) years after termination of this Agreement, permit examination of such records at Resideo's corporate offices during normal business hours and upon reasonable notice by Licensor or Licensor's representatives at reasonable intervals and under reasonable conditions at Licensor's expense;

(c) permit Licensor or Licensor's representative, once per calendar year, to review at Resideo's corporate offices and manufacturing facilities during normal business hours and upon reasonable notice, solely those books and records necessary in making a proper audit and verification of Resideo's performance of its obligations under this Agreement. Resideo shall, and shall cause the other Licensees to, fully cooperate with Licensor or Licensor's representative in the course of such audit or investigation and permit Licensor or Licensor's representative to make copies of such records. Licensor agrees to enter into a confidentiality agreement with respect to such information as the applicable Licensee may reasonably request. In the event that such inspection reveals a discrepancy in the amount of Royalties owed Licensor from what was actually paid, Resideo shall pay such discrepancy, plus interest, calculated at the rate of ONE AND ONE-HALF PERCENT (1 1/2%) per month. In the event that such discrepancy is in excess of ONE HUNDRED FIFTY THOUSAND UNITED STATES DOLLARS (\$150,000), Resideo shall reimburse Licensor for the reasonable out of pocket cost of such inspection (*i.e.*, auditor's fees), but not including any attorney's fees incurred in connection therewith, and Licensor may conduct a second audit of Licensee's records in that same calendar year.

3.9 Confidential Treatment. Any information furnished by a Licensee to Licensor under this Agreement shall remain such Licensee's property. All copies of such information in written, graphic or other tangible form shall be destroyed or returned to such Licensee at its request, except that Licensor may retain one copy for archival, audit or dispute resolution purposes. Unless such information was previously known to Licensor free of any obligation to keep it confidential, or has been or is subsequently made public by Licensee or a third party, or provided to Licensor by a third party, without breach of any agreement, it shall be kept confidential by Licensor and shall be used only in performing under this Agreement, and may not be used for other purposes. Notwithstanding the foregoing, Licensor may disclose information furnished by a Licensee as required by its auditors, or in connection with a legal or governmental process, and Licensor agrees to take all reasonable steps to protect the confidential nature of any such information disclosed. Only employees of Licensor who are not involved in the manufacturing, advertising or sale of Licensed Products may take part in the audit provided for in 3.8(c), and all information provided by Licensee to Licensor in connection with obligations in Articles 3, 6 or 7 may not be shared with employees of Licensor who are involved in the manufacturing, advertising or sale of Licensed Products without prior consent from Licensee.

3.10 Most Favored Nations Pricing. Other than with respect to sales by ADI to Licensor, each Licensee shall provide Licensor most favored nations pricing on all Licensed Products purchased by/sold to Licensor or any of Licensor's Affiliates. Any such sales of Licensed Products to Licensor or any of Licensor's Affiliates shall not be subject to Royalties if tracked on the report of Royalties required herein.

ARTICLE 4 USE OF TRADEMARKS ON LICENSED PRODUCTS AND PACKAGING AND RELATED PERFORMANCE OBLIGATIONS

4.1 Use of Licensed Trademarks. Except as otherwise provided in this Agreement, each Licensee shall, and shall cause its Sublicensees to, use the Licensed Trademarks (but no other intellectual property rights of Licensor) only on the Licensed Products or in the manufacturing, advertising, distribution and sale of the Licensed Products. For the avoidance of doubt, a Licensee must obtain Licensor's prior written consent to use of the Licensed Trademarks in connection with any new product not identified in **Attachment D** and any product identified in **Attachment D** that has a material change in functionality.

4.2 Restrictions. Neither a Licensee nor any agent of a Licensee shall, without the prior written consent of Licensor, use any of the Licensed Trademarks:

(a) on or in connection with any products other than the Licensed Products or in the advertising, distribution and sale of any products other than the Licensed Products;

(b) in close proximity to or in conjunction with any other trademarks or ornamentation, including slogans or taglines, or on the outside label of any package with any other trademarks, other than its own trademarks, except for use by ADI when such business is advertising the fact that it distributes products from multiple manufacturers;

- (c) as part of a corporate, business or trading name (except as set forth in **Attachment R**); or
- (d) attempt to register, register or own in any country:
 - (i) the Licensed Trademarks;
 - (ii) any domain name incorporating in whole or in part the Licensed Trademarks; or
 - (iii) any name, trade name, domain name, keyword, mark or social or business networking/media account or identification name confusingly similar to the Licensed Trademarks, including translations or transliterations of the Licensed Trademarks in other languages.

4.3 Approval. All advertising and promotional materials, including marketing collateral, business cards and Internet web pages or design incorporating any of the Licensed Trademarks (“Copy”) and all trade dress, labels, containers, packaging, tags and displays incorporating the Licensed Trademarks (“Packaging”) must be provided by a Licensee in advance to Licensor for review and approval in writing, not to be unreasonably withheld or delayed by Licensor; provided, however, that:

(a) Copy and Packaging that are (i) in use by Licensor or its Affiliates in connection with the Licensed Products as of the Distribution Date, (ii) substantially similar to such Copy or Packaging in use by Licensor or its Affiliates in connection with the Licensed Products as of the Distribution Date or (iii) substantially similar to Copy or Packaging that has been approved by Licensor in accordance with this Section 4.3 will be, in each case of (i), (ii) and (iii), deemed approved; and

(b) such Copy or Packaging shall be deemed approved by Licensor if Licensor does not provide any comments or objections within ten (10) days of Licensor's receipt of such proposed Copy or Packaging.

Licensor refusal to approve any Copy or Packaging shall be deemed reasonable in the case of any materials containing or referring to the Licensed Trademarks that in Licensor's opinion are likely to derogate, erode or tarnish the Licensed Trademarks, or otherwise diminish the value of the Licensed Trademarks. Each Licensee agrees to comply with all reasonable comments and changes required by Licensor in connection with any approval granted by Licensor under this Section 4.3.

4.4 Trademark Use. On all visible Packaging and advertising, the Licensed Trademarks shall be emphasized in relation to the surrounding material, and any use of the Licensed Trademarks shall conform to Licensor's Corporate Identity Standards, which shall be provided from time to time by Licensor to Licensees. The current version of Licensor's Corporate Identity Standards is located at <http://brand.honeywell.com/>. Upon request, a Licensee may obtain a password from Licensor to access these standards. Wherever appropriate, the Licensed Trademarks shall be used as a proper adjective, and the common noun for the product shall be used in conjunction with the Licensed Trademarks. All Packaging shall contain the name, trademark or trade name, and physical address, phone number and main URL of Resideo. Licensees shall refrain from making any statements about the quality, efficiency, or effectiveness of any of the Licensed Products on any product packaging or advertising materials unless Licensees have established the validity of such statements through industry appropriate research and substantiation.

4.5 Trademark Notice. Licensees shall, and shall cause their Sublicensees to, use the Licensed Trademarks only in accordance with good trademark practice and Licensor's trademark use guidelines and, if applicable, social media guidelines, annexed hereto as **Attachment S**, which Licensor may update from time to time upon notice to Licensees (the "Trademark Use Guidelines"). Licensees shall, and shall cause their Sublicensees to, use best commercial efforts to display on all Licensed Products, Packaging and advertising the license notice required by Licensor's written instructions in effect as of the date of manufacture. Such instructions are provided to Licensee in **Attachment T** hereof.

4.6 Safety of Licensed Products. All Licensed Products shall be listed and approved by all required listing and approval agencies and shall meet all applicable and then in-effect industry standards and governmental regulations, including, without limitation, SAE and ISO standards. Upon request, any Licensee must promptly submit copies of certificates or other documents confirming that the Licensed Products hereunder meet then in-effect industry standards and government regulations. Under no circumstance is a Licensee permitted to sell under any Licensed Trademarks such Licensed Products which do not meet such standards and/or regulations in connection with the Licensed Products.

4.7 Goodwill. All goodwill resulting from the use of the Licensed Trademarks by Licensees or any Sublicensees, including any additional goodwill that may develop because of Licensees' or Sublicensees' use of the Licensed Trademarks, shall inure solely to the benefit of Licensor, and no Licensee or Sublicensee shall acquire any rights in the Licensed Trademarks except those rights specifically granted in the Agreement.

4.8 No Tarnishment. Licensees shall, and shall cause their Sublicensees to, not take any action or omit to take any action which may reasonably be expected to derogate, erode or tarnish the Licensed Trademarks, or otherwise diminish the value of the Licensed Trademarks.

4.9 Product Promotion. Licensees shall, and shall cause their Sublicensees to, use commercially reasonable efforts to promote, market and sell all categories of Licensed Products in commercial quantities into every

country within the Territory. Licensor reserves the right to convert the license rights granted to all Licensees in Section 2.1 from an exclusive license to a non-exclusive license with respect to any specific Licensed Products in a country within the Territory in the event that no Licensee is selling commercially viable quantities of such Licensed Products into that country within five (5) years of the Distribution Date. Whether sales of Licensed Products rise to the level of commercially viable quantities shall be determined in good faith by the Parties upon review and consideration of current Net Sales, future projected Net Sales provided to Licensor and specific sales plans shared with Licensor for the specific products within the Territory.

4.10 Warranty. Licensees shall offer and honor a warranty on all Licensed Products that is competitive to competing products in the marketplace. Licensees may not make any material changes to limit or lessen such warranties for Licensed Products without prior written approval from Licensor (such approval not unreasonably to be withheld or delayed); no approval from Licensor is needed if Licensees extend the warranty term or conditions for any Licensed Products. Upon request, Licensees shall provide all terms and conditions of their warranty program for the Licensed Products to Licensor for Licensor's review. Licensees will make any reasonable changes to such warranties suggested by Licensor if reasonably necessary to protect the integrity of the Licensed Trademarks. Licensees may not remove any such changes to the terms of its warranty after approved by Licensor without Licensor's written approval. The failure by Licensees to honor their warranty terms shall constitute a breach of this Agreement, provided, however, that Licensees reserve the rights to manage their warranty program, including the right to determine whether any particular failure or alleged defect of a Licensed Product is within the scope of the relevant warranty.

ARTICLE 5 INFRINGEMENTS AND LITIGATION

5.1 Infringement Notice. Licensees agree to give notice promptly in writing to Licensor of any infringement or suspected or threatened infringement by a third party of the Licensed Trademarks in the Territory that it learns of at any time while this Agreement is in effect. Licensees shall take no further steps with respect to such infringement pending instructions from Licensor.

5.2 Initiating Infringement Proceedings. Licensor may decide in its sole discretion whether and what steps should be taken to prevent or terminate infringement of the Licensed Trademarks in the Territory, including the institution of legal proceedings and settlement of any claim or proceeding. Licensor agrees to notify Licensees in writing of Licensor's decision and course of action as soon as reasonably possible following the receipt of any notice from the Licensees under Section 5.1, above.

5.3 Conducting Infringement Proceedings. Licensor will solely conduct and control any action(s) taken against infringers. Upon Licensor's request, each applicable Licensee shall join as a party in any such legal proceedings where necessary for the conduct thereof at Licensor's cost and expense, except for any costs incurred by such Licensee if it retains its own attorneys which shall be paid by such Licensee. Each applicable Licensee will provide or procure reasonable assistance, such as the furnishing of documents and information and the execution of all reasonably necessary documents, as Licensor may reasonably request. Any recovery received from any such infringer or counterfeiter shall be retained solely by Licensor and each Licensee expressly waives any claim therefor; provided, however, that if Licensor recovers money in excess of Licensor's total costs and expenses, then Licensor shall pay such excess to each applicable Licensee to the extent necessary to offset any verifiable losses such Licensee incurred as a result of the infringement.

ARTICLE 6 LICENSEES' ACTIVITIES AND QUALITY OF LICENSED PRODUCTS

6.1 Sole Responsibility. Subject to Section 6.7, Resideo represents and warrants that it or other Licensees that are not Resideo shall be solely responsible for the manufacture, production, sale and distribution of the Licensed Products and will bear all related costs associated therewith.

6.2 Product Quality. Each Licensee shall conduct its business in a dignified manner consistent with the general reputation and importance of the Licensed Trademarks. Each Licensee is familiar both with the recognition and goodwill associated with the Licensed Trademarks and with the high standards of quality and performance associated with the products manufactured and distributed by Licensor under the Licensed Trademarks. Each Licensee shall use reasonable and good faith commercial efforts to safeguard the established goodwill symbolized by the Licensed Trademarks and to maintain the quality and performance standards with respect to its design, manufacture, sale and distribution of the Licensed Products pursuant to this Agreement. Licensed Products shall be of high quality, which is at least comparable to the quality of products sold by the SpinCo Business bearing the Honeywell Trademark prior to the Distribution Date, with which each Licensee is familiar. Each Licensee shall only sell or distribute products under the Licensed Products that in Licensor's reasonable opinion, do not tarnish, derogate or detract from the good reputation of Licensor or the Licensed Trademarks. All of the Licensed Products manufactured and/or distributed hereunder shall comply with all applicable laws, regulations and established industry standards of the countries in which the Licensed Products are sold or distributed and shall incorporate quality components. Each Licensee shall not sell or distribute any used or sub-standard products or "seconds" under the Licensed Trademarks.

6.3 Product Samples. From time to time throughout the term of this Agreement, as reasonable, but no more frequently than every other calendar year after the Distribution Date, each Licensee shall, upon Licensor's request, furnish to Licensor for approval, up to two (2) samples of each different Licensed Product within each Product Category that are manufactured under this Agreement, together with product packaging, so that Licensor can ensure that proper trademark usage is being made by such Licensee. Each Licensee agrees to make available at no charge such additional samples (not to exceed ten (10)) of each Licensed Product as Licensor may from time to time reasonably request for the purpose of comparison with earlier samples to maintain consistent trademark usage. All submissions by a Licensee pursuant to this Section 6.3 shall be at such Licensee's cost.

6.4 Net Promotor Score. Licensees must obtain a net promotor score with respect to the Licensed Products (the "NPS") to be calculated on an annual basis. The NPS must be derived in good faith by Licensees based on established methodology and validated by a third party service provider in the field familiar with the methodology for calculating a Net Promotor Score consistent with past practice. The validated NPS must be provided to Licensor within thirty (30) days after receipt, along with summary supporting documentation showing the questions from which the score was derived, summary details about customers who were surveyed, including number of customers and summary responses, and the required third party validation. Licensees will promptly provide Licensor further details about the NPS if reasonably requested by Licensor. Licensees must maintain an annual NPS that is equal to or higher than zero (0), or if higher, the average of the three most recent net promotor scores previously derived by the relevant business (the "Score"). If the NPS is below the Score in any year, then Resideo will meet with Licensor in good faith to discuss and form a plan to raise the next NPS to a level at or above the Score. If the NPS is more than one (1) point below the Score for any two consecutive years, then Licensor will have the right to terminate the Agreement upon notice to Licensees.

6.5 Quality Audit. Licensor shall have a continuing right to audit and examine the manufacturing steps and processes utilized by Licensees or any permitted third party manufacturers in the manufacture of the Licensed Products as well as their adherence to Licensor's trademark utilization criteria. No more than once per year at each facility, Licensor's authorized representatives shall have the right, upon reasonable notice and during normal business hours, to inspect the facilities of Licensees or any permitted third party manufacturers to assure Licensor that the Licensed Products are being produced and utilized in accordance with the requirements of this Agreement and all applicable laws. If Licensor has good cause to believe that issues exist at any facility which may harm its goodwill in the Licensed Trademarks or affect the quality of the Licensed Products, then Licensor or its authorized representatives shall have the right, upon reasonable notice and during normal business hours, to conduct additional inspections of such facilities to confirm that the Licensed Products are being produced and utilized in accordance with the requirements of this Agreement and all applicable laws. Such inspectors and the inspection reports shall be subject to the same confidentiality obligations as described in the audit process in Section 3.9.

6.6 Compliance with Laws. Licensees shall comply with, and assume all costs and responsibilities associated with, all laws, regulations, ordinances and standards anywhere in the Territory relating to or pertaining to the manufacture, sale, distribution, recycling, take-backs, disposal and/or advertising of the Licensed Products (including Proposition 65 in the State of California) or use of the Licensed Trademarks applicable to the Licensed Products. Licensees shall further comply with all ISO, ASTM/SAE and UL Standards as may be legally required for sale and otherwise applicable to the Licensed Products. Licensees shall ensure through inspection and audit that both it and its vendors comply with all laws and other applicable legal, regulatory and safety requirements anywhere in the Territory related to the Licensed Products and to the manufacture, sale, distribution, recycling, take-backs, disposal and/or advertising of the Licensed Products or use of the Licensed Trademarks applicable to the Licensed Products.

6.7 Third-Party Manufacturers' Approval. Prior to the use of a third party for the manufacture of any Licensed Products or components thereof, each Licensee must (a) notify Licensor of the name and address of any such manufacturer, the specific Licensed Products or components thereof to be manufactured by such manufacturer and any other information reasonably requested by Licensor relating to such manufacturer or Licensed Products or components thereof, (b) if requested by Licensor, obtain a signed agreement from such manufacturer confirming Licensor's rights in the Licensed Trademarks and (c) obtain Licensor's written permission, not to be unreasonably withheld or delayed, to use such manufacturer. Any third party manufacturer in use by the SpinCo Business as of the Distribution Date is hereby approved; provided that a Licensee furnishes the information set forth in this Section 6.7(a) in writing and the agreement required in Section 6.7(b) no later than six (6) months following the Distribution Date. Licensor shall have the right to visit and inspect the facilities of any approved third party manufacturer no more than once per year to confirm that such manufacturer is in compliance with all terms of this Agreement.

6.8 Third-Party Manufacturers' Conduct. Each Licensee shall require that all third party manufacturers employed by such Licensee in the manufacture of the Licensed Products shall comply with all applicable laws and regulations relating to the manufacture of such Licensed Products and meet or exceed such specifications set forth for the Licensed Products while this Agreement is in effect.

(a) Each Licensee shall remain fully responsible for ensuring that the Licensed Products are manufactured in accordance with the terms of the Agreement, and such Licensee shall take the steps necessary to ensure that the third party manufacturer:

- (i) Produces the Licensed Products only as and when directed by such Licensee;

- (ii) Does not distribute, sell or supply the Licensed Product to any person or entity other than a Licensee; and
- (iii) Does not delegate in any manner whatsoever its obligations with respect to the Licensed Products.

(b) In the event that any such manufacturer utilizes the Licensed Trademarks for any unauthorized purpose, the applicable Licensee shall cooperate fully in bringing such utilization to an immediate halt at such Licensee's sole expense. If, by reason of such Licensee's not having supplied the above mentioned agreements to Licensor or not having given Licensor the name of any supplier, Licensor makes any representation or takes any action and is thereby subjected to any penalty or expense, such Licensee will compensate Licensor for any such cost or loss sustained.

(c) Any and all reasonable costs incurred by Licensor that are associated with Licensor's investigation, seizure and/or detention of Licensed Products manufactured, transported or shipped by a third party used by such Licensee (or any agent of such third party) but unknown to Licensor shall be borne by such Licensee, and such Licensee shall repay such amounts within ten (10) days of receipt of written details of such costs.

6.9 Home Trademark Predominant Brand. Each Licensee agrees to use the Home Trademark as its predominant brand in connection with the sale of each Product Category of Licensed Products sold by such Licensee. Starting with calendar year 2020, each Licensee guarantees that no less than seventy-five (75) percent of sales of Licensed Products by such Licensee in each Product Category in each calendar year during the Term and, if applicable, Extended Term, excluding sales of Licensed Products within the territories in **Attachment G(2)(ii)**, shall be of Licensed Products bearing the Home Trademark (the “Guaranteed Sales Percentage”). In addition to the other remedies set forth in this Agreement, in the event total sales by a Licensee of Licensed Products bearing the Home Trademark is below the Guaranteed Sales Percentage in any Product Category in any calendar year during the Term and the Extended Term, if applicable, such Licensee shall pay to Licensor three (3) percent of the difference between (a) seventy-five (75) percent of such Licensee’s total net sales of all products within the specific License Products listed in such calendar year and (b) Licensee’s Net Sales in the same Product Category of Licensed Products bearing the Home Trademark in such calendar year (“Additional Royalties”). In the event that any Licensed Products are deleted as provided herein or by mutual agreement of the Parties, the “Guaranteed Sales Percentage” will be correspondingly reduced to omit such deleted Licensed Products as of the date of notice that such Licensed Products are deleted. The calculation of Guaranteed Sales Percentage shall not apply to Licensed Products: (i) which a Licensee brands with third party trademarks or are manufactured through ODM/OEM arrangements; (ii) branded with Resideo’s GENESIS trademark; or (iii) sales of third party products by ADI. Notwithstanding the above, in the event of a Change of Control of Resideo or Resideo’s assignment of this Agreement, in each case, that is approved by Licensor in accordance with Section 15.1, then the requirements in this Section 6.9 will no longer apply and shall be replaced by the requirements of Section 3.2 and 3.3 pertaining to Minimum Guaranteed Royalty Payments and Minimum Guaranteed Net Sales.

6.10 Licensor’s Remedies. Each Licensee acknowledges and agrees that its selling of, or failure to cease sales of, Licensed Products not in substantial compliance with the standards set forth in this Article 6 may cause irreparable injury to Licensor. Any action taken pursuant to this Article 6 shall be without prejudice to any Party’s right to the remedies set forth in Article 9 herein. In addition, Licensor reserves its rights with respect to all equitable remedies in the event of any failure by a Licensee to comply with the terms of this Article 6, including the sale or distribution of products not in compliance with the quality control provisions stated herein. Without limiting the foregoing, Licensor shall have the right to (i) require a Licensee to suspend sale, distribution and

marketing of any Licensed Products that are, in Licensor's sole but reasonable discretion, not in substantial compliance with the standards set forth in this Article 6, and such Licensee shall immediately comply with any such instruction and (ii) have such Licensee declare a recall of any line of Licensed Products if Licensor reasonably determines that such recall is necessary to prevent further damage or destruction of property and/or to prevent or eliminate any threat to the health or safety of consumers. Such Licensee shall bear all reasonable costs (but excluding Licensor's internal time and efforts) related to any such recall of Licensed Products, whether voluntary, required by government, or by Licensor. In the event of such a recall, such Licensee will consult with Licensor, regarding all aspects of handling such recall including media releases.

6.11 Licensor's Conduct.

Licensor shall conduct its business in a dignified manner consistent with the general reputation and importance of the Licensed Trademarks.

ARTICLE 7 CUSTOMER SERVICE REQUIREMENTS

7.1 Customer Service Requirements. Licensees shall provide responsive and high quality customer service related to the Licensed Products. All employees of Licensees shall be knowledgeable and courteous in answering customer service inquiries and resolving Complaints regarding the Licensed Products. Licensees' Customer Service will also meet the requirements and metrics set forth on **Attachment U**.

7.2 If in Licensor's sole but reasonable opinion, any Licensee is not meeting the customer service requirements as reflected in **Attachment U**, Licensor shall notify Resideo in writing. Such notification shall constitute notice that Licensees are in breach of the Agreement and that the Agreement may be terminated in accordance with Article 9 if such breach is not cured within sixty (60) days to Licensor's reasonable satisfaction.

ARTICLE 8 DURATION

8.1 Term. This Agreement shall become effective pursuant to the terms of Section 18.15 and, unless sooner terminated under the provisions herein, will continue in force for the Term.

8.2 Extended Term. This Agreement may be extended for an additional period of time determined by the Parties (“Extended Term”) upon mutual consent of the Parties.

ARTICLE 9 IMMEDIATE TERMINATION

9.1 Termination by Licensor. On the occurrence of any of the following breach events, this Agreement or individual Licensed Products may be terminated by the Licensor for all Licensees, effective on delivery to Resideo of notice in accordance with Section 18.9 of this Agreement:

- (a) The attempted assignment by any Licensee of this Agreement or any right or license granted under it in contravention of the terms of Article 15 of this Agreement;
- (b) Any Licensee knowingly conceals revenue, knowingly maintains false books or records, falsifies information or otherwise defrauds or makes false representations to Licensor or knowingly submits any reports or documentation, including Royalty Reports, to Licensor which contain misrepresentations or omissions of material facts;
- (c) Resideo fails, for any two (2) consecutive calendar quarters, to pay Royalties or Additional Royalties, as applicable, within the time frame specified above (even if payment of such Royalties or Applicable Royalties for such calendar quarters is subsequently made, with or without interest), except in the event of a provable and purely administrative error for any one quarter which was cured by Resideo within fourteen (14) days of receiving notice from Licensor;

(d) Resideo fails, for any two (2) consecutive calendar quarters, to make any report any Royalties or Additional Royalties, as applicable, except in the event of a provable and purely administrative error which is substantiated by Resideo and cured within fourteen (14) days of receiving notice from Licensor;

(e) If applicable pursuant to Section 3.3, Licensee (in the event of a Change of Control) or the assignee (in the event of an assignment) fail to achieve Minimum Guaranteed Net Sales for all Licensed Products in aggregate for two (2) consecutive calendar years;

(f) Resideo's Subsidiary, New HAPI Inc. (or its successors or assigns), fails to comply with all material obligations, including the payment obligations, set forth in the Indemnification and Reimbursement Agreement by and between New HAPI Inc. and Licensor;

(g) Any Licensee fails to pay its vendors or suppliers in a timely manner on ten (10) occasions within any twelve (12) month period, absent a bona fide dispute with respect to amounts due and owing to such distributors, vendors or suppliers;

(h) An auditor issues a "going concern opinion" about any Licensee at any time;

(i) Licensees fail to meet the Minimum Guaranteed Net Sales, if applicable, in any two (2) consecutive calendar years;

(j) If the NPS is more than one (1) point below the Score for any two consecutive years;

(k) Any Licensee incurs: (i) recalls of Licensed Products which are materially greater than its past history regarding such products and which created a substantial product hazard or an unreasonable risk of serious injury or death that demonstrably caused serious harm or death to a consumer; or (ii) incurs a recall of Licensed Products which was directly related to a catastrophic loss of life or harm to consumers, and further that in either case, Licensor in its sole but reasonable opinion decides that termination of the Agreement is necessary to protect the Honeywell Trademark or the Home Trademark following good faith discussions with such Licensee;

(l) The repeated mandating of a ban or recall of any Licensed Products by any governmental agency for product safety or quality issues and which are materially greater than its past history regarding such products; provided, however, that Licensor may only exercise the termination right granted in this Section with respect to the associated lines of Licensed Products that are the subject of such bans or recalls;

(m) All Licensees' cessation or termination of its business operations related to the Licensed Products; or

(n) The declaration of insolvency by any Licensee or the seeking of protection under any bankruptcy, receivership, creditors arrangement or comparable proceeding by such Licensee, or if any such proceeding is instituted against such Licensee.

9.2 Change of Control.

(a) Upon a Change of Control of Resideo, this Agreement shall immediately and automatically terminate for all Licensees, unless Resideo has obtained prior written consent to such Change of Control from Licensor.

(b) If any wholly-owned Subsidiary of Resideo's ceases to be wholly-owned by Resideo (including upon a Change of Control of such Subsidiary), this Agreement shall immediately and automatically terminate with respect to such Subsidiary and it will no longer be a Licensee.

ARTICLE 10 TERMINATION ON BREACH AFTER CURE PERIOD

10.1 In addition to any right of termination which either Party may have by virtue of law, and in addition to the right to terminate this Agreement under Article 9 of this Agreement, if either Party commits any material breach of the Agreement and fails to cure the breach to the non-breaching Party's reasonable satisfaction within a period of thirty (30) days after receipt of written notice specifying the nature of the breach, the Parties agree to negotiate in good faith to resolve such dispute prior to seeking alternative relief (except in the event that a continuing breach will cause irreparable harm to the Honeywell Trademark, in which case Licensor is free to seek alternative relief other than termination). Either Party may at any time deliver a written notice to the other Party that it wishes to refer a dispute for discussion between senior executives of the Parties. Following receipt of such notice each Party shall promptly designate one of its senior executives to negotiate in good faith to resolve such dispute within sixty (60) business days (or such longer period of time as such officers may agree in writing) of receipt of such notice. If at the end of such sixty (60) days (or longer if mutually extended) the designated executives have not fully resolved the dispute to their mutual satisfaction, the complaining Party is free to seek an alternative remedy consistent with the terms of this Agreement. For the avoidance of doubt, each of the Parties commits to negotiate in good faith in an attempt to avoid termination of the Agreement resulting from a breach. If after the expiration of the cure period and the period of negotiation between senior executives (if requested), the defaulting Party has failed or refused to fully remedy the breach, this Agreement may be terminated upon giving of notice by the terminating Party to the defaulting Party. For purposes of this Section, a breach of any of the following shall be deemed to be a material breach: Sections 2.1-2.13; Sections 3.1-3.9; Article 4; Article 5; Article 6; Article 7; Sections 9.1 and 9.2; Article 14; and Article 15. With respect to other provisions of this Agreement, a material breach is a breach which would have a material adverse effect, as is reasonably defined based on industry standards.

10.2 Notwithstanding Section 10.1 and for the avoidance of doubt, in the event of a breach involving the payment of money, except in the situation where the payment amount is in dispute as the result of an audit, the Party in breach will have ten (10) business days to cure such breach. If after the expiration of such period the defaulting Party has failed or refused to fully remedy the breach, this Agreement may be terminated upon giving of notice by the terminating Party to the defaulting Party.

ARTICLE 11 REMEDIES AND LIMITATIONS OF LIABILITY

11.1 Good Faith Resolution. Without limiting any rights or remedies of any Party under this Agreement, the Parties agree to work in good faith to resolve any disputes relating to the ongoing or historical use of the Licensed Trademarks.

11.2 Remedies Cumulative. The right of either Party to terminate this Agreement is not an exclusive remedy and either Party shall be entitled alternatively or cumulatively to damages and claims for breach of this Agreement or to any other remedy available under the laws of the applicable jurisdiction.

11.3 Irreparable Harm. Each Licensee acknowledges that a breach by it of this Agreement may cause Licensor irreparable damage which cannot be remedied in monetary damages in an action at law and may also constitute infringement of the Home Trademark. In the event of any breach that could cause irreparable harm to Licensor, or cause some impairment or dilution of its reputation, goodwill or the Home Trademark, Licensor shall be entitled to an immediate injunction to cease or prevent such irreparable harm, without being required to show actual damage or post an injunction bond, in addition to any other legal or equitable remedies available at law.

11.4 Prevailing Party in Dispute. In the event of a dispute between the Parties, the prevailing party shall be entitled to recover its costs, expenses and attorneys' fees incurred in connection with enforcing the terms of this Agreement

or preventing misuse of the Home Trademark. A “prevailing party” shall mean a Party who receives all or substantially all of the relief sought by such Party in an adjudication of its claims arising out of or related to this Agreement before a court of law or other agreed upon tribunal.

11.5 Survival. No expiration or termination of this Agreement for whatever cause shall affect any right or obligation of either Party:

(a) which is vested pursuant to this Agreement as of the effective date of such expiration or termination; or

(b) which is intended to survive expiration or termination of this Agreement, including Licensee’s ongoing obligation to abide by Article 1, Section 2.4, Section 2.6, Section 2.7, Section 2.9, Articles 3 through 6, Articles 11 through 14 and Articles 17 through 18. In addition, nothing herein shall be construed as granting any Licensee any vested rights in the Home Trademark.

11.6 IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY LOST PROFITS, LOST SAVINGS, OR ANY OTHER SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED, WHETHER FOR BREACH OF WARRANTY, CONTRACT, TORT NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, ARISING IN ANY WAY OUT OF THIS AGREEMENT OR ANY MATERIALS PROVIDED HEREUNDER EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF, OR COULD HAVE FORESEEN, SUCH DAMAGES. THE ABOVE DISCLAIMER OF LIABILITY DOES NOT APPLY TO ANY PAYMENT OBLIGATIONS OWED TO LICENSOR HEREUNDER, INCLUDING PAYMENT OF ROYALTIES, ADDITIONAL ROYALTIES AND MINIMUM GUARANTEED ROYALTY PAYMENTS.

ARTICLE 12 CONSEQUENCES OF TERMINATION

12.1 Consequences. Upon the expiration of this Agreement or upon the termination of this Agreement by either Party for whatever reason, each Licensee shall, and shall cause its Sublicensees to:

(a) Other than as set forth in section 12.2 below, immediately cease all use of the Licensed Trademarks in any manner whatsoever and shall not thereafter use any word, expression, design, or symbol as a trademark, trade name, domain name or otherwise which is confusingly similar thereto, which may constitute a colorable imitation thereof or in any other manner whatsoever;

(b) thereafter refrain from indicating or representing that such Licensee or Sublicensee, as applicable, is a trademark licensee or Sublicensee, as applicable, of Licensor; and

(c) thereafter refrain from directly or indirectly using or displaying any advertising or promotional material or performing any other act which might reasonably cause anyone to believe such Licensee or Sublicensee, as applicable, to be a trademark licensee or Sublicensee, as applicable, of Licensor including ceasing use of Copy, Packaging and/or any advertising, promotional or packaging material that is similar to any such material used in connection with the Licensed Products.

12.2 Sell-off Period. Provided that Resideo has paid all Royalties, Additional Royalties and the difference between the Minimum Guaranteed Royalty Payments and the Royalties (pursuant to Section 3.5), each as applicable, owed to Licensor through the date of termination of this Agreement, then for a period of not more than one (1) year following termination of this Agreement (the "Sell-off Period"), except for termination arising out of any breach of this Agreement by any Licensee or pursuant to Section 9.1 or Article 10, each Licensee may deliver for sale, but solely at ordinary prices, any Licensed Products bearing the Home Trademark in the possession or under the control of such Licensee at the date of termination, subject to the payments called for in Article 3 and the provisions of Article 6. For the avoidance of doubt, the Sell-off Period shall not apply to the Honeywell Trademark or the POC Trademark.

12.3 Unpaid Minimum Guaranteed Royalty Payments. Upon termination of this Agreement for whatever reason, other than Licensor's breach or solely pursuant to Section 9.2, three (3) calendar years' worth of unpaid Minimum Guaranteed Royalty Payments as set forth in Section 3.2 shall become immediately due and payable. The requirement by Licensor of the payment of such unpaid Minimum Guaranteed Royalty Payments specified in this Section shall not limit any other relief to which Licensor may be entitled in law or equity.

12.4 Nature of Payment. In connection with the payment required in Section 12.3 in the event of termination (the "Payment"), the Parties acknowledge that:

- (a) any actual loss to Licensor from termination of this Agreement prior to the end of the Term is inherently uncertain, not readily ascertainable, and incapable of precise quantification as of the execution hereof;
- (b) the Payment represents only the minimum amount that Licensor would have received had the Agreement not been terminated, rather than the actual amount that Licensor would have received, and therefore represents a compromise by Licensor;
- (c) the Payment is intended solely to compensate Licensor and not as a penalty;
- (d) the Parties believe the Payment is not disproportionate to the anticipated likely loss to be suffered by Licensor;
- (e) the Payment agreed to knowingly by Licensee, a sophisticated party represented by experienced counsel; and

(f) Licensor is not obligated to seek to mitigate the damage sustained by Licensor.

12.5 The provisions in Sections 12.3 and 12.4 shall supersede any contrary provision herein relating to payment due to Licensor upon termination of this Agreement.

ARTICLE 13 WARRANTIES

13.1 WARRANTY DISCLAIMER BY LICENSOR. ALL OF THE RIGHTS PROVIDED IN THIS AGREEMENT ARE PROVIDED ON AN AS-IS, WHERE-IS BASIS, WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY DISCLAIMED.

13.2 Warranty by Resideo. Resideo has all necessary corporate power and authority to execute and deliver this Agreement on behalf of itself and its wholly-owned Subsidiaries, to perform its obligations hereunder and to cause its wholly-owned Subsidiaries to perform their obligations hereunder, and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Resideo and the consummation by Resideo of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Resideo and no other corporate proceedings on the part of Resideo are necessary to approve this Agreement or to consummate the transactions contemplated hereby on its own behalf or on behalf of any of its wholly-owned Subsidiaries. This Agreement has been duly executed and delivered by Resideo and, assuming the due authorization, execution and delivery by Licensor, constitutes a valid and binding obligation of Resideo and its wholly-owned Subsidiaries, enforceable against each of Resideo and its wholly-owned Subsidiaries in accordance with its terms.

ARTICLE 14 INDEMNIFICATION AND INSURANCE

14.1 Indemnity by Licensor. Licensor shall indemnify, defend and hold harmless each Licensee from any and all liability, claims, demands, expenses (including reasonable attorney fees), direct losses or damages, fines, penalties, judgments and costs, but not including consequential, incidental or punitive damages or lost profits, in each case, arising from: (a) any allegation that such Licensee's proper use of the Licensed Trademarks in accordance with this Agreement infringes the trademark rights of any Third Party; (b) Licensor's negligence in the advertising, sale, installation or maintenance of Licensed Products; or (c) any violation of law by Licensor or its employees or agents related to the Licensed Products (collectively, "Licensor Indemnity Claim"). If a Licensee receives notice or knowledge of a Licensor Indemnity Claim, such Licensee shall, as soon as possible, report to Licensor in writing the details of such claim and take no further steps with respect to such matter pending instructions from Licensor. Licensor shall not be liable to indemnify any Licensee for any settlement of any Licensor Indemnity Claim effected without the Licensor's express prior written consent. With respect to matters within clause (a) above, Licensor may decide in its sole discretion what steps should be taken to address such matter and will solely conduct and control any action(s) taken in response to such matter. Any applicable Licensee shall join as a party in any such legal proceedings where necessary for the conduct thereof at Licensor's cost and expense, except for any costs incurred by such Licensee if it retains its own attorneys which shall be paid by such Licensee. Such Licensee will provide or procure reasonable assistance as Licensor may reasonably request in defense of any Licensor Indemnity Claim.

14.2 Indemnity by Licensee. As between Licensor and Licensees and regardless of the termination or expiration of this Agreement, each Licensee assumes full responsibility for all liability, claims, demands, expenses (including reasonable attorney fees) and damages, including claims for defective products

as well as damages to property or injury to persons (including death) arising out of or otherwise in relation to the manufacture, sale or use of the Licensed Products (excluding actions solely involving claims relating to the Licensed Trademarks infringing the rights of others in the Territory or any actions arising out of Licensor's required indemnities as set forth in Section 14.1 above) and/or any actions of its employees, including product liability, liability arising out of alleged defects or deficiencies in the Licensed Products, patent infringement, product recycling or take-backs, negligence, false advertising, breach of warranty, fraud, misrepresentation, breach of obligations to third parties and/or violation of any law in any country (collectively, "Indemnified Claims"). Each Licensee agrees to defend, indemnify, save and hold harmless Licensor, its successors, assigns, officers, directors, agents and employees, against any and all claims, costs, (including court costs and attorneys' fees), proceedings, liabilities, loss, damage, injury or death arising out of or relating to any Indemnified Claims. Licensor will provide or procure reasonable assistance as such Licensee may reasonably request in defense of any Indemnified Claims.

14.3 Insurance. In addition to the foregoing indemnification as set forth in Section 14.2, while this Agreement is in effect, and for a period of three (3) years after termination or expiration of this Agreement, each Licensee shall maintain, comprehensive general liability and product liability insurance in an amount no less than five (5) million U.S. Dollars (\$5 million) combined single limit, with a deductible that is reasonably standard for the business, for each single occurrence for bodily injury and/or for property damage. In addition:

(a) Each Licensee shall have Licensor, its partners, partnerships, joint ventures, parents, Subsidiaries, and affiliated companies and their respective employees, officers and agents listed as additional insured parties therein in its insurance policies, except worker's compensation insurance.

(b) Promptly upon request, each Licensee shall furnish written certificates establishing that said insurance has been procured and is being properly maintained and that the premiums therefore are paid, and specifying the names of the insurers and the respective policy numbers and expiration dates.

(c) Members of Licensor's Finance, Licensing and Legal departments may examine true and actual copies of the policies. Insurance carriers providing coverage are to be AM Best "A" rated.

(d) Each policy shall provide that thirty (30) days prior written notice shall be given to Licensor in the event of cancellation or material change of insurance coverage or endorsements required hereunder.

14.4 The obligations required in this Article 14 shall survive expiration or termination of this Agreement solely with respect to Licensed Products sold under this Agreement.

ARTICLE 15 ASSIGNMENT AND CHANGE OF CONTROL

15.1 No Assignment or Change of Control.

(a) The rights granted to Resideo pursuant to this Agreement are personal to Resideo and may not be assigned, by operation of law or otherwise, nor may Resideo delegate its obligations hereunder without the written consent of Licensor.

(b) The rights granted to Resideo's wholly-owned Subsidiaries pursuant to this Agreement are personal to each such Subsidiary and may not be assigned, by operation of law or otherwise, nor may such Subsidiary delegate its obligations hereunder.

(c) Any attempted assignment in violation of this Article 15 shall be null, void and of no effect.

15.2 Consent not Unreasonably Withheld. Licensor agrees not to unreasonably withhold its consent to the assignment of this Agreement in the event of the sale of all or substantially all of the business of Resideo and all of its

Subsidiaries that are associated with the Licensed Products, or a Change of Control of Resideo and all of its Subsidiaries, in each case to (i) a financial sponsor or private equity firm with total assets under management of at least \$10 billion or (ii) any entity set forth on **Attachment V**.

15.3 Assignment by Licensor. Licensor may assign its rights and obligations in this Agreement, in whole or in part without restriction; provided that any such assignment will be subject to, this Agreement and the rights granted herein to Licensee. In the event of an assignment of Licensor's rights and obligations in this Agreement to a purchaser of all or substantially all of the assets or ownership interests of Honeywell Group, Resideo will have the right to terminate this Agreement by providing written notice of Resideo's intention to terminate to Licensor no later than thirty (30) days after the closing date of the sale of such assets or ownership interests of Honeywell Group. Such termination will be effective as of six (6) months after the closing date of the sale of such assets or ownership interests of Honeywell Group and otherwise be subject to the requirements herein.

ARTICLE 16 UNDERSTANDINGS IN THE EVENT OF BANKRUPTCY

16.1 In the event that any Licensee seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against any Licensee, while the Agreement is active, such Licensee acknowledges and agrees that:

(a) For purposes of 11 U.S.C. Section 365(c)(1) and Sections 365(e)(2)(A)(i) and 365(e)(2)(A)(ii), the term "applicable law" is federal trademark law - i.e., the Lanham Act (15 U.S.C. Section 1051, et seq.), and such Licensee's right to use the Licensed Trademarks is personal to such Licensee and is non-assumable or assignable without Licensor's consent;

(b) Notwithstanding anything set forth herein to the contrary, Licensor does not consent to such Licensee's continued use of the Licensed Trademarks, such Licensee's exercise of any rights provided in this Agreement or such Licensee's assignment and/or assumption (including assumption and assignment) of the Agreement;

(c) Such Licensee will not oppose any motion by Licensor for relief from the automatic stay of 11 U.S.C. Section 362 (a) so that Licensor may terminate this Agreement, for cause; it is further agreed and acknowledged that "cause" includes such Licensee's inability to assume and/or assign the Agreement; and

(d) Such Licensee will not oppose any motion, including on shortened notice, by Licensor to compel rejection of this Agreement under 11 U.S.C. Section 365(d).

ARTICLE 17 NO RIGHT OF SET-OFF

17.1 Neither party shall have the right to set off any money owed by one to the other with respect to obligations within this Agreement.

ARTICLE 18 MISCELLANEOUS

18.1 Separation Agreement. The Parties agree that, in the event of a conflict between the terms of this Agreement and the Separation Agreement with respect to the subject matter hereof, the terms of this Agreement shall govern.

18.2 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating a relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of any Party or any of such Party's Affiliates, shall be deemed to create any relationship between the Parties or their respective Affiliates, other than the relationship set forth herein. Each Party shall act under this Agreement solely as an independent

contractor and not as an agent or employee of any other Party or any of such Party's Affiliates. This Agreement further does not create any right to an exclusive commercial agent relationship with respect to the Licensed Trademarks nor any right to appoint an exclusive commercial agent with respect to the Licensed Trademarks in any country or territory in the world, including within the Territory.

18.3 Press Releases. Neither Party will make any public statement or other announcement (including issuing a press release) relating to this Agreement or the relationship between the Parties, including the termination of this Agreement, without the prior written approval of the other Party. Any joint announcement or press release shall be issued only after both Parties agree in writing to the timing and wording of the announcement or press release.

18.4 Counterparts; Entire Agreement.

(a) This Agreement may be executed in one or more counterparts, all of which counterparts shall be considered one and the same agreement, and shall become effective only after one or more counterparts have been signed by each Party and delivered to the other Party. This Agreement may be executed by facsimile or PDF signature and scanned and exchanged by electronic mail, and such facsimile or PDF signature or scanned and exchanged copies shall constitute an original for all purposes.

(b) This Agreement, the Separation Agreement, the other Ancillary Agreements as defined in the Separation Agreement and the Exhibits, Schedules and Attachments hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

18.5 Governing Law; Jurisdiction. Any disputes arising out of or relating to this Agreement, including, without limitation, to its execution, performance, or enforcement, shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Each Party irrevocably consents to the exclusive jurisdiction, forum and venue of any state or federal court sitting in New York City in the State of New York over any and all claims, disputes, controversies or disagreements between the Parties or any of their respective Affiliates, successors and assigns under or related to this Agreement or any of the transactions contemplated hereby, including, without limitation, to their execution, performance or enforcement, whether in contract, tort or otherwise. Each of the Parties hereby agrees that it shall not assert and shall hereby waive any claim or right or defense that it is not subject to the jurisdiction of such courts, that the venue is improper, that the forum is inconvenient or any similar objection, claim or argument. Each Party agrees that a final judgment in any legal proceeding resolved in accordance with this Section 18.5, Section 18.6 and Section 18.7 shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable law.

18.6 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY INCLUDING, WITHOUT LIMITATION, THEIR EXECUTION, PERFORMANCE OR ENFORCEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED

BY EACH OF THE PARTIES AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS.

18.7 Specific Performance. Subject to Section 10.1, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the affected Party shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The other Party shall not oppose the granting of such relief on the basis that money damages are an adequate remedy. The Parties agree that the remedies at law for any breach or threatened breach hereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

18.8 Third-Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties hereto and are not intended to confer upon any Person except the Parties hereto any rights or remedies hereunder and there are no third-party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

18.9 Notices. All notices or other communications under this Agreement shall be in writing and shall be provided in the manner set forth in the Separation Agreement. The record address of Licensor is:

Honeywell International Inc.
115 Tabor Road
Morris Plains, NJ 07950
Attention: Vice President and General Counsel

with copies to:

Honeywell International Inc.
115 Tabor Road
Morris Plains, NJ 07950
Attention: Trademark Counsel

The record address for Resideo (which shall receive every notice required or contemplated by this Agreement on its own behalf and on behalf of its wholly-owned Subsidiaries) for this purpose is:

Resideo Technologies, Inc.
2 Corporate Center Dr #100
Melville, NY 11747
Attention: Jeannine J. Lane, Executive Vice President,
General Counsel and Corporate Secretary

Either Party may, at any time, substitute for its previous record address any other address by giving written notice of the substitution. Without prejudice to the notice obligations set forth in this Section 18.9, to the extent Licensee wishes to contact Licensor regarding certain specified topics, a list of such topics and the applicable contact information (which may be updated by Licensor from time to time) is set forth on **Attachment W**.

18.10 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon any such determination, any such provision, to the extent determined to be invalid, void or unenforceable, shall be deemed replaced by a provision that such court determines is valid and enforceable and that comes closest to expressing the intention of the invalid, void or unenforceable provision.

18.11 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

18.12 Waivers of Default. No failure or delay of any Party in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default.

18.13 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of each Party.

18.14 Joint Preparation and Drafting. This Agreement shall be deemed to have been drafted and prepared jointly by the Parties so that any ambiguity in this Agreement shall not be construed against either Party on that basis alone.

18.15 Effect. This Agreement shall take effect only upon satisfaction of the following:

- (a) Due execution of the Agreement by all Parties; and
- (b) Delivery of a fully signed version of the Agreement to Licensor.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized.

Resideo Technologies, Inc., on behalf of itself and its wholly-owned Subsidiaries

By: /s/ Jacqueline W. Katzel
Name: Jacqueline W. Katzel
Title: President

Honeywell International Inc.
By: /s/ Richard Kent
Name: Richard Kent
Title: Vice President, Deputy General Counsel, Finance
and Assistant Secretary

CERTIFICATE OF
AMENDMENT

TO

CERTIFICATE OF
INCORPORATION

OF

RESIDEO
TECHNOLOGIES,
INC.

October 18, 2018

Pursuant to Section 242 of the General
Corporation Law of the State of Delaware

RESIDEO TECHNOLOGIES, INC., a corporation organized and existing under the laws of the State of Delaware, DOES HEREBY CERTIFY AS FOLLOWS:

1. The name of the corporation is Resideo Technologies, Inc. The original Certificate of Incorporation of the corporation was filed with the Secretary of State of the State of Delaware on April 24, 2018 under the name HH Spinco Inc. (as amended and in effect immediately prior to the adoption and effectiveness hereof, the "Certificate of Incorporation").

2. Article Fourth of the Certificate of Incorporation is hereby amended to read in its entirety as set forth below:

"FOURTH: The total number of shares of stock which the corporation is authorized to issue is 700,000,000 shares of common stock, having a par value of \$0.001 per share and 100,000,000 shares of preferred stock, having a par value of \$0.001 per share."

3. That the foregoing amendment was duly adopted in accordance with the applicable provisions of Sections 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Resideo Technologies, Inc. has caused this Certificate to be duly executed in its corporate name as of the date first written above.

RESIDEO TECHNOLOGIES, INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: President

**RESIDEO FUNDING INC.,
as Issuer**

**THE GUARANTORS PARTY HERETO,
as Guarantors**

**DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Trustee**

AND

**DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Registrar, Paying Agent and Authenticating Agent**

6.125% SENIOR NOTES DUE 2026

INDENTURE DATED AS OF

OCTOBER 19, 2018

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This INDENTURE, dated as of October 19, 2018 (this “*Indenture*”), is by and among Resideo Funding Inc., a Delaware corporation (the “*Issuer*”), the Guarantors party hereto, Deutsche Bank Trust Company Americas, a New York banking corporation, as trustee (the “*Trustee*”) and Deutsche Bank Trust Company Americas, a New York banking corporation, as registrar (“*Registrar*”), paying agent (“*Paying Agent*”) and authenticating agent (“*Authenticating Agent*”).

WITNESSETH:

WHEREAS, the Issuer is entering into this Indenture to establish the form and terms of its 6.125% Senior Notes due 2026 (the “*Notes*”); and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Indenture and to make it a valid and binding obligation of the Issuer and the Guarantors have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Issuer, the Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the Notes.

ARTICLE 1
ESTABLISHMENT; DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

(a) The following are definitions used in this Indenture.

“*144A Global Note*” means a Global Note substantially in the form of Exhibit A hereto, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

“*Accrued Amounts*” has the meaning set forth in the Indemnity Agreement.

“*Acceptable Commitment*” has the meaning specified in Section 4.15.

“*Acquired Indebtedness*” means, with respect to any specified Person, Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred by such other Person in connection with, or in contemplation of, such other Person merging with or into or becoming a Restricted Subsidiary of such specified Person. Such Indebtedness will be deemed to have been incurred at the time such other Person is merged with or into or became a Restricted Subsidiary.

“*Additional Assets*” means (i) any property or assets (other than current assets (as determined in accordance with GAAP), Indebtedness and Capital Stock) to be used by Parent or a Restricted Subsidiary in a Similar Business; (ii) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Parent or another Restricted Subsidiary; or (iii) Capital Stock of any Person that at such time is a Restricted Subsidiary acquired from a third party.

“*Additional Notes*” means 6.125% Senior Notes due 2026 issued from time to time after the Issue Date pursuant to Section 2.14 of this Indenture, and any Notes issued in exchange or replacement therefor.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

“**Affiliate Transaction**” has the meaning specified in Section 4.17.

“**Agent**” means any Registrar, Paying Agent or Authenticating Agent or other agent appointed in accordance with this Indenture to perform any function that this Indenture authorized such agent to perform.

“**Applicable Measurement Period**” means the most recently ended four fiscal quarters immediately preceding the applicable date of determination for which internal financial statements are available.

“**Applicable Premium**” means, with respect to any Note on any Redemption Date, the greater of:

- (a) 1.0% of the principal amount of such Note; and
- (b) the excess, if any, of:

(1) the present value at such Redemption Date of (i) the redemption price (such redemption price being set forth in the table appearing in Section 3.07(b)) of such Note at November 1, 2021 plus (ii) all required interest payments due on such Note (excluding accrued but unpaid interest to the Redemption Date) through November 1, 2021, computed using a discount rate equal to the Treasury Rate as of such Redemption Date plus 50 basis points; over

- (2) the principal amount of such Note.

Calculation of the Applicable Premium will be made by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate; *provided* that such calculation or the correctness thereof shall not be a duty or obligation of the Trustee.

“**Applicable Premium Deficit**” has the meaning set forth in Section 8.04.

“**Applicable Procedures**” means, with respect to any transfer, redemption or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depository that apply to such transfer, redemption or exchange.

“**Asset Sale**” means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Lease-Back Transaction) other than Equity Interests of Parent or any Restricted Subsidiary (each referred to in this definition as a “disposition”), or

(2) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than preferred stock of Restricted Subsidiaries issued in compliance with Section 4.07), whether in a single transaction or a series of related transactions, in each case, other than:

(A) any disposition of (i) Cash Equivalents or Investment Grade Securities, (ii) obsolete, damaged, unnecessary, unsuitable or worn out equipment or immaterial assets or goods (or other assets) held for sale or no longer used in the ordinary course of business or (iii) inventory or other assets in the ordinary course of business;

(B) the disposition of all or substantially all of the assets of the Issuer or Parent in a manner permitted pursuant to Section 5.01 or any disposition that constitutes a Change of Control pursuant to this Indenture for which a Change of Control Offer is made;

- (C) the making of any Restricted Payment that is permitted to be made, and is made, under Section 4.09 or any Permitted Investment;
- (D) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate Fair Market Value of less than \$35.0 million;
- (E) any disposition of property or assets or issuance of securities to Parent, the Issuer or a Restricted Subsidiary;
- (F) any exchange of like property under Section 1031 of the Internal Revenue Code of 1986, as amended, or any comparable or successor provision, or any exchange of equipment to be used in a Similar Business;
- (G) the lease, assignment, sub-lease, license or sub-license of any real or personal property in the ordinary course of business;
- (H) any issuance, sale or pledge of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;
- (I) foreclosures, condemnation, eminent domain or any similar action on assets;
- (J) sales of accounts receivable, or participations therein, in connection with any Receivables Facility;
- (K) any financing transaction with respect to property built or acquired by Parent or any Restricted Subsidiary after the Issue Date, including Sale and Lease-Back Transactions;
- (L) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other litigation claims in the ordinary course of business;
- (M) the sale, lease, assignment, license, sublease or discount of inventory, equipment, accounts receivable, notes receivable or other current assets in the ordinary course of business or the conversion of accounts receivable to notes receivable or other dispositions of accounts receivable in connection with the collection or compromise thereof;
- (N) the licensing or sub-licensing of intellectual property or other general intangibles in the ordinary course of business;
- (O) the unwinding of any Hedging Obligations;
- (P) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;
- (Q) the lapse or abandonment of intellectual property rights in the ordinary course of business;
- (R) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;
- (S) a disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than Parent or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), entered into in connection with such acquisition; and

(T) any other disposition pursuant to the Spin-Off Documents on substantially the terms described in the Offering Memorandum.

“**Asset Sale Offer**” has the meaning specified in Section 4.15(c).

“**Asset Sale Proceeds Application Period**” has the meaning specified in Section 4.15(b).

“**Bankruptcy Law**” means Title 11, U.S. Code or any similar United States federal or state law for the relief of debtors, or the law of any other jurisdiction relating to bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or the relief of debtors or any amendment to, succession to or change in any law.

“**Board of Directors**” means, for any Person, the Board of Directors or other governing body of such Person or, if such Person does not have such a Board of Directors or other governing body and is owned or managed by a single entity, the Board of Directors or other governing body of such entity, or, in either case, any committee thereof duly authorized to act on behalf of such Board of Directors or other governing body. Unless otherwise provided, “**Board of Directors**” means the board of directors of Parent.

“**Board Resolution**” means with respect to Parent, a duly adopted resolution of the Board of Directors of Parent or any committee of such Board of Directors.

“**Business Day**” means each day which is not a Legal Holiday.

“**Capital Stock**” means:

- (1) in the case of a corporation, corporate stock,
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock,
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“**Capitalized Lease Obligation**” means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

“**Cash Equivalents**” means:

- (1) United States dollars,
- (2) Canadian dollars,
- (3) (A) euro, pounds sterling or any national currency of any participating member state in the European Union, or
(B) local currencies held from time to time in the ordinary course of business,

(4) securities issued or directly and fully and unconditionally guaranteed or insured by (a) the United States government or any agency or instrumentality thereof, (b) any country that is a member state of the European Union or any agency or instrumentality thereof or (c) any foreign country recognized by the United States of America rated at least “A” by S&P or “A-1” by Moody’s (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody’s then exists, the equivalent of such rating by any nationally recognized rating organization), the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government,

(5) certificates of deposit, time deposits and dollar time deposits with maturities of one year or less from the date of acquisition, bankers’ acceptances with maturities not exceeding one year, overnight bank deposits and money market deposits (or, with respect to foreign banks, similar instruments), in each case with (i) any lender under the Senior Credit Facilities or (ii) any commercial bank having capital and surplus of not less than \$500.0 million in the case of U.S. banks and \$100.0 million (or the U.S. dollar equivalent as of the date of determination) in the case of foreign banks,

(6) repurchase obligations for underlying securities of the types described in clauses (4) and (5) above, entered into with any financial institution meeting the qualifications specified in clause (5) above,

(7) commercial paper rated at least P-2 by Moody’s or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof,

(8) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody’s or S&P, respectively (or, if at any time neither Moody’s nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof,

(9) investment funds investing 95% of their assets in securities of the types described in clauses (1) through (8) above and (10) through (12) below,

(10) readily marketable direct obligations issued by any state, commonwealth or territory of the United States of America or any political subdivision or taxing authority thereof having a rating equal to or higher than Baa3 (or the equivalent) by Moody’s or BBB- (or the equivalent) by S&P, and in each such case with a “stable” or better outlook with maturities of 24 months or less from the date of acquisition,

(11) Indebtedness or preferred stock issued by Persons with a rating of “A” or higher from S&P or “A2” or higher from Moody’s with maturities of 24 months or less from the date of acquisition,

(12) Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody’s, and

(13) in the case of Investments by any Restricted Subsidiary that is a Foreign Subsidiary, Investments of comparable tenor and credit quality to those described in the foregoing clauses (1) through (12) customarily utilized in countries in which such Foreign Subsidiary operates for cash management purposes.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) through (3) and (13) above; *provided* that such amounts are converted into any currency listed in clauses (1) through (3) or (13) above, as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

“**Cash Management Services**” means any of the following: ACH transactions, treasury or cash management services, including, without limitation, controlled disbursement services, overdraft facilities, employee credit card programs, netting services, automated clearing house arrangements, foreign exchange facilities, deposit and other accounts and merchant services.

“**Certificated Note**” means a certificated Note registered in the name of the Holder thereof and issued in accordance with Article 2 hereof, in substantially the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the “Schedule of Increases or Decreases in the Global Note” attached thereto.

“**Change of Control**” means the occurrence of any of the following after the Distribution Date, in each case excluding any of the Transactions:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of Parent and its Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d) and Section 14(d) of the Exchange Act) other than to Parent or one of its Subsidiaries;

(2) the consummation of any transaction (including any merger or consolidation or purchase of Capital Stock) the result of which is that any “person” (as that term is used in Section 13(d) and Section 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of Parent, or other Voting Stock into which the Voting Stock of Parent is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares, *provided*, however, that this clause (2) shall not include any transaction where (x) Parent becomes a direct or indirect wholly owned subsidiary of a holding company, and (y) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Parent’s Voting Stock immediately prior to that transaction; or

(3) the failure of Parent to own, directly or indirectly, 100% of the Voting Stock of the Issuer, except as permitted under Section 5.01.

“**Change of Control Offer**” has the meaning specified in Section 4.11.

“**Change of Control Payment**” has the meaning specified in Section 4.11.

“**Change of Control Payment Date**” has the meaning specified in Section 4.11.

“**consolidated**” or “**Consolidated**” means, unless otherwise specifically indicated, with respect to any Person, such Person on a consolidated basis in accordance with GAAP, but excluding from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not a Subsidiary of, an Affiliate of, or otherwise owned by, such Person.

“**Consolidated Depreciation and Amortization Expense**” means with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization or write-off of financing costs and expenses and capitalized expenditures of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

“**Consolidated Interest Expense**” means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than or greater than par, as applicable, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Indebtedness or derivative instruments pursuant to GAAP), (d) the interest component of Capitalized Lease Obligations and (e) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (i) any one-time cash costs associated with breakage in respect interest rate

Hedging Obligations with respect to Indebtedness, (ii) penalties and interest relating to Taxes, (iii) accretion or accrual of discounted liabilities not constituting Indebtedness, (iv) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, (v) amortization or “write-off” of financing costs and expenses, (vi) any expensing of bridge, commitment and other financing fees, (vii) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Receivables Facility), (viii) premium payments, debt discount, fees, charges and related expenses incurred in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of asset and (ix) payments under the Indemnity Documents or the Tax Matters Agreement; *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, *less*

(3) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

“**Consolidated Net Income**” means, with respect to any Person for any period, the aggregate of the net income (loss), of such Person and its Restricted Subsidiaries for such period, on a consolidated basis and otherwise determined in accordance with GAAP and before any reduction in respect of preferred stock dividends on preferred stock issued by such Person (but not its Subsidiaries); *provided* that, without duplication,

(1) any after-tax effect of extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses (including relating to the Transactions), severance, relocation costs, curtailments or modifications to pension and post-retirement employee benefits plans, start-up, transition, integration and other restructuring and business optimization costs, charges, reserves or expenses (including related to acquisitions after the Issue Date and to the start-up, closure or consolidation of facilities), new product introductions, and one-time compensation charges shall be excluded,

(2) the net income (loss) for such period shall not include the cumulative effect of a change in accounting principles and changes as a result of adoption or modification of accounting policies during such period,

(3) any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations shall be excluded,

(4) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the Issuer, shall be excluded,

(5) the net income (loss) for such period of any Person that is not a Restricted Subsidiary shall be excluded; *provided* that Consolidated Net Income of Parent shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents) to the referent Person or a Restricted Subsidiary thereof in respect of such period,

(6) solely for the purpose of determining the amount available for Restricted Payments under clause (C)(i) of Section 4.09(a), the net income for such period of any Restricted Subsidiary (other than any Guarantor) shall be excluded to the extent the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its net income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restriction with respect to

the payment of dividends or similar distributions has been legally waived; provided that Consolidated Net Income of Parent will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to Parent or a Restricted Subsidiary in respect of such period, to the extent not already included therein,

(7) effects of adjustments in any line item in such Person's consolidated financial statements in accordance with GAAP resulting from the application of purchase accounting, including in relation to the Transactions, or the amortization or write-off of any amounts thereof, net of Taxes, shall be excluded,

(8) (i) any after-tax effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (ii) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances and other balance sheet items and to Hedging Obligations pursuant to Financial Accounting Standards Codification No. 815-Derivatives and Hedging (formerly Financing Accounting Standards Board Statement No. 133) and its related pronouncements and interpretations (or any successor provision) and (iii) any non-cash expense, income or loss attributable to the movement in mark-to-market valuation of foreign currencies, Indebtedness or derivative instruments pursuant to GAAP shall be excluded,

(9) any impairment charge, asset write-off or write-down pursuant to ASC 350 and ASC 360 (formerly Financial Accounting Standards Board Statement Nos. 142 and 144, respectively) and the amortization of intangibles arising pursuant to ASC 805 (formerly Financial Accounting Standards Board Statement No. 141) shall be excluded,

(10) (i) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock, units or other rights to officers, directors, managers or employees and (ii) non-cash income (loss) attributable to deferred compensation plans or trusts, shall be excluded,

(11) any fees, costs and expenses incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, recapitalization, Asset Sale, issuance or repayment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed), including all fees, costs and expenses incurred or payable by Parent or any Restricted Subsidiary in connection with the Transactions and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded,

(12) accruals and reserves, contingent liabilities and any gains or losses on the settlement of any pre-existing contractual or non-contractual relationships that are established or adjusted within twelve months after the Distribution Date that are so required to be established as a result of the Transactions in accordance with GAAP, shall be excluded,

(13) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses and expenses with respect to liability or casualty events or business interruption shall be excluded, and

(14) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with GAAP shall be excluded.

Notwithstanding the foregoing, for the purpose of Section 4.09 only (other than clause (C)(iv) of Section 4.09(a)), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by Parent and the Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from Parent and the Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by Parent or any Restricted Subsidiary, and any dividends, distributions, interest payments, return of capital, repayments or other transfers of assets to Parent or any Restricted Subsidiary from any Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (C)(iv) of Section 4.09(a).

For any period, Consolidated Net Income shall be reduced by (a) the aggregate amount due and payable under the Indemnity Documents during such period, to the extent such amount was not already deducted from net income (loss) and without duplication of Accrued Amounts from a prior period to the extent such Accrued Amounts were deducted from Consolidated Net Income for such prior period (provided that in no event shall amounts deducted under this paragraph exceed the Cap (as defined in the Indemnity Agreement as of the Issue Date) for any period of four consecutive fiscal quarters).

“Consolidated Secured Net Debt Ratio” means, as of any date of determination, the ratio of (1) (a) Consolidated Total Secured Indebtedness, as of the end of the most recent fiscal period for which internal financial statements are available immediately preceding the applicable date of determination minus (b) the aggregate amount of cash and cash equivalents included in the consolidated balance sheet of Parent prepared in accordance with GAAP as of such date (excluding the amounts of cash and Cash Equivalents which are listed as “Restricted” on such balance sheet or which consisted of the proceeds of Indebtedness, the incurrence of which the Consolidated Secured Net Debt Ratio is being determined) to (2) EBITDA of Parent for the Applicable Measurement Period, with such pro forma adjustments to Consolidated Total Secured Indebtedness, Cash Equivalents and EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of “Fixed Charge Coverage Ratio;” provided that, for purposes of the calculation of the Consolidated Secured Net Debt Ratio, in connection with (x) the incurrence of any Indebtedness pursuant to Section 4.07(b)(1) or (y) the incurrence of any Lien pursuant to clause (20) of the definition of “Permitted Liens,” the Issuer may elect, by written notice to the Trustee, to treat all or any portion of the commitment under any Indebtedness which is to be incurred or secured by such Lien, as the case may be, as being incurred as of the applicable date of determination and any subsequent incurrence of Indebtedness under such commitment that was so treated shall not be deemed to be an incurrence of additional Indebtedness or an additional Lien at such subsequent time.

“Consolidated Total Assets” means the total assets of Parent and the Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of Parent.

“Consolidated Total Net Debt Ratio” means, as of any date of determination, the ratio of (1) (a) Consolidated Total Indebtedness, as of the end of the most recent fiscal period for which internal financial statements are available immediately preceding the applicable date of determination minus (b) the aggregate amount of cash and cash equivalents included in the consolidated balance sheet of Parent prepared in accordance with GAAP as of such date (excluding the amounts of cash and Cash Equivalents which are listed as “Restricted” on such balance sheet or which consisted of the proceeds of Indebtedness, the incurrence of which the Consolidated Total Net Debt Ratio is being determined) to (2) EBITDA of Parent for the Applicable Measurement Period, with such pro forma adjustments to Consolidated Total Indebtedness, Cash Equivalents and EBITDA as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of “Fixed Charge Coverage Ratio.”

“Consolidated Total Indebtedness” means, as at any date of determination, an amount equal to the sum of (1) the aggregate amount of all outstanding Indebtedness of Parent and its Restricted Subsidiaries on a consolidated basis consisting of Indebtedness for borrowed money, Obligations in respect of Capitalized Lease Obligations and debt obligations evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (and excluding Hedging Obligations), excluding Indebtedness to be repaid with the Distribution Date Payment and the Post-Distribution Debt Payment and (2) the aggregate amount of all outstanding Disqualified Stock of Parent and the Restricted Subsidiaries and (without double-counting) all preferred stock of Restricted Subsidiaries that are not the Issuer or Guarantors, with the amount of such Disqualified Stock and preferred stock equal to the greater of their respective voluntary or involuntary liquidation preferences and their Maximum Fixed Repurchase

Prices, in each case, determined on a consolidated basis in accordance with GAAP. For purposes hereof, the “Maximum Fixed Repurchase Price” of any Disqualified Stock or preferred stock means the maximum price, if any, at which such Disqualified Stock or preferred stock may be required to be redeemed or repurchased by the issuer thereof in accordance with its terms.

“**Consolidated Total Secured Indebtedness**” means, as at any date of determination, the amount of Consolidated Total Indebtedness of Parent, the Issuer or a Guarantor that is Secured Indebtedness as of such date.

“**Corporate Trust Office of the Trustee**” shall be at the address of the Trustee specified in Section 11.02 hereof, or such other address as to which the Trustee may give notice to the Issuer.

“**Covenant Defeasance**” has the meaning specified in Section 8.03.

“**Covenant Suspension Event**” has the meaning specified in Section 4.18(a).

“**Credit Facilities**” means, with respect to Parent or any Restricted Subsidiary, one or more debt facilities, including the Senior Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities with banks or other institutional lenders or investors or indentures) providing for revolving credit loans, term loans, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that Refinance any part of the loans, notes or other securities, other credit facilities or commitments thereunder, including any such Refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (provided that such increase in borrowings is permitted under Section 4.07) or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“**Custodian**” means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03(c) as Custodian with respect to the Notes, and any and all successors thereto appointed as custodian hereunder and having become such pursuant to the applicable provisions of this Indenture.

“**Data Transfer Agreement**” means the Data Transfer Agreement between the parties thereto, to be dated on or prior to the Distribution Date.

“**Default**” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“**Depository**” means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03(b) hereof as the Depository with respect to the Notes, and any and all successors thereto appointed as depository hereunder and having become such pursuant to the applicable provisions of this Indenture.

“**Designated Non-cash Consideration**” means the Fair Market Value of non-cash consideration received by Parent or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Non-cash Consideration.

“**Disqualified Stock**” means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is puttable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable, other than as a result of a change of control, asset sale or casualty or condemnation event, pursuant to a sinking fund obligation or otherwise, or is convertible or exchangeable for Indebtedness or redeemable at the option of the holder thereof, other than as a result of a change of control, asset sale or casualty or condemnation event, in whole or in part, in each case prior to the date 91 days after

the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; provided that if such Capital Stock is issued to any plan for the benefit of employees of Parent or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Parent or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“**Distribution Date**” means the date of the distribution of the shares of common stock of Parent to shareholders of record of Honeywell pursuant to the Spin-Off.

“**Distribution Date Payment**” means the payment, on or about the Distribution Date, of a cash dividend or other cash transfer or debt repayment by the Issuer to Honeywell or one of its subsidiaries of the Net Proceeds of the Senior Credit Facilities and the Notes as described in the Offering Memorandum under the caption “Use of Proceeds.”

“**EBITDA**” means, with respect to any Person for any period, (1) the Consolidated Net Income of such Person for such period, increased (without duplication) by:

(A) provision for Taxes based on income or profits or capital gains, including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added and similar Taxes and foreign withholding Taxes of such Person paid or accrued during such period, including any penalties and interest relating to such Taxes or arising from any Tax examinations deducted (and not added back) in computing Consolidated Net Income, *plus*

(B) Fixed Charges of such Person for such period (including (x) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (y) costs of surety bonds in connection with financing activities, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of “Consolidated Interest Expense” pursuant to clauses 1(ii) through 1(viii) thereof, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*

(C) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income, *plus*

(D) any fees, expenses, charges or losses (other than depreciation or amortization expense) related to any Equity Offering or other capital markets transaction, acquisition, disposition, recapitalization or the incurrence of Indebtedness permitted to be incurred by this Indenture (including a refinancing thereof) (whether or not successful), including such fees, expenses, charges or losses related to (i) the Transactions and any transactions pursuant to the Spin-Off Documents, including but not limited to severance, relocation costs, integration and facilities’ opening costs and other business optimization expenses and operating improvements and establishment costs, recruiting fees, signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities, internal costs in respect of Spin-Off related initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), contract terminations and professional and consulting fees incurred in connection with any of the foregoing, (ii) the offering of the Notes and the Senior Credit Facilities and (iii) any amendment or other modification of the Spin-Off Documents, the Notes, the Senior Credit Facilities or other Indebtedness and, in each case, deducted (and not added back) in computing Consolidated Net Income, *plus*

(E) any other non-cash charges, including any write-offs, write-downs, expenses, losses or items, including any non-cash loss attributable to the mark to market movement in the valuation of any Equity Interests, and hedging obligations or other derivative instruments, to the extent the same were deducted (and not added back) in computing Consolidated Net Income (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be deducted from EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

(F) the amount of any minority interest expense deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*

(G) the amount of net cost savings, operating expense reductions and synergies projected by the Issuer in good faith to be realized as a result of specified actions taken or to be taken (which cost savings, operating expense reductions or synergies shall be calculated on a *pro forma* basis as though such cost savings, operating expense reductions or synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; *provided* that (A) such cost savings, operating expense reductions or synergies are reasonably identifiable and factually supportable and (B) such actions have been taken or are to be taken within 18 months after the date of determination to take such action, *plus*

(H) litigation costs and expenses for non-ordinary course litigation;

less,

(2) without duplication and to the extent included in determining such Consolidated Net Income, any non-cash gains for such period (other than any such non-cash gains (a) in respect of which cash was received in a prior period or will be received in a future period and (b) that represent the reversal of any accrual in a prior period for, or the reversal of any cash reserves established in a prior period for, anticipated cash charges).

“**Employee Matters Agreement**” means the Employee Matters Agreement between Honeywell and Parent, to be dated on or prior to the Distribution Date.

“**Equity Interests**” means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

“**Equity Offering**” means any public or private sale of common equity or preferred stock of Parent or any direct or indirect parent company of Parent (excluding Disqualified Stock), other than:

- (1) public offerings with respect to Parent’s or any of its direct or indirect parent company’s common equity registered on Form S-8; and
- (2) issuances to any Subsidiary of Parent or any employee benefit plan of Parent.

“**euro**” means the single currency of participating member states of the Economic and Monetary Union.

“**Escrow Account**” has the meaning set forth in the Escrow Agreement.

“**Escrow Agent**” means Deutsche Bank Trust Company Americas, as agent under the Escrow Agreement, and any and all successors thereto appointed pursuant to the terms and conditions set forth in the Escrow Agreement.

“**Escrow Agreement**” means the Escrow Agreement dated the date hereof by and among the Issuer, the Trustee and the Escrow Agent, relating to the Initial Notes, as amended, modified or supplemented from time to time.

“**Escrow Outside Date**” means November 2, 2018.

“**Escrow Property**” has the meaning set forth in the Escrow Agreement.

“**Escrow Release Condition**” has the meaning set forth in the Escrow Agreement.

“**Escrow Release Date**” has the meaning set forth in the Escrow Agreement.

“**Escrow Release Request**” has the meaning set forth in the Escrow Agreement.

“**Event of Default**” has the meaning specified in Section 6.01.

“**Excess Proceeds**” has the meaning specified in Section 4.15(c).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“**Excluded Contribution**” means any net cash proceeds and marketable securities (valued at their Fair Market Value as determined in good faith by senior management or the Board of Directors of Parent) received by Parent from:

(1) contributions to its common equity capital; or

(2) the sale (other than to a Subsidiary of Parent or to any Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Equity Interests (other than Disqualified Stock) of Parent,

in each case designated as an Excluded Contribution pursuant to an Officer’s Certificate on or promptly after the date such capital contributions are made or the date such Equity Interests are sold, as the case may be, and which are excluded from the calculation set forth in Section 4.09(a)(3) and are not applied pursuant to Section 4.09(b) (2), (4) or (19).

“**Existing Indebtedness**” means Indebtedness of Parent or any Restricted Subsidiary in existence on the Issue Date or the Distribution Date or incurred pursuant to the Spin-Off Documents on substantially the terms described in the Offering Memorandum, plus interest accruing (or the accretion of discount) thereon.

“**Fair Market Value**” means, with respect to any Investment, asset or property, the fair market value of such Investment, asset or property, determined in good faith by senior management or the Board of Directors of Parent, whose determination will be conclusive for all purposes under this Indenture and the Notes.

“**Fixed Charge Coverage Ratio**” means, with respect to any Person as of any applicable date of determination, the ratio of (1) EBITDA of such Person for the Applicable Measurement Period to (2) the Fixed Charges of such Person for such Applicable Measurement Period. In the event that Parent or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness or issues or redeems Disqualified Stock subsequent to the commencement of the Applicable Measurement Period but on or prior to the applicable date of determination, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock (in each case, including a pro forma application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period; *provided*, however, that, for purposes of the calculation of the Fixed Charge Coverage Ratio, in connection with the incurrence of any Indebtedness pursuant to Section 4.07(a) the Issuer may elect, by written notice to the Trustee, to treat all or any portion of the commitment under any Indebtedness which is to be incurred, as being incurred as of the applicable date of determination and any subsequent incurrence of Indebtedness under such commitment that was so treated shall not be deemed, for purposes of this calculation, to be an incurrence of additional Indebtedness.

For purposes of calculating the Fixed Charge Coverage Ratio, Investments, acquisitions, dispositions, mergers, consolidations and disposed operations (as determined in accordance with GAAP) that have been made by Parent or any Restricted Subsidiary during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the applicable date of determination shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed operations (and the change in any associated Fixed Charges and the change in EBITDA

resulting therefrom) had occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was merged with or into Parent or any Restricted Subsidiary since the beginning of such period) shall have made any Investment, acquisition, disposition, merger, consolidation or disposed operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such Applicable Measurement Period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the Applicable Measurement Period. For the avoidance of doubt, any such calculation with respect to any period prior to the Issue Date shall include giving pro forma effect to the Indemnity Documents, in a manner consistent with their treatment in the presentation of pro forma “Adjusted EBITDA including environmental indemnification payments (Non-GAAP)” for the twelve months ended June 30, 2018 presented in the Offering Memorandum, as if such documents were effective as of the beginning of the Applicable Measurement Period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, without duplication, cost savings, operating expense reductions and synergies resulting from such Investment, acquisition, merger or consolidation which is being given *pro forma* effect that have been or are expected to be realized (subject to compliance with the proviso to clause (G) of the definition of “EBITDA”). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the applicable date of determination had been the applicable rate for the entire period (taking into account for such entire period, any Hedging Obligation applicable to such Indebtedness with a remaining term of 12 months or longer, and in the case of any Hedging Obligation applicable to such Indebtedness with a remaining term of less than 12 months, taking into account such Hedging Obligation to the extent of its remaining term). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under any revolving credit facility computed on a pro forma basis shall be computed based upon (A) the average daily balance of such Indebtedness during the applicable period or (B) if such facility was created after the end of the applicable period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of determination; or, if lower, the maximum commitments under such revolving credit facility as of the applicable date of determination. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

“**Fixed Charges**” means, with respect to any Person for any period, the sum of

- (1) Consolidated Interest Expense of such Person for such period, and
- (2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Disqualified Stock of Parent held by Persons other than Parent or a Restricted Subsidiary made during such period.

“**Foreign Subsidiary**” means, with respect to any Person, any Restricted Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia and any Restricted Subsidiary of such Foreign Subsidiary.

“**Form 10**” means the registration statement on Form 10, originally filed publicly by Parent with the SEC on August 23, 2018, as amended.

“**GAAP**” means generally accepted accounting principles in the United States as in effect from time to time, provided, however, that Parent may notify the Trustee that it has elected to eliminate the effect of any change occurring after the Issue Date in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn by notice to the Trustee. At any time after the

Issue Date, Parent may elect to apply International Financial Reporting Standards (“*IFRS*”) accounting principles as in effect on the date of such election in lieu of GAAP and, upon any such election, references herein to GAAP and GAAP concepts shall thereafter be construed to refer to IFRS and corresponding IFRS concepts as of such date (except as otherwise provided in this Indenture); *provided* that any such election, once made, shall be irrevocable; *provided* further, any calculation or determination in this Indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to Parent’s election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. Parent shall give written notice of any such election made in accordance with this definition to the Trustee. Notwithstanding anything to the contrary in this Indenture, solely making the IFRS election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness. Notwithstanding any other provision contained herein, (a) all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities, or any successor thereto (including pursuant to Accounting Standard Codifications), to value any Indebtedness of Parent or any of its Subsidiaries at “fair value”, as defined therein and (b) all obligations of any person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the “*ASU*”) shall continue to be accounted for as operating leases for any determinations under this Indenture other than Section 4.03 (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in Parent’s financial statements.

“*Global Note Legend*” means the legend set forth in Section 2.06(g)(ii) hereof, which is required to be placed on all Global Notes issued under this Indenture.

“*Global Notes*” means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, in the form of Exhibit A hereto issued in accordance with Article 2 hereof.

“*Government Securities*” means direct obligations of, or obligations guaranteed by, the United States, a member state of the European Union or any agency or instrumentality thereof, and the payment for which such government pledges its full faith and credit, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal or interest on any such Government Securities held by such custodian for the account of the holder of such depositary receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depositary receipt.

“*guarantee*” means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

“*Guarantee*” means the guarantee by any Guarantor of the Issuer’s Obligations under this Indenture and the Notes pursuant to Article 10.

“*Guarantor*” means Parent and each Restricted Subsidiary that guarantees the notes under this Indenture.

“*Hedging Obligations*” means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

“*Holder*” means a registered holder of the Notes.

“**Honeywell**” means Honeywell International Inc. and, unless the context otherwise requires, its consolidated Subsidiaries, other than, for all periods following the Spin-Off, Parent and its Subsidiaries.

“**incur**” has the meaning specified in Section 4.07.

“**incurrence**” has the meaning specified in Section 4.07.

“**Indebtedness**” means, with respect to any Person,

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

(A) in respect of borrowed money,

(B) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (or, without double counting, reimbursement agreements in respect thereof),

(C) representing the balance, deferred and unpaid, of the purchase price of any property or services, except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business and (ii) any earn-out obligation until such obligation, after 60 days of becoming due and payable, has not been paid and is reflected as a liability on the balance sheet of such Person in accordance with GAAP,

(D) representing Capitalized Lease Obligations, or

(E) representing any Hedging Obligations,

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP,

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of another Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of another Person secured by a Lien on any assets owned by such Person, whether or not such Indebtedness is assumed by such Person *provided, however*, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value of such assets at such date of determination, and (b) the amount of such Indebtedness of such other Person;

provided that notwithstanding the foregoing, Indebtedness shall not include:

(a) obligations under or in respect of Receivables Facilities or the Indemnity Documents;

(b) deferred or prepaid revenue;

(c) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty, indemnity or other unperformed obligations of the seller;

(d) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto;

(e) obligations in respect of any residual value guarantees on equipment leases;

(f) any take-or-pay or similar obligation to the extent such obligation is not shown as a liability on the balance sheet of such Person in accordance with GAAP; and

(g) asset retirement obligations and obligations in respect of reclamation and workers' compensation (including pensions and retiree medical care).

"Indemnitor" has the meaning set forth in the Indemnity Agreement, including any assignee contemplated by the terms thereof.

"Indemnity Agreement" means the Indemnification and Reimbursement Agreement dated October 14, 2018 between the Indemnitor and Honeywell, as may be amended and supplemented.

"Indemnity Documents" means (a) the Indemnity Agreement and (b) the Indemnification Guarantee Agreement to be dated on or prior to the Distribution Date among Honeywell, the Indemnitor and the guarantors party thereto, as may be amended or supplemented.

"Indenture" means this instrument as originally executed (including the appendices and exhibits) and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Independent Financial Advisor" means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in the good faith judgment of the Issuer, not an Affiliate of Parent and qualified to perform the task for which it has been engaged.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Notes" means \$400,000,000 in aggregate principal amount of the Notes issued under this Indenture on the Issue Date.

"Initial Purchasers" means Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, MUFG Securities Americas LLC, RBC Capital Markets, LLC, SMBC Nikko Securities America, Inc., SunTrust Robinson Humphrey Inc., TD Securities (USA) LLC, U.S. Bancorp Investments, Inc., UniCredit Capital Markets LLC, BMO Capital Markets Corp., BNP Paribas Securities Corp., Citizens Capital Markets, Inc., PNC Capital Markets LLC, BBVA Securities Inc., KeyBanc Capital Markets Inc. and Scotia Capital (USA) Inc.

"Intellectual Property License Agreement" means the Intellectual Property License Agreement by and between the parties thereto, to be dated on or prior to the Distribution Date.

"interest" means, with respect to the Notes, interest on the Notes.

"Interest Payment Date" has the meaning set forth in paragraph 1 of the applicable Notes.

"inventory" means goods held for sale or lease by a Person in the ordinary course of business, net of any reserve for goods that have been segregated by such Person to be returned to the applicable vendor for credit, as determined in accordance with GAAP.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents),

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among Parent and its Subsidiaries,

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above, which fund may also hold immaterial amounts of cash pending investment or distribution, and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

“Investments” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of Parent in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of “Unrestricted Subsidiary” and Section 4.09,

(1) “Investments” shall include the portion (proportionate to Parent’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of Parent at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Parent shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to:

(A) Parent’s “Investment” in such Subsidiary at the time of such redesignation less

(B) the portion (proportionate to Parent’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash by Parent or a Restricted Subsidiary in respect of such Investment.

“Issue Date” means October 19, 2018.

“Legal Holiday” means a Saturday, a Sunday or a day on which commercial banking institutions are not required or authorized by law to be open in the State of New York.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

“Limited Condition Transaction” means (i) any acquisition or other similar investment, including by means of a merger, amalgamation or consolidation, by Parent or one or more of the Restricted Subsidiaries, the consummation of which is not conditioned upon the availability of, or on obtaining, third party financing or in

connection with which any fee or expense would be payable by Parent or the Restricted Subsidiaries to the seller or target in the event financing to consummate the acquisition is not obtained as contemplated by the definitive acquisition agreement or (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

“**Moody’s**” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“**Net Proceeds**” means the aggregate cash proceeds and Fair Market Value of any Cash Equivalents received by Parent or a Restricted Subsidiary in respect of any Asset Sale (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received), net of (i) the direct costs relating to such Asset Sale, including legal, accounting, consultant and investment banking fees and discounts, brokerage and sales commissions, any relocation expenses and other fees, expenses and charges incurred as a result thereof, Taxes paid or payable as a result thereof (including in connection with any repatriation of funds and after taking into account any available tax credits or deductions and any tax sharing arrangements), (ii) amounts required to be applied to the repayment of principal, premium, if any, and interest on Senior Indebtedness or Indebtedness of any Restricted Subsidiary that is not a Guarantor required (other than pursuant to Section 4.15 (b)) to be paid as a result of such transaction, (iii) any costs associated with unwinding any related Hedging Obligations in connection with such transaction, (iv) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Sale, or to any other Person (other than Parent or a Restricted Subsidiary) owning a beneficial interest in the assets disposed of in such Asset Sale and (v) any liabilities associated with the asset disposed of in such transaction and retained by Parent or any of its Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, as determined in good faith by Parent.

“**Obligations**” means any principal, interest, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker’s acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“**Offering Memorandum**” means the offering memorandum dated October 4, 2018 relating to the Initial Notes.

“**Officer**” means, with respect to Parent, the Issuer or any other obligor upon the Notes, the Chairman of the Board, the President, Managing Director, Director, Manager, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Controller, the Treasurer, the Secretary, Assistant Treasurer or Assistant Secretary or any other authorized signatory (a) of such Person or (b) if such Person is owned, directly or indirectly, or managed by a single entity, of such entity, or any other individual designated as an “Officer” or an authorized signatory for the purposes of this Indenture by the Board of Directors of Parent.

“**Officer’s Certificate**” means, with respect to Parent, the Issuer or any other obligor upon the Notes, a certificate signed by one Officer of such Person and delivered to the Trustee.

“**Opinion of Counsel**” means a written opinion reasonably acceptable to the Trustee from legal counsel (which may be subject to customary assumptions, exclusions, limitations and exceptions). The counsel may be an employee of or counsel to Parent or the Issuer or other counsel.

“**Outstanding**”, when used with respect to Notes, means, as of the date of determination, all Notes theretofore authenticated and delivered under this Indenture, except:

- (1) Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Paying Agent (other than the Issuer) or set aside and segregated in trust by the Issuer (if the Issuer shall act as their own Paying Agent) for the Holders of such Notes in accordance with any applicable provisions of this Indenture; *provided* that, if such Notes are to be redeemed, written notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Paying Agent has been made;

(3) Notes, except to the extent provided in Sections 8.02 and 8.03, with respect to which the Issuer has effected Legal Defeasance or Covenant Defeasance as provided in Article 8; and

(4) Notes which have been paid pursuant to Section 2.07 or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee an Officer's Certificate that such Notes are held by a Protected Purchaser in whose hands the Notes are valid obligations of the Issuer;

provided that, in determining whether the Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, consent, notice or waiver hereunder, Notes owned by Parent, the Issuer or any other obligor upon the Notes or any Affiliate of Parent, the Issuer or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Trust Officer of the Trustee has received written notice at its address specified herein of being so owned shall be so disregarded.

“**Parent**” means Resideo Technologies, Inc., a Delaware corporation or any Successor Parent.

“**Participant**” means, with respect to the Depository, a Person who has an account with the Depository.

“**Pari Passu Indebtedness**” means any Indebtedness of the Issuer or any Guarantor if such Indebtedness ranks equally in right of payment to the Notes or the Guarantees, as the case may be.

“**Patent License Agreement**” means the Patent Cross-License Agreement between the parties thereto, to be dated on or prior to the Distribution Date.

“**Permitted Asset Swap**” means the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between Parent or a Restricted Subsidiary and another Person; provided, that any cash or Cash Equivalents received must be applied in accordance with Section 4.15.

“**Permitted Investments**” means:

- (1) any Investment in Parent or any Restricted Subsidiary;
- (2) any Investment in cash, Cash Equivalents or Investment Grade Securities;
- (3) any Investment by Parent or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment
 - (A) such Person becomes a Restricted Subsidiary, or
 - (B) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Parent or a Restricted Subsidiary, and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;

(4) any Investment in securities or other property or assets received in connection with an Asset Sale made pursuant to Section 4.15, or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Issue Date or the Distribution Date and any modification, replacement, renewal, reinvestment or extension thereof, and any Investment made pursuant to the Spin-Off Documents on substantially the terms described in the Offering Memorandum;

(6) any Investment acquired by Parent or any Restricted Subsidiary:

(A) (i) in exchange for any other Investment or accounts receivable held by Parent or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (ii) in settlement of delinquent accounts and disputes with customers and suppliers in the ordinary course of business, or

(B) as a result of a foreclosure by Parent or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7) Hedging Obligations permitted under Section 4.07(b)(10);

(8) [Reserved];

(9) Investments the payment for which consists of Equity Interests of Parent (exclusive of Disqualified Stock); provided that such Equity Interests will not increase the amount available for Restricted Payments under clause (C) of Section 4.09(a);

(10) (i) guarantees of Indebtedness permitted under Section 4.07 and (ii) guarantees of leases (other than Capitalized Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(11) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with Section 4.17(b) (except transactions described in Section 4.17(b)(2), (4), (7) and (12));

(12) Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment or other similar assets in the ordinary course of business, or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(13) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (x) \$225.0 million and (y) 5.00% of Consolidated Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary of Parent at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (13) for so long as such Person continues to be a Restricted Subsidiary;

(14) Investments that, in the good faith determination of the Board of Directors of Parent, are necessary or advisable to effect a Receivables Facility or any repurchases in connection therewith;

(15) loans or advances to, or guarantees of Indebtedness of, directors, officers, consultants or employees in the aggregate not to exceed at any one time outstanding the greater of (x) \$15.0 million and (y) 0.50% of Consolidated Total Assets at the time of such advance or guarantee;

(16) loans and advances to officers, directors, managers and employees for business-related travel expenses, moving expenses, payroll expenses and other similar expenses, in each case incurred in the ordinary course of business or consistent with past practices or to fund such Person's purchase of Equity Interests of Parent;

(17) advances, loans, extensions of trade credit, secured deposits or prepaid expenses in the ordinary course of business by Parent or any of the Restricted Subsidiaries;

(18) intercompany current liabilities owed by Unrestricted Subsidiaries or joint ventures incurred in the ordinary course of business in connection with the cash management operations of Parent and its Subsidiaries;

(19) Investments made in connection with the funding of contributions under any non-qualified retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expense recognized by Parent and its Restricted Subsidiaries in connection with such plans;

(20) Investments of any Person existing at the time such Person becomes a Restricted Subsidiary or consolidates or merges with Parent or any Restricted Subsidiary so long as such Investments were not made in contemplation of such Person becoming a Restricted Subsidiary or of such consolidation or merger;

(21) Investments resulting from pledges or deposits described in clause (1) of the definition of the term "Permitted Liens";

(22) Investments that result solely from the receipt by Parent or any Restricted Subsidiary from any of its Subsidiaries of a dividend or other Restricted Payment in the form of Equity Interests, evidences of Indebtedness or other securities;

(23) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(24) non-cash Investments in connection with tax planning and reorganization activities;

(25) Investments made in the form of loans or advances made to distributors in the ordinary course of business;

(26) to the extent they constitute Investments, guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees, lessors and licensees of Parent and any Restricted Subsidiary;

(27) any Investment so long as immediately after giving effect to the making thereof, the Consolidated Total Net Debt Ratio of Parent and the Restricted Subsidiaries is equal to or less than 2.00 to 1.00; and

(28) loans and advances to customers; provided that the aggregate principal amount of loans and advances outstanding under this clause (28) at any time shall not exceed \$15 million.

"Permitted Liens" means, with respect to any Person:

(1) pledges, deposits or security by such Person (i) under workmen's compensation laws, unemployment insurance, employers' health Tax, and other social security laws or similar legislation or other insurance related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto) or indemnification obligations of insurance carriers providing property, casualty or liability insurance, or good faith deposits in connection with bids,

tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety, stay, customs or appeal bonds to which such Person is a party, or deposits as security for contested Taxes or import duties or for the payment of rent, performance and return-of-money bonds and other similar obligations (including those to secure health, safety and environmental obligations) and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of such Person in the ordinary course of business supporting obligations of such type, in each case incurred in the ordinary course of business;

(2) Liens imposed by law or regulation, such as carriers', warehousemen's, materialmen's, repairmen's, mechanics', contractors', landlords', architects' and other similar Liens, in each case for sums not yet overdue for a period of more than 30 days or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(3) Liens for Taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP, or for property Taxes on property such Person or one of its Subsidiaries has determined to abandon if the sole recourse for such Tax, assessment, charge, levy or claim is to such property;

(4) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) Survey exceptions, encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing Indebtedness incurred pursuant to Section 4.07(b)(1), (2), (4), (8), (10), (12), (15) and (18); provided, however, that, in the case of Section 4.07(b)(4), such Lien may not extend to any assets other than the assets acquired, leased, constructed, installed, repaired, replaced or improved with the Indebtedness incurred pursuant to Section 4.07(b)(4), or the proceeds thereof;

(7) Liens existing on the Issue Date or the Distribution Date or under the Spin-Off Documents (other than Liens incurred or to be incurred under the Senior Credit Facilities);

(8) Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided* such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; *provided further*, however, that such Liens may not extend to any other property owned by Parent or any Guarantor (other than after-acquired property that is (a) affixed or incorporated into the property covered by such Lien, (b) subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property and (c) the proceeds and products thereof);

(9) Liens on property at the time Parent or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into Parent or any Restricted Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, merger or consolidation; *provided further* that the Liens may not extend to any other property owned by Parent or any Restricted Subsidiary;

(10) Liens securing Indebtedness or other obligations of Parent or a Restricted Subsidiary owing to Parent or another Restricted Subsidiary that is a Guarantor permitted to be incurred in accordance with Section 4.07;

(11) Liens securing Hedging Obligations and Cash Management Services incurred in compliance with Section 4.07;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances or trade letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) Leases, subleases, licenses or sublicenses (including of intellectual property) to or from third parties granted in the ordinary course of business;

(14) Liens arising from Uniform Commercial Code (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by Parent or any Restricted Subsidiary in the ordinary course of business;

(15) Liens in favor of the Issuer or any Guarantor;

(16) Liens on equipment of Parent or any Restricted Subsidiary granted in the ordinary course of business to Parent's or such Restricted Subsidiaries' client at which such equipment is located;

(17) Liens on accounts receivable and related assets incurred in connection with a Receivables Facility;

(18) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6) (solely with respect to Liens securing Indebtedness incurred pursuant to clauses (2) or (4) of Section 4.07(b)), (7), (8), (9), (10), (11), (18) and (20) of this definition of "Permitted Liens"; *provided* that (A) other than in the case of Liens referred to in clause (20), such new Lien shall be limited to all or part of the same property that secured the original Lien (plus accessions, additions and improvements on such property and after-acquired property that is (a) affixed or incorporated into the property covered by such Lien, (b) subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property and (c) the proceeds and products thereof), and (B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6) (solely with respect to Liens securing Indebtedness incurred pursuant to clauses (2) or (4) of Section 4.07(b)), (7), (8), (9), (10), (11), (18) and (20) at the time the original Lien became a Permitted Lien under this Indenture, and (ii) an amount necessary to pay any fees and expenses, including premiums, and accrued and unpaid interest related to such refinancing, refunding, extension, renewal or replacement;

(19) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business;

(20) Liens to secure Indebtedness incurred pursuant to Section 4.07; *provided* that the Consolidated Secured Net Debt Ratio, calculated on a pro forma basis after giving effect to the incurrence of such Lien, the related Indebtedness and the application of net proceeds therefrom would be no greater than 1.75 to 1.00;

(21) other Liens securing Indebtedness at any one time outstanding do not exceed the greater of (x) \$175.0 million and (y) 4.00% of Consolidated Total Assets at the time of incurrence;

(22) Liens arising out of judgments, decrees, orders or awards in respect of which Parent or any Restricted Subsidiary shall in good faith be prosecuting an appeal or proceedings for review, which appeal or proceedings shall not have been finally terminated, or if the period within which such appeal or proceedings may be initiated shall not have expired;

(23) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(24) Liens (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code as in effect in New York, or Section 4-210 of the Uniform Commercial Code as in effect in another jurisdiction other than New York or any comparable or successor provision on items in the course of collection, (ii) attaching to pooling, commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (iii) in favor of banking or other financial institutions or electronic payment service providers arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(25) Liens deemed to exist in connection with repurchase agreements permitted under Section 4.07; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(26) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(27) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Parent or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Parent and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of Parent or any of its Restricted Subsidiaries in the ordinary course of business;

(28) Liens solely on any cash earnest money deposits made by Parent or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Indenture;

(29) the rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by Parent or any of its Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(30) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(31) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(32) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements and contract zoning agreements;

(33) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by Parent or any Restricted Subsidiary in the ordinary course of business;

(34) any Lien granted pursuant to a security agreement between Parent or any Restricted Subsidiary and a licensee of their intellectual property to secure the damages, if any, of such licensee resulting from the rejection by Parent or such Restricted Subsidiary of such licensee in a bankruptcy, reorganization or similar proceeding with respect to Parent or such Restricted Subsidiary; *provided* that such Liens do not cover any assets other than the intellectual property subject to such license;

(35) Liens on the Equity Interests and Indebtedness of Persons that are not Restricted Subsidiaries;

(36) in the case of (A) any Restricted Subsidiary that is not a Wholly-Owned Subsidiary or (B) the Equity Interests in any Person that is not a Restricted Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Restricted Subsidiary or such other Person set forth in the organizational documents of such Restricted Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

(37) Liens on property or assets used to defease or to irrevocably satisfy and discharge Indebtedness; provided that such defeasance or satisfaction and discharge is not prohibited by this Indenture;

(38) Liens on and security interests in the account holding the Escrow Property and all deposits and investment property therein in favor of the Trustee, for its benefit and the benefit of the Holders;

(39) Sale and Lease-Back Transactions (i) to the extent the proceeds thereof are used by Parent and the Restricted Subsidiaries to permanently repay outstanding Indebtedness of Parent or the Restricted Subsidiaries, (ii) with a term of not more than three years or (iii) incurred pursuant to Section 4.07(b)(4);

(40) Liens on property of Parent or a Restricted Subsidiary in favor of the United States of America or any State thereof or the jurisdiction of organization of such Restricted Subsidiary, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof or the jurisdiction of organization of such Restricted Subsidiary, to secure partial, progress, advance or other payments pursuant to any contract or statute;

(41) banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; *provided* that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness;

(42) in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under this Indenture, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(43) Liens on cash or Cash Equivalents securing letters of credit other credit support obligations in the ordinary course of business; and

(44) any Liens arising by operation of law.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Post-Distribution Debt Payment” means the cash debt repayment after the Distribution Date, made in accordance with the terms further described in the Offering Memorandum under the caption “Certain Relationships and Related Party Transactions—Agreements with Honeywell—Separation and Distribution Agreement—Transfer of Assets and Assumption of Liabilities” by the Parent or a subsidiary of Parent to Honeywell and/or a subsidiary of Honeywell.

“preferred stock” means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution or winding up.

“principal” of a Note means the principal of the Note plus the premium, if any, payable on the Note which is due or overdue or is to become due at the relevant time.

“Private Placement Legend” means the legend set forth in Section 2.06(g)(i) hereof to be placed on all Notes issued under this Indenture, except where otherwise permitted by the provisions of this Indenture.

“Protected Purchaser” has the definition provided in Section 8-303 of the Uniform Commercial Code.

“QIB” means a “qualified institutional buyer” as defined in Rule 144A.

“Rating Agencies” means (a) Moody’s and S&P or (b) if Moody’s or S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which shall be substituted for Moody’s or S&P or both, as the case may be.

“Receivables Facility” means any of one or more receivables financing facilities, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the Obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to Parent and the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which Parent or any Restricted Subsidiary factors, sells or pledges its accounts receivable or loans secured by accounts receivable to either (a) a Person that is not a Restricted Subsidiary or (b) a Receivables Subsidiary that in turn funds such purchase by purporting to sell or pledge its accounts receivable or such loans to a Person that is not a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

“Receivables Fee” means distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Facility.

“Receivables Subsidiary” means any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities, and in each case engages only in activities reasonably related or incidental thereto.

“Refinance” means, in respect of any Indebtedness, Disqualified Stock or preferred stock, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, or to issue other Indebtedness, Disqualified Stock or preferred stock in exchange or replacement for, such Indebtedness, Disqualified Stock or preferred stock, in whole or in part. **“Refinanced”** and **“Refinancing”** shall have correlative meanings.

“Regular Record Date” for the interest payable on any Interest Payment Date means the applicable date specified as a “Record Date” on the face of the Note.

“Regulation S” means Regulation S promulgated under the Securities Act.

“Regulation S Global Note” means a Global Note in the form of Exhibit A hereto, bearing the Global Note Legend, the Private Placement Legend and the Regulation S Global Note Legend and deposited with or on behalf of, and registered in the name of, the Depository or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903.

“Regulation S Global Note Legend” means the legend set forth in Section 2.06(g)(iii) hereof.

“Related Business Assets” means assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by Parent or the Restricted Subsidiaries in exchange for assets transferred by Parent or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of Capital Stock of a Person, unless upon receipt of the Capital Stock of such Person, such Person would become a Restricted Subsidiary.

“Restricted Certificated Note” means a Certificated Note bearing, or that is required to bear, the Private Placement Legend.

“Restricted Global Note” means a Global Note bearing, or that is required to bear, the Private Placement Legend.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Period” means, in respect of any Note issued pursuant to Regulation S, the 40-day distribution compliance period as defined in Regulation S applicable to such Note.

“Restricted Subsidiary” means, at any time, the Issuer and any direct or indirect Subsidiary of Parent (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; provided that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary in accordance with this Indenture, such Subsidiary shall be included in the definition of “Restricted Subsidiary.”

“Rule 144” means Rule 144 promulgated under the Securities Act.

“Rule 144A” means Rule 144A promulgated under the Securities Act.

“S & P” means Standard & Poor’s Ratings Services LLC, a division of S&P Global Inc., and any successor to its rating agency business.

“SEC” means the United States Securities and Exchange Commission.

“Secured Indebtedness” means any Indebtedness of Parent or any of its Restricted Subsidiaries secured by a Lien.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Sale and Lease-Back Transaction” means any arrangement with any Person providing for the leasing by Parent or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by Parent or such Restricted Subsidiary to such Person in contemplation of such leasing.

“Senior Credit Facilities” means the credit facilities provided under the Credit Agreement to be entered into on or prior to the Escrow Release Date among Parent, the Issuer, and the guarantors party thereto, the lenders party thereto from time to time in their capacities as lenders thereunder, and JPMorgan Chase Bank, N.A., as administrative agent, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, replacements, renewals, restatements, refundings or refinancings thereof and any one or more indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that extend, replace, refund, refinance, renew or defease any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

“Senior Indebtedness” means with respect to any Person:

(1) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter incurred; and

(2) all other Obligations of such Person (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person whether or not post-filing interest is allowed in such proceeding) in respect of Indebtedness described in clause (1) above in the case of both clauses (1) and (2), to the extent permitted to be incurred under the terms of this Indenture, unless, in the case of clauses (1) and (2), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is *provided* that such Indebtedness or other Obligations are subordinated in right of payment to the Notes or the Guarantee of such Person, as the case may be;

provided that Senior Indebtedness shall not include:

(1) any obligation of such Person to Parent or any Subsidiary of Parent other than loans of proceeds from Indebtedness constituting Senior Indebtedness securing Senior Indebtedness;

(2) any liability for Federal, state, local or other Taxes owed or owing by such Person;

(3) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(4) any Capital Stock;

(5) any Subordinated Indebtedness; or

(6) that portion of any Indebtedness which at the time of incurrence is incurred in violation of this Indenture.

“Separation and Distribution Agreement” means the Separation and Distribution Agreement between Honeywell and Parent, to be dated on or prior to the Distribution Date.

“Significant Subsidiary” means any Restricted Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

“Similar Business” means any business conducted or proposed to be conducted by Parent and the Restricted Subsidiaries on the Distribution Date or any business that is similar, reasonably related, incidental or ancillary thereto or extensions, developments or expansions thereof.

“Special Mandatory Redemption” has the meaning set forth in Section 3.09.

“Special Mandatory Redemption Date” has the meaning set forth in Section 3.09.

“Special Mandatory Redemption Event” has the meaning set forth in Section 3.09.

“Special Mandatory Redemption Price” has the meaning set forth in Section 3.09.

“Spin-Off” means the spin-off of Parent from Honeywell, as more fully described in the Offering Memorandum.

“Spin-Off Documents” means the Separation and Distribution Agreement, the Indemnity Agreement, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Intellectual Property License Agreement, the Trademark License Agreement, the Patent License Agreement and the Data Transfer Agreement, and the documents evidencing Indebtedness in respect of the Distribution Date Payment and the Post-Distribution Debt Payment, together with any other agreements, instruments or other documents entered into in connection with any of the foregoing, each as amended from time to time.

“**Stated Maturity**” means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

“**Subordinated Indebtedness**” means:

- (1) with respect to the Issuer, any Indebtedness of such Issuer which is by its terms subordinated in right of payment to the Notes, and
- (2) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms subordinated in right of payment to the Guarantee of such Guarantor under this Indenture.

“**Subsidiary**” means, with respect to any Person, (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held (unless parent does not control such entity), or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. For purposes of this definition, control means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. In no event shall Cara C’air B.V. be considered a Subsidiary of Parent or any of its Subsidiaries unless the Issuer otherwise elects by written notice to the Trustee.

“**Subsidiary Guarantor**” means the Subsidiaries of the Parent that are Guarantors.

“**Successor Issuer**” has the meaning specified in Section 5.01.

“**Successor Parent**” has the meaning specified in Section 5.01.

“**Suspended Covenants**” has the meaning specified in Section 4.18.

“**Suspension Date**” has the meaning specified in Section 4.18.

“**Suspension Period**” has the meaning specified in Section 4.18.

“**Tax**” means any tax, duty, levy, impost, assessment, fee or other governmental charge, in each case in the nature of a tax (including penalties, interest and any additions thereto, and, for the avoidance of doubt, including any withholding or reduction for or on account thereof).

“**Tax Matters Agreement**” means the Tax Matters Agreement between Honeywell and Parent, to be dated on or prior to the Distribution Date.

“**Trademark License Agreement**” means Trademark License Agreement between Honeywell and Parent, to be dated on or prior to the Distribution Date.

“**Transactions**” means the transactions contemplated by the issuance of the Notes, the borrowings under the Senior Credit Facilities and the consummation of the Spin-Off, together with the reorganization and all other transactions pursuant to, and the performance of all other obligations under, the Spin-Off Documents.

“**Transition Services Agreement**” means the Transition Services Agreement between Honeywell and Parent and/or one or more of its subsidiaries to be dated on or prior to the Distribution Date.

“**Treasury Rate**” means, as of any redemption date, the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 that has become publicly available at least two business days prior to the date of the applicable redemption notice (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to November 1, 2021; provided that if the period from the redemption date to November 1, 2021 is not equal to the constant maturity of the United States Treasury security for which a weekly average yield is given, the Treasury Rate will be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of the United States Treasury securities for which such yield are given, except that if the period from the redemption date to November 1, 2021 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“**Trust Officer**” means any other officer or assistant officer of the Trustee assigned by the Trustee to administer its corporate trust matters and who shall have direct responsibility for the administration of this Indenture.

“**Trustee**” means the party named as such in this Indenture until a successor or assignee replaces it and, thereafter, means the successor or assignee.

“**Uniform Commercial Code**” means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York.

“**Unrestricted Certificated Note**” means one or more Certificated Notes that do not bear and are not required to bear the Private Placement Legend.

“**Unrestricted Global Note**” means a permanent Global Note, substantially in the form of Exhibit A hereto, that bears the Global Note Legend and that has the “Schedule of Exchanges of Interests in the Global Note” attached thereto, and that is deposited with or on behalf of and registered in the name of the Depository, representing Notes that do not bear the Private Placement Legend.

“**Unrestricted Subsidiary**” means:

- (1) any Subsidiary of Parent other than the Issuer which at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of Parent, as provided below) and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of Parent may designate any Subsidiary of Parent (other than the Issuer) (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, Parent or any Restricted Subsidiary (other than any Subsidiary of the Subsidiary to be so designated); *provided* that such designation would be permitted by Section 4.09 and the definition of “Investments.”

The Board of Directors of Parent may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that, immediately after giving effect to such designation no Default shall have occurred and be continuing and either:

(1) Parent could incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described under Section 4.07(a), or

(2) the Fixed Charge Coverage Ratio for Parent and the Restricted Subsidiaries would be equal to or greater than such ratio for Parent and the Restricted Subsidiaries immediately prior to such designation,

in each case on a *pro forma* basis taking into account such designation.

Any such designation by the Board of Directors of Parent shall be notified by the Issuer to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as published in *The Wall Street Journal* in the "Exchange Rates" column under the heading "Currency Trading" on the date two Business Days prior to such determination.

Except as otherwise set forth in Section 4.07(c), whenever it is necessary to determine whether the Issuer has complied with any covenant in this Indenture or a Default has occurred and an amount is expressed in a currency other than U.S. dollars, such amount will be treated as the U.S. Dollar Equivalent determined as of the date such amount is initially determined in such currency.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable or redeemable at the issuer's option.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is normally entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness, Disqualified Stock or preferred stock, as the case may be, at any date, the quotient obtained by dividing

(1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or preferred stock multiplied by the amount of such payment, by

(2) the sum of all such payments.

"Wholly-Owned Subsidiary" of any Person means a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

SECTION 1.02. Other Definitions.

<u>Term</u>	<u>Defined in Section</u>
Authenticating Agent	Preamble
Authentication Order	2.02(d)
DTC	2.03(b)
Fixed Amounts	4.07(f)
Incurrence-Based Amounts	4.07(f)
Indenture	Preamble
Initial Lien	4.10

<u>Term</u>	<u>Defined in Section</u>
Issuer	Preamble
LCT Election	1.05(a)
LCT Test Date	1.05(a)
Legal Defeasance	8.02
Notes	Recitals
Note Register	2.03(a)
Paying Agent	2.03(a)
Redemption Date	2.08(d)
Refinancing Indebtedness	4.07(b)(13)
Registrar	2.03(a)
Successor Parent	5.01(b)(1)

SECTION 1.03. [Reserved].

SECTION 1.04. Rules of Construction.

(a) Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with GAAP;

(iii) “or” is not exclusive;

(iv) words in the singular include the plural, and in the plural include the singular;

(v) all references in this instrument to “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed;

(vi) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(vii) “including” means “including without limitation”;

(viii) provisions apply to successive events and transactions; and

(ix) references to sections of or rules under the Securities Act or the Exchange Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time thereunder.

(b) Unless otherwise expressly specified, references in this Indenture to specific Article numbers or Section numbers refer to Articles and Sections contained in this Indenture and not to any other document.

SECTION 1.05. Limited Condition Transactions.

(a) Notwithstanding anything in this Indenture to the contrary, when calculating any applicable financial ratio or test or determining other compliance with this Indenture or the Notes (including the determination of compliance with any provision of this Indenture or the Notes which requires that no Default or Event of Default has occurred, is continuing or would result therefrom) in connection with the consummation of a Limited Condition Transaction, the date of determination of such ratio or test and determination of whether any Default or Event of Default has occurred, is continuing or would result therefrom or other applicable covenant shall, at the option of the Issuer (the Issuer’s election to exercise such option in connection with any Limited Condition Transaction, an “*LCT Election*”), be deemed to be the date the definitive agreements for such Limited Condition Transaction are entered

into (the “*LCT Test Date*”) and if, after such financial ratios and tests and other provisions are measured on a pro forma basis after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the relevant test period being used to calculate such financial ratio ending prior to the LCT Test Date, such Issuer could have taken such action on the relevant LCT Test Date in compliance with such ratios and provisions, such provisions shall be deemed to have been complied with; provided that, at the option of such Issuer, the relevant ratios and baskets may be recalculated at the time of consummation of such Limited Condition Transaction. For the avoidance of doubt, (x) if any of such financial ratios or tests are exceeded as a result of fluctuations in such ratio or test (including due to fluctuations in EBITDA of such Issuer) at or prior to the consummation of the relevant Limited Condition Transaction, such financial ratios and tests and other provisions will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction is permitted under this Indenture and the Notes and (y) such financial ratios and tests and other provisions shall not be tested at the time of consummation of such Limited Condition Transaction or related transactions.

(b) For the avoidance of doubt, if the Issuer has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any financial ratio or test or basket availability with respect to any other transaction on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, for purposes of determining whether such subsequent transaction is permitted under this Indenture or the Notes, any such ratio, test or basket shall be required to comply with any such ratio, test or basket on a pro forma basis assuming such Limited Condition Transaction and any other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

ARTICLE 2 THE NOTES

SECTION 2.01. Form and Dating.

(a) General. The Authenticating Agent shall initially authenticate the Notes for original issue on the Issue Date in an aggregate principal amount of \$400,000,000, upon a written order of the Issuer (other than as provided in Section 2.07 hereof). The Notes and the Authenticating Agent’s certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rules or usage. Each Note shall be dated the date of its authentication and shall bear interest from the date of original issuance thereof or from the most recent date to which interest has been paid or duly provided for. The Notes shall be issued initially in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess of \$2,000.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the “Schedule of Exchanges of Interests in the Global Note” attached thereto). Notes issued in certificated form shall be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the “Schedule of Exchanges of Interests in the Global Note” attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified in the “Schedule of Exchanges of Interests in the Global Note” attached thereto and each shall provide that it shall represent up to the aggregate principal amount of Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as applicable, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Registrar or the Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

(c) Regulation S Global Note and 144A Global Note. Notes offered and sold in reliance on (i) Regulation S shall be issued initially in the form of the Regulation S Global Note and (ii) Rule 144A shall be issued initially in the form of the 144A Global Note; each such Global Note shall be deposited on behalf of the purchasers of the Notes represented thereby with the Custodian and registered in the name of the Depository, duly executed by the Issuer and authenticated by the Authenticating Agent as hereinafter provided.

The aggregate principal amount of a Regulation S Global Note or 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the Registrar and the Depository or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

SECTION 2.02. Execution and Authentication.

(a) One Officer shall sign the Notes for the Issuer by manual or facsimile signature.

(b) If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

(c) A Note shall not be valid until authenticated by the manual signature of the Trustee or the Authenticating Agent. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

(d) The Trustee or the Authenticating Agent shall, upon a written order of the Issuer signed by one Officer (an "**Authentication Order**"), authenticate Notes.

(e) The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate Notes. Unless otherwise provided in the appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer or any of their respective Subsidiaries. The Trustee hereby appoints Deutsche Bank Trust Company Americas as Authenticating Agent and Deutsche Bank Trust Company Americas hereby accepts such appointment.

SECTION 2.03. Registrar and Paying Agent.

(a) The Issuer shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("**Registrar**") and an office or agency where Notes may be presented for payment ("**Paying Agent**"). The Registrar shall keep a register of the Notes ("**Note Register**") and of their transfer and exchange. The Issuer may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. Parent or any of its Subsidiaries may act as Paying Agent or Registrar.

(b) The Issuer initially appoints The Depository Trust Company ("**DTC**") to act as Depository with respect to the Global Notes.

(c) The Issuer initially appoints Deutsche Bank Trust Company Americas to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes, and Deutsche Bank Trust Company Americas hereby initially agrees so to act. The Registrar and Paying Agent have engaged, currently are engaged, and may in the future engage in financial or other transactions with the Issuer and the other Guarantors and their and our affiliates in the ordinary course of their respective businesses.

SECTION 2.04. Paying Agent to Hold Money in Trust.

The Issuer shall require each Paying Agent other than the Trustee or Deutsche Bank Trust Company Americas (which by its execution of this Indenture hereby agrees) to agree in writing that the Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and shall notify the Trustee of any default by the Issuer in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee.

Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) shall have no further liability for the money. If the Issuer or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.05. Holder Lists.

The Trustee shall preserve, or shall cause the Registrar to preserve, in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Paying Agent is not the same entity as the Registrar, the Issuer shall furnish or cause the Registrar to furnish, to the Paying Agent, at least seven Business Days before each Interest Payment Date and at such other times as the Paying Agent may request in writing, a list in such form and as of such date or such shorter time as the Registrar may allow, as the Paying Agent may reasonably require of the names and addresses of the Holders.

SECTION 2.06. Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. Except as otherwise set forth in this Section 2.06, a Global Note may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor thereto or a nominee of such successor thereto. A beneficial interest in a Global Note may not be exchanged for a Certificated Note of the same series unless (A) the Depository (x) notifies the Issuer that it is unwilling or unable to continue as Depository for such Global Note or (y) has ceased to be a clearing agency registered under the Exchange Act, and, in either case, a successor Depository is not appointed by the Issuer within 120 days or (B) upon the request of a Holder if there shall have occurred and be continuing a Default or Event of Default with respect to the Notes. Upon the occurrence of any of the preceding events in (A) above, Certificated Notes delivered in exchange for any Global Note of the same series or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depository (in accordance with its customary procedures). Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note of the same series or any portion thereof, pursuant to this Section 2.06 or Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, except for Certificated Notes issued subsequent to any of the preceding events in (A) or (B) above and pursuant to Section 2.06(c) hereof. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a); *provided, however*, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b) or (c) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depository in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided* that prior to the expiration of the applicable Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person other than pursuant to Rule 144A; *provided* that such interest is then transferred to the 144A Global Note. Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) hereof, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depository in accordance with the Applicable Procedures directing the Depository to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant or Indirect Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depository in accordance with the Applicable Procedures directing the Depository to cause to be issued a Certificated Note of the same series in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depository to the Registrar containing information regarding the Person in whose name such Certificated Note shall be registered to effect the transfer or exchange referred to in (1) above; *provided* that in no event shall Certificated Notes be issued upon the transfer or exchange of beneficial interests in a Regulation S Global Note prior to the expiration of the applicable Restricted Period therefor. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Registrar shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) hereof and the Registrar receives the following:

(1) if the transferee will take delivery in the form of a beneficial interest in a 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; or

(2) if the transferee will take delivery in the form of a beneficial interest in a Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) hereof and the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note of the same series, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note of the same series, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to this Section 2.06(b)(iv) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Authenticating Agent shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to this Section 2.06(b)(iv).

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Certificated Notes.

(i) Beneficial Interests in Restricted Global Notes to Restricted Certificated Notes. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Certificated Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Certificated Note, then, upon the occurrence of any of the events in subsection (A) or (B) of Section 2.06(a) hereof and receipt by the Registrar of the following documentation:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Certificated Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(2) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(3) if such beneficial interest is being transferred to a Person that is not a U.S. Person (as defined in Rule 902 under the Securities Act) in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(4) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof; or

(5) if such beneficial interest is being transferred to Parent or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof.

Upon satisfaction of the conditions of this Section 2.06(c)(i), the Registrar shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and the Authenticating Agent shall authenticate and mail to the Person designated in the instructions a Certificated Note in the applicable principal amount. Any Certificated Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depository and the Participant or Indirect Participant. The Registrar shall mail such Certificated Notes to the Persons in whose names such Notes are so registered. Any Certificated Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Regulation S Global Note to Certificated Notes. Notwithstanding Sections 2.06(c)(i)(1) and (3) hereof, a beneficial interest in the Regulation S Global Note may not be exchanged for a Certificated Note or transferred to a Person who takes delivery thereof in the form of a Certificated Note prior to the expiration of the applicable Restricted Period therefor, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) Beneficial Interests in Restricted Global Notes to Unrestricted Certificated Notes. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Certificated Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Certificated Note only upon the occurrence of any of the events in subsection (A) of Section 2.06(a) hereof and if the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Certificated Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Certificated Note, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) Beneficial Interests in Unrestricted Global Notes to Unrestricted Certificated Notes. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Certificated Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Certificated Note, then, upon the occurrence of any of the events in subsection (A) of Section 2.06(a) hereof and satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Registrar shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuer shall execute and the Authenticating Agent shall authenticate and mail to the Person designated in the instructions a Certificated Note in the applicable principal amount. Any Certificated Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from or through the Depositary and the Participant or Indirect Participant. The Registrar shall mail such Certificated Notes to the Persons in whose names such Notes are so registered. Any Certificated Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall not bear the Private Placement Legend.

(d) Transfer and Exchange of Certificated Notes for Beneficial Interests.

(i) Restricted Certificated Notes to Beneficial Interests in Restricted Global Notes. If any Holder of a Restricted Certificated Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Certificated Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(1) if the Holder of such Restricted Certificated Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(2) if such Restricted Certificated Note is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(3) if such Restricted Certificated Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(4) if such Restricted Certificated Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof; or

(5) if such Restricted Certificated Note is being transferred to Parent or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof.

Upon satisfaction of the conditions of this Section 2.06(d)(i) the Registrar shall cancel the Restricted Certificated Note and increase or cause to be increased the aggregate principal amount of, in the case of clause (1), (4), or (5) above, the applicable Restricted Global Note, in the case of clause (2) above, the applicable 144A Global Note, and in the case of clause (3) above, the applicable Regulation S Global Note.

(ii) Restricted Certificated Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of a Restricted Certificated Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Certificated Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(1) if the Holder of such Certificated Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Certificated Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of this Section 2.06(d)(ii), the Registrar shall cancel the Restricted Certificated Note and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) Unrestricted Certificated Notes to Beneficial Interests in Unrestricted Global Notes. A Holder of an Unrestricted Certificated Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Certificated Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Registrar shall cancel the applicable Unrestricted Certificated Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Certificated Note to a beneficial interest is effected pursuant to subparagraph (ii) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Authenticating Agent shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Certificated Notes so transferred.

(e) Transfer and Exchange of Certificated Notes for Certificated Notes. Upon request by a Holder of Certificated Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Certificated Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Certificated Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e):

(i) Restricted Certificated Notes to Restricted Certificated Notes. Any Restricted Certificated Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Certificated Note if the Registrar receives the following:

(1) if the transfer will be made pursuant to a QIB in accordance with Rule 144A, then the transferor must deliver a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(2) if the transfer will be made pursuant to Rule 903 or Rule 904 then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

(3) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications required by item (3) thereof, if applicable.

(ii) Restricted Certificated Notes to Unrestricted Certificated Notes. Any Restricted Certificated Note may be exchanged by the Holder thereof for an Unrestricted Certificated Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Certificated Note if the Registrar receives the following:

(1) if the Holder of such Restricted Certificated Notes proposes to exchange such Notes for an Unrestricted Certificated Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Certificated Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Certificated Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Certificated Notes to Unrestricted Certificated Notes. A Holder of Unrestricted Certificated Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Certificated Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Certificated Notes pursuant to the instructions from the Holder thereof.

(f) [Reserved].

(g) Legends. The following legends shall appear on the face of all Global Notes and Certificated Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(i) Private Placement Legend.

(1) Except as permitted by subparagraph (2) below, each Global Note and each Certificated Note (and all Notes issued in exchange therefor or substitution thereof) shall bear a legend in substantially the following form (the "**Private Placement Legend**"):

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO RESIDEO TECHNOLOGIES, INC. OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING FOR TRANSFERS TO AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AND BASED UPON AN OPINION OF COUNSEL IF RESIDEO TECHNOLOGIES, INC. OR ANY SUBSIDIARY THEREOF SO REQUEST), OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE MEANING GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.”

(2) Notwithstanding the foregoing, any Global Note or Certificated Note issued pursuant to subparagraph (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii) or (e)(iii) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend. In addition, the Issuer may remove the Private Placement Legend from any Note if it determines that such legend is no longer required to comply with the securities laws of the United States.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form (with appropriate changes in the last sentence if DTC is not the Depository) (the “*Global Note Legend*”):

“THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE REGISTRAR MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06(h) OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE REGISTRAR FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (“DTC”) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE

ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

(iii) Regulation S Global Note Legend. The Regulation S Global Note shall bear a legend in substantially the following form (the “*Regulation S Global Note Legend*”):

“BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.”

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Certificated Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Registrar in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Certificated Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Registrar or by the Depositary at the direction of the Registrar to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Registrar or by the Depositary at the direction of the Registrar to reflect such increase.

(i) Obligations with Respect to Transfers and Exchanges of Notes.

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Authenticating Agent shall authenticate Certificated Notes and Global Notes at the Registrar’s request.

(ii) No service charge shall be made to Holders of a beneficial interest in a Global Note or to a Holder of a Certificated Note for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith.

(iii) The Registrar shall not be required to register the transfer of or exchange of (a) any Note selected for redemption in whole or in part pursuant to Article 3, except the unredeemed portion of any Note being redeemed in part, or (b) any Note for a period beginning 15 days before the mailing of a notice of an offer to repurchase or redeem Notes or 15 days before an Interest Payment Date (whether or not an Interest Payment Date or other date determined for the payment of interest), and ending on such mailing date or Interest Payment Date, as the case may be.

(iv) Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, the Paying Agent or the Registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(v) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

(j) No Obligation of the Trustee, Registrar and Paying Agent.

(i) The Trustee, Registrar and Paying Agent shall have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in the Depository or other Person with respect to the accuracy of the records of the Depository or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depository) of any notice (including any notice of redemption) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the Holders and all payments to be made to Holders under the Notes shall be given or made only to or upon the order of the registered Holders (which shall be the Depository or its nominee in the case of a Global Note). The rights of beneficial owners in any Global Note in global form shall be exercised only through the Depository subject to the applicable rules and procedures of the Depository. The Trustee, Registrar and Paying Agent may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its members, participants and any beneficial owners.

(ii) The Trustee, Registrar and Paying Agent shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including without limitation any transfers between or among Depository participants, members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

SECTION 2.07. Replacement Notes.

If any mutilated Note is surrendered to the Registrar or the Issuer and the Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuer shall issue and the Authenticating Agent, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Registrar's requirements are met. If required by the Registrar or the Issuer, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Registrar and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer may charge for its expenses in replacing a Note.

In case any such mutilated, destroyed, lost or stolen Note had become or is about to become due and payable, the Issuer, in its discretion, may, instead of issuing a new Note, pay such Note, upon satisfaction of the conditions set forth in the preceding paragraph.

Every replacement Note is an additional obligation of the Issuer and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies of any Holder with respect to the replacement or payment of mutilated, destroyed, lost or stolen Note.

SECTION 2.08. Outstanding Notes.

(a) The Notes outstanding at any time are all the Notes authenticated by the Authenticating Agent except for those cancelled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Registrar in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. A Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note; however, Notes held by the Issuer or a Subsidiary of the Issuer shall not be deemed to be outstanding for purposes of Section 2.09 hereof.

(b) If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Registrar receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

(c) If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

(d) If the Paying Agent (other than the Issuer or a Subsidiary thereof) segregates and holds in trust, in accordance with this Indenture, on a date of redemption (a "**Redemption Date**") or maturity date, money sufficient to pay all principal, premium, if any, and interest payable on that date with respect to the Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.09. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, amendment, supplement, waiver or consent, Notes owned by the Issuer or a Subsidiary of the Issuer, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, amendment, supplement, waiver or consent, only Notes that the Trustee knows are so owned shall be so disregarded.

SECTION 2.10. Temporary Notes.

Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Authenticating Agent, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Certificated Notes but may have variations that the Issuer considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer shall prepare and the Authenticating Agent shall authenticate Certificated Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

SECTION 2.11. Cancellation.

The Issuer at any time may deliver Notes to the Registrar for cancellation. The Trustee and Paying Agent shall forward to the Registrar any Notes surrendered to them for registration of transfer, exchange or payment. The Registrar, upon written direction by the Issuer and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of such cancelled Notes in accordance with its customary procedures (subject to the record retention requirements of the Exchange Act). Certification of the destruction of all cancelled Notes shall be delivered to the Issuer from time to time upon written request. The Issuer may not issue new Notes to replace Notes that it has paid or that have been delivered to the Registrar for cancellation.

SECTION 2.12. Defaulted Interest.

If the Issuer defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Issuer may pay the defaulted interest to the Persons who are Holders on a subsequent special record date. The Issuer shall notify the Trustee and Paying Agent in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Issuer shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such defaulted interest or shall make arrangements satisfactory to the Trustee and Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such defaulted interest as provided in this Section 2.12. The Trustee shall fix or cause to be fixed any such special record date and payment date; *provided* that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. The Trustee shall promptly notify the Issuer of any such special record date. At least 15 days before any such special record date, the Issuer (or, upon the written request of the Issuer, the Trustee in the name and at the expense of the Issuer) shall mail or cause to be mailed, first-class postage prepaid, to each Holder, with a copy to the Trustee, a notice at his or her address as it appears in the Note Register that states the special record date, the related payment date and the amount of such interest to be paid.

Subject to the foregoing provisions of this Section 2.12 and for greater certainty, each Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

SECTION 2.13. CUSIP or ISIN Numbers.

The Issuer in issuing the Notes may use “CUSIP” or “ISIN” numbers (if then generally in use), and, if so, the Trustee and Registrar, as applicable, shall use “CUSIP” or “ISIN” numbers in notices of redemption as a convenience to Holders; *provided, however*, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee and Registrar of any change in the “CUSIP” or “ISIN” numbers.

SECTION 2.14. Additional Notes.

Subject to compliance with Sections 4.07 and, if applicable, 4.10, the Issuer shall be entitled to issue Additional Notes under this Indenture in an unlimited aggregate principal amount, each of which shall have identical terms as the Initial Notes, respectively, other than with respect to the date of issuance and issue price and first payment of interest (and, if such Additional Notes shall be issued in the form of Restricted Global Notes or Restricted Certificated Notes, other than with respect to transfer restrictions with respect thereto). The Initial Notes and any Additional Notes shall be treated as a single class, in each case for all purposes under this Indenture, including without limitation, waivers, amendments, redemptions and offers to purchase; *provided, however*, that Additional Notes will be issued under a separate CUSIP and ISIN unless the Additional Notes are issued pursuant to a “qualified reopening” of the Initial Notes, are otherwise treated as part of the same “issue” of debt instruments as the Initial Notes or are issued with less than a *de minimis* amount of original issue discount, in each case for U.S. federal income tax purposes.

With respect to any Additional Notes, the Issuer shall set forth in a resolution of its Board of Directors and an Officer’s Certificate, a copy of each which shall be delivered to the Trustee and the Agent, the following information:

- (a) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture; and
- (b) the issue price, the issue date and the CUSIP number(s) of such Additional Notes.

ARTICLE 3
REDEMPTION AND PREPAYMENT

SECTION 3.01. Notices to Trustee.

If the Issuer elects to redeem any Notes pursuant to the optional redemption provisions of Section 3.07, it shall furnish to the Trustee and the applicable Agent an Officer’s Certificate setting forth (i) the Redemption Date, (ii) the principal amount of the Notes to be redeemed, and (iii) the redemption price. The Issuer shall furnish such Officer’s Certificate to the Trustee and the applicable Agent at least 10 days but not more than 60 days before a Redemption Date unless a shorter notice shall be reasonably satisfactory to the Trustee. Any such notice may be cancelled at any time prior to notice of such redemption being mailed to any Holder and shall, therefore, be void and of no effect.

SECTION 3.02. Selection of Notes to Be Redeemed.

If less than all of any series of the Notes are to be redeemed at any time, the Paying Agent or Registrar will select the Notes for redemption, on a pro rata basis to the extent practicable or such other method that the Trustee deems fair and appropriate and is in accordance with the procedures of the Depository, if applicable, subject to adjustments so that no Note in an unauthorized denomination remains outstanding after such redemption; provided, however, that no Note of \$2,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of \$1,000 shall be redeemed. The Trustee, the Paying Agent and the Registrar shall not be liable for selections made under this Section 3.02.

The Trustee or the Registrar will promptly notify the Issuer of, in the case of any Notes selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected will be in minimum amounts of \$2,000 and integral multiples of \$1,000 in excess thereof, except that if all the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not a multiple of \$1,000 (in excess of \$2,000) shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

SECTION 3.03. Notice of Redemption.

At least 10 days but not more than 60 days before a Redemption Date, the Issuer shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address or otherwise in accordance with the procedures of the Depository except that (i) a notice of redemption may be mailed or sent more than 60 days prior to a Redemption Date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture and (ii) notice of Special Mandatory Redemption shall be mailed or sent as set forth in Section 3.09.

The notice shall identify the Notes to be redeemed (including the CUSIP or ISIN number) and shall state:

- (a) the Redemption Date;
- (b) the redemption price;
- (c) any condition to such redemption;
- (d) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the Redemption Date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;
- (e) the name and address of the Paying Agent;
- (f) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;
- (g) that, unless the Issuer defaults in making such redemption payment and subject to satisfaction of any conditions specified therein, interest on Notes called for redemption ceases to accrue on and after the Redemption Date;
- (h) the Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and
- (i) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Issuer's request, the Registrar shall give the notice of redemption in the Issuer's name and at its expense, *provided, however*, that the Issuer gives the Registrar at least five Business Days (or such shorter period reasonably agreed to by the Registrar) prior notice of such request and provision of the notice information.

Any redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, which shall be set forth in the related notice of redemption, including, but not limited to, completion of an Equity Offering, other offering or financing or other transaction or event. In addition, if such redemption is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Issuer's discretion, the Redemption Date may be delayed until such time (*provided, however*, that any redemption date shall not be more than 60 days after the date of the notice of redemption) as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the Redemption Date, or by the Redemption Date as so delayed.

If any such condition precedent has not been satisfied, the Issuer shall provide written notice to the Trustee prior to the close of business one Business Day prior to the Redemption Date. Upon receipt of such notice, the notice of redemption shall be rescinded or delayed, and the redemption of the Notes shall be rescinded or delayed as provided in such notice. Upon receipt, the Trustee shall provide such notice to each Holder of the Notes in the same manner in which the notice of redemption was given.

The Issuer and its Affiliates may acquire the Notes by means other than a redemption pursuant to this Article 3, whether by tender offer, open market purchases, negotiated transactions or otherwise.

SECTION 3.04. Effect of Notice Upon Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the Redemption Date at the redemption price stated in the notice except that any redemption and notice thereof may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. Subject to the foregoing, upon surrender to the Paying Agent, such Notes shall be paid at the redemption price stated in the notice, plus accrued interest to the Redemption Date (subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on the related Interest Payment Date). Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 3.05. Deposit of Redemption Price.

On or before 11:00 a.m. Eastern Time on any Redemption Date, the Issuer shall deposit with the Paying Agent money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions of Notes) to be redeemed on that date. Upon written instructions of the Issuer, the Paying Agent shall promptly return to the Issuer any money deposited with the Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Issuer complies with the provisions of the preceding paragraph, on and after the Redemption Date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption, whether or not such Notes are presented for payment. If a Note is redeemed on or after a Regular Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such Regular Record Date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuer to comply with the preceding paragraph, interest shall be paid on the unpaid principal from the Redemption Date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

SECTION 3.06. Notes Redeemed in Part.

In the case of Certificated Notes, any Note which is to be redeemed only in part (pursuant to the provisions of this Article) shall be surrendered at an office or agency of the Issuer maintained for such purpose pursuant to Section 4.02 (with, if the Issuer or the Trustee so require, due endorsement by, or a written instrument of transfer in form satisfactory to the Issuer duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Issuer shall execute, and the Authenticating Agent shall authenticate and deliver to the Holder of such Note without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Note so surrendered.

SECTION 3.07. Optional Redemption.

(a) At any time prior to November 1, 2021, the Issuer may redeem all or part of the Notes, upon notice as set forth in Section 3.03, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the rights of Holders of record of Notes on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date.

(b) On and after November 1, 2021, the Issuer may redeem the Notes, in whole or in part, upon notice as set forth in Section 3.03, at the redemption prices (expressed as percentages of principal amount of Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the right of Holders of record of Notes on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date, if redeemed during the twelve-month period beginning on November 1 of each of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2021	104.594%
2022	103.063%
2023	101.531%
2024 and thereafter	100.00%

(c) In addition, until November 1, 2021, the Issuer may, at its option, upon notice as set forth in Section 3.03, on one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under this Indenture at a redemption price equal to 106.125% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the right of Holders of record of Notes on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date, with the net cash proceeds of one or more Equity Offerings to the extent such net cash proceeds are received by or contributed to Parent; *provided* that at least 65% of the sum of the aggregate principal amount of Notes originally issued under this Indenture (including any Additional Notes issued under this Indenture after the Issue Date) remains outstanding immediately after the occurrence of each such redemption; *provided, further*, that each such redemption occurs within 120 days of the date of closing of each such Equity Offering.

SECTION 3.08. [Reserved.]

SECTION 3.09. Special Mandatory Redemption.

(a) If (A) (i) the Escrow Agent has not received an Escrow Release Request at or prior to 5:00 p.m. (New York City time) on the Escrow Outside Date, (ii) the Issuer notifies the Escrow Agent and the Trustee in writing that the Issuer has determined in its sole discretion that the Escrow Release Condition will not be satisfied or (iii) the Issuer notifies the Escrow Agent and the Trustee in writing that Honeywell will not pursue the consummation of the Spin-Off by the Escrow Outside Date, or (B) the Escrow Release Condition has been satisfied, but the Spin-Off has not been consummated or the Senior Credit Facilities have not become effective on or prior to November 2, 2018, (any such event in (A) or (B) being a “**Special Mandatory Redemption Event**”), then the Escrow Agent will release to the Trustee all Escrowed Property then held by it and the aggregate principal amount of the notes outstanding on the Special Mandatory Redemption Date (as defined below) will be redeemed at a redemption price equal to 100% of the issue price of the notes, plus accrued and unpaid interest to, but excluding, the Special Mandatory Redemption Date (the “**Special Mandatory Redemption Price**”) (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) (the “**Special Mandatory Redemption**”) and thereafter the Trustee shall transfer to or for the account or at the written direction of the Issuer any Escrowed Property remaining after such redemption price is paid.

(b) The Issuer will cause a notice of Special Mandatory Redemption to be mailed to the Trustee and mailed, or delivered electronically if held by any Depository, to the Holders at their registered addresses no later than the Business Day following the Special Mandatory Redemption Event, which shall provide for the redemption of the Notes on no later than the fifth Business Day (the “**Special Mandatory Redemption Date**”) following the date of the applicable Special Mandatory Redemption Event.

(c) Upon the deposit of funds sufficient to pay the Special Mandatory Redemption Price of all Notes to be redeemed on the Special Mandatory Redemption Date with the applicable paying agent on or before such Special Mandatory Redemption Date, the Notes will cease to bear interest and all rights under the Notes shall terminate. After payment of the Special Mandatory Redemption Price to the Holders, any excess Escrowed Property will be returned to the Issuer.

(d) Notice of a Special Mandatory Redemption shall state:

- (1) the Special Mandatory Redemption Date;
- (2) the Special Mandatory Redemption Price;
- (3) that on the Special Mandatory Redemption Date, the Special Mandatory Redemption Price shall become due and payable; and
- (4) that the Notes shall cease to bear interest on and after the Special Mandatory Redemption Date.

SECTION 3.10. Mandatory Redemption.

Except as set forth in Sections 3.09 hereof, the Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

ARTICLE 4
COVENANTS

SECTION 4.01. Payment of Notes.

The Issuer shall pay or cause to be paid the principal of, premium, if any, interest on, the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Issuer or a Subsidiary thereof, holds as of 11:00 a.m. Eastern Time on the due date money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due and the Paying Agent is not prohibited from paying such money to the Holders on that date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 4.02. Maintenance of Office or Agency.

(a) The Issuer shall maintain an office or agency (which may be an office of the Trustee or an affiliate of the Trustee or Registrar) where Notes may be presented or surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints Deutsche Bank Trust Company Americas as its agent to receive all such presentations, surrenders, notices and demands.

(b) The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Issuer hereby designates the address of Deutsche Bank Trust Company Americas set forth in Exhibits B and C as one such office or agency of the Issuer in accordance with Section 4.02(a).

SECTION 4.03. Reports.

(a) Parent will file with the SEC or post on a website (which may be nonpublic and may be maintained by Parent or a third party) to which access will be given to the Trustee and the Holders, the annual reports, information, documents and other reports that Parent is required to file with the SEC pursuant to such Section 13(a) or 15(d) or would be so required to file if Parent were so subject; *provided* that the Trustee shall have no responsibility whatsoever to determine whether such filing has occurred. Notwithstanding the foregoing, this covenant does not require any such reports to include information required under Rule 3-10 or 3-16 of Regulation S-X (or any equivalent or successor provisions), Items 2.02 or 2.03 or Sections 3, 5 (except Item 5.01 and 5.02(b) and (c)) or 9 of Form 8-K (or any equivalent or successor provisions) or separate financial statements of Guarantors or the filing or provision of proxy statements or exhibits.

(b) Prior to the Distribution Date, Parent will be deemed to be in compliance with such reporting requirements by virtue of the filing of the Form 10 containing all the information, audit reports and exhibits required for such report.

(c) Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its obligations hereunder for purposes of Section 6.01(4) until 90 days after the date any report hereunder is due.

(d) Delivery of such statements, reports, notices and other information and documents to the Trustee pursuant to any of the provisions of this Section 4.03 is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice or knowledge of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

SECTION 4.04. Compliance Certificate.

(a) The Issuer shall deliver to the Trustee, within 120 days after the end of each fiscal year (commencing with the fiscal year ending December 31, 2018), an Officer's Certificate stating that a review of the activities of the Parent and its Restricted Subsidiaries, including the Issuer, during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether each of the Parent and its Restricted Subsidiaries has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to the Officer signing such certificate, that to the best of his or her knowledge each of the Parent and its Subsidiaries, during such preceding fiscal year, has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action each of the Parent and its Restricted Subsidiaries is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action each of the Parent and its Restricted Subsidiaries is taking or proposes to take with respect thereto. For the purposes of this paragraph, such compliance shall be determined without regard to any grace period or requirement of notice provided under this Indenture.

(b) The Issuer shall, so long as any of the Notes are outstanding, deliver to the Trustee within 30 days upon any Officer becoming aware of any Default or Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action each of the Parent and its Subsidiaries is taking or proposes to take with respect thereto.

SECTION 4.05. [Reserved.].

SECTION 4.06. [Reserved.].

SECTION 4.07. Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock.

(a) Parent shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, “*incur*” and collectively, an “*incurrence*”) with respect to any Indebtedness (including Acquired Indebtedness) and Parent shall not issue any shares of Disqualified Stock and shall not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or, in the case of Restricted Subsidiaries that are not the Issuer or Guarantors, preferred stock; *provided* that Parent may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of preferred stock, if, after giving effect thereto, the Fixed Charge Coverage Ratio of Parent and the Restricted Subsidiaries would be at least 2.00 to 1.00; provided, further, that the amount of Indebtedness, Disqualified Stock and preferred stock that may be incurred pursuant to the foregoing, together with any amounts incurred under Section 4.07(b)(14)(x) by Restricted Subsidiaries that are not the Issuer or Guarantors shall not exceed the greater of (x) \$75 million and (y) 1.75% of Consolidated Total Assets at any one time outstanding.

(b) The foregoing limitations shall not apply to:

(1) Indebtedness incurred pursuant to Credit Facilities by Parent or any Restricted Subsidiary; provided that immediately after giving effect to any such incurrence, the then-outstanding aggregate principal amount of all Indebtedness incurred under this clause (1) does not exceed at any one time \$1,400 million;

(2) Indebtedness represented by the Notes (including any Guarantee thereof, but excluding Indebtedness represented by Additional Notes, if any, or guarantees with respect thereto);

(3) Existing Indebtedness (other than Indebtedness described in clauses (1) and (2) above);

(4) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred stock incurred by Parent or any Restricted Subsidiary, to finance the purchase, lease, construction, installation, repair, replacement or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, including through the direct purchase of assets or the Capital Stock of any Person owning such assets, and all Refinancing Indebtedness (having the meaning set forth in clause (13) below) incurred to Refinance any Indebtedness, Disqualified Stock and preferred stock incurred pursuant to this clause (4), in an aggregate principal amount or liquidation preference which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (4), does not exceed the greater of (x) \$75.0 million and (y) 1.75% of Consolidated Total Assets at the time of incurrence; provided that such Indebtedness (other than Refinancing Indebtedness) exists at the date of such purchase, lease, construction, installation, repair, replacement or improvement or is created prior to or within 270 days of the completion thereof; provided, further that Capitalized Lease Obligations incurred by Parent or any Restricted Subsidiary pursuant to this clause (4) in connection with a Sale and Lease-Back Transaction shall not be subject to the foregoing limitation so long as the proceeds of such Sale and Lease-Back Transaction are used by Parent or such Restricted Subsidiary to permanently repay outstanding Indebtedness of Parent or the Restricted Subsidiaries;

(5) (A) Indebtedness incurred by Parent or any Restricted Subsidiary with respect to letters of credit, bankers’ acceptances, bank guarantees, warehouse receipts or similar facilities issued or entered into in the ordinary course of business or consistent with past practices, including letters of credit in respect of workers’ compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, or other Indebtedness with respect to reimbursement or indemnification obligations regarding workers’ compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, or other reimbursement-type obligations regarding workers’ compensation claims;

(B) (x) Indebtedness in respect of obligations of Parent or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money and (y) Indebtedness in respect of intercompany obligations of Parent or any Restricted Subsidiary in respect of accounts payable incurred in connection with goods sold or services rendered in the ordinary course of business and not in connection with the borrowing of money;

(C) Indebtedness to a customer to finance the acquisition of any equipment necessary to perform services for such customer; provided that the terms of such Indebtedness are consistent with those entered into with respect to similar Indebtedness prior to the Distribution Date, including that (x) the repayment of such Indebtedness is conditional upon such customer ordering a specific volume of goods and (y) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;

(D) to the extent constituting Indebtedness, guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees, lessors and licensees of Parent and any Restricted Subsidiary; or

(E) Indebtedness in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms.

(6) Indebtedness arising from agreements of Parent or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn out or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(7) Indebtedness (i) of Parent to a Restricted Subsidiary or (ii) of a Restricted Subsidiary owing to Parent or another Restricted Subsidiary; provided that if such Indebtedness is incurred by Parent, the Issuer or Guarantor owing to a Restricted Subsidiary that is not the Issuer or a Guarantor, such Indebtedness is subordinated in right of payment to the Notes; provided further that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary to which such indebtedness is owed ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to Parent or another Restricted Subsidiary) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause;

(8) Indebtedness of any Foreign Subsidiary in an aggregate principal amount at any time outstanding not exceeding the greater of (x) \$125 million and (y) 2.85% of Consolidated Total Assets at the time of incurrence;

(9) shares of preferred stock of a Restricted Subsidiary issued to Parent or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of preferred stock (except to Parent or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of preferred stock not permitted by this clause;

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) for the purpose of limiting interest rate risk, exchange rate risk or commodity pricing risk;

(11) Obligations in respect of self-insurance, performance, bid, appeal and surety bonds and completion guarantees and similar obligations provided by Parent or any Restricted Subsidiary or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business;

(12) Indebtedness, Disqualified Stock or preferred stock of Parent or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred stock then outstanding and incurred pursuant to this clause (12), does not at any one time outstanding exceed the greater of (x) \$185 million and (y) 4.25% of Consolidated Total Assets at the time of incurrence;

(13) the incurrence or issuance by Parent or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred stock which serves to Refinance within 90 days following the date of the incurrence or issuance thereof any Indebtedness, Disqualified Stock or preferred stock incurred as permitted under Section 4.07(a) and clauses (2) and (3) above, this clause (13) and clause (14) below or any Indebtedness, Disqualified Stock or preferred stock issued to so Refinance such Indebtedness, Disqualified Stock or preferred stock (the "**Refinancing Indebtedness**") prior to its respective maturity; *provided that*:

(A) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or preferred stock being Refinanced,

(B) to the extent such Refinancing Indebtedness Refinances (i) Indebtedness subordinated to the Notes or any Guarantee of the Notes, such Refinancing Indebtedness is subordinated to the Notes or such Guarantee at least to the same extent as the Indebtedness being Refinanced or (ii) Disqualified Stock or preferred stock, such Refinancing Indebtedness must be Disqualified Stock or preferred stock, respectively,

(C) such Refinancing Indebtedness shall not include Indebtedness, Disqualified Stock or preferred stock of a Subsidiary of Parent that is not the Issuer or a Guarantor that Refinances Indebtedness, Disqualified Stock or preferred stock of the Issuer or a Guarantor; and

(D) the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness shall not exceed the principal amount (or accreted value, if applicable) of the Indebtedness, Disqualified Stock or preferred stock being Refinanced except by an amount no greater than accrued and unpaid interest with respect to such Indebtedness, Disqualified Stock or preferred stock and any reasonable fees, premium and expenses relating to such Refinancing;

and *provided* further that subclause (A) above of this clause (13) shall not apply to any refunding or refinancing of any Secured Indebtedness outstanding;

(14) Indebtedness, Disqualified Stock or preferred stock of (x) Parent or a Restricted Subsidiary incurred or issued to finance an acquisition (in aggregate principal amount not to exceed the purchase price of such acquisition) or (y) Persons that are acquired by Parent or any Restricted Subsidiary or merged into or consolidated with Parent or a Restricted Subsidiary in accordance with the terms of this Indenture (including designating an Unrestricted Subsidiary a Restricted Subsidiary); provided that after giving effect to such acquisition, merger or consolidation, either:

(A) Parent would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.07(a),

(B) the Fixed Charge Coverage Ratio of Parent and the Restricted Subsidiaries is equal to or greater than (i) immediately prior to such acquisition, merger or consolidation or (ii) as of the Distribution Date; or

(C) the Consolidated Total Net Debt Ratio of Parent and the Restricted Subsidiaries is equal to or less than (i) immediately prior to such acquisition, merger or consolidation or (ii) as of the Distribution Date;

(15) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(16) Indebtedness of Parent or any Restricted Subsidiary supported by a letter of credit issued pursuant to any Credit Facility, in a principal amount not in excess of the stated amount of such letter of credit;

(17) (A) any guarantee by Parent or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as, in the case of a guarantee by a Restricted Subsidiary that is not a Guarantor, such Indebtedness could have been incurred directly by the Restricted Subsidiary providing such guarantee, or

(B) any guarantee by a Restricted Subsidiary of Indebtedness of Parent, provided that such guarantee is incurred in accordance with Section 4.13;

(18) Indebtedness of Parent or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements, in each case incurred in the ordinary course of business;

(19) Indebtedness of Parent or any of its Restricted Subsidiaries undertaken in connection with Cash Management Services and related activities for Parent, any of its Subsidiaries or any joint venture to which they are a party in the ordinary course of business;

(20) Indebtedness issued by Parent or any of its Restricted Subsidiaries to future, current or former officers, directors, managers, consultants and employees thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of Parent or any direct or indirect parent company of Parent to the extent described in Section 4.09(b)(4);

(21) Indebtedness of Parent or any of its Restricted Subsidiaries representing deferred compensation to officers, directors, managers, consultants and employees thereof incurred in the ordinary course of business;

(22) Indebtedness consisting of Permitted Liens incurred under clause (35) of the definition thereof; and

(23) Indebtedness incurred by Parent or any Restricted Subsidiary pursuant to any Receivables Facilities.

(c) For purposes of determining compliance with this Section 4.07,

(1) in the event that an item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or preferred stock described in clauses (1) through (23) of Section 4.07(b) or is entitled to be incurred pursuant to Section 4.07(a), Parent, in its sole discretion, may divide, classify or later reclassify (based on circumstances existing on the date of such reclassification) such item of Indebtedness, Disqualified Stock or preferred stock (or any portion thereof) and shall only be required to include the amount and type of such Indebtedness, Disqualified Stock or preferred stock in one of the above clauses of

this Section 4.07(b) or Section 4.07(a); *provided* that all Indebtedness outstanding under the Senior Credit Facilities on the Distribution Date after giving effect to the Transactions will be treated as incurred on the Distribution Date under Section 4.07(b)(1); *provided further* that Parent shall not be permitted to reclassify all or any portion of any Secured Indebtedness unless the Lien is also permitted to be incurred, and is incurred, with respect to such Secured Indebtedness as so reclassified; and

(2) at the time of incurrence, Parent shall be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Sections 4.07(a) and 4.07(b) above.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred stock shall not be deemed to be an incurrence of Indebtedness, Disqualified Stock or preferred stock for purposes of this Section 4.07. Any Refinancing Indebtedness and any Indebtedness incurred to refinance Indebtedness incurred pursuant to clauses (1), (8) and (12) of Section 4.07(b) above shall be permitted to include additional Indebtedness, Disqualified Stock or preferred stock incurred to pay premiums (including reasonable tender premiums), defeasance costs, accrued and unpaid interest, fees and expenses in connection with such refinancing. In the case of any Indebtedness, Disqualified Stock or preferred stock incurred to refinance Indebtedness, Disqualified Stock or preferred stock initially incurred in reliance on the proviso in Section 4.07(a) or clauses (4), (8) or (12) of Section 4.07(b), measured by reference to a percentage of Consolidated Total Assets at the time of incurrence, where such refinancing would cause the percentage of Consolidated Total Assets restriction to be exceeded if calculated based on the percentage of Consolidated Total Assets on the date of such refinancing, such percentage of Consolidated Total Assets restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness, Disqualified Stock or preferred stock does not exceed the principal amount of such Indebtedness being refinanced, plus any additional amounts permitted pursuant to the immediately preceding sentence in connection with such refinancing.

(d) For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness or Liens or the making of any Restricted Payment or Permitted Investments, the U.S. dollar equivalent principal amount of the relevant Indebtedness, Restricted Payment or Investment denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness or Lien was incurred, in the case of term debt, or first committed, in the case of revolving credit debt or such Restricted Payment or Investment was made; *provided* that if such Indebtedness is incurred to Refinance other Indebtedness denominated in another currency, and such Refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being Refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such Refinancing.

(e) The principal amount of any Indebtedness incurred to Refinance other Indebtedness, if incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such Refinancing.

(f) With respect to any Indebtedness, Liens, Restricted Payments or Permitted Investments incurred or made in reliance on a provision that does not require compliance with a financial ratio or test (including, without limitation, any tests based on the Consolidated Total Net Debt Ratio, Consolidated Secured Net Debt Ratio or the Fixed Charge Coverage Ratio) (any such amounts, the “**Fixed Amounts**”) substantially concurrently with any Indebtedness, Liens, or Restricted Payments or Investments incurred or made in reliance on a provision under this Indenture that requires compliance with a financial ratio or test (any such amounts, the “**Incurrence-Based Amounts**”), the Fixed Amounts shall be disregarded in the calculation of the financial ratio or test applicable to the incurrence of the Incurrence-Based Amounts. This Indenture shall not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) Senior Indebtedness or Pari Passu Indebtedness as subordinated or junior to any other Senior Indebtedness or Pari Passu Indebtedness, respectively, merely because it has a junior priority with respect to the same collateral.

SECTION 4.08. [Reserved].

SECTION 4.09. Limitation on Restricted Payments.

(a) Parent shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly:

(1) declare or pay any dividend or make any payment or distribution on account of Parent's or any Restricted Subsidiary's Equity Interests, other than:

(A) dividends or distributions by Parent payable in Equity Interests (other than Dis-qualified Stock) of Parent, or

(B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Subsidiary other than a Wholly-Owned Subsidiary, Parent or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(2) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of Parent or any direct or indirect parent company of Parent, including in connection with any merger or consolidation, in each case held by a person other than Parent or a Restricted Subsidiary;

(3) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness of Parent or any Restricted Subsidiary, other than:

(A) Indebtedness permitted under clauses (7) and (8) of Section 4.07(b); or

(B) the purchase, repurchase or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase, repurchase or acquisition; or

(4) make any Restricted Investment; or

(5) make any payment pursuant to the terms of the Indemnity Documents;

(all such payments and other actions set forth in clauses (1) through (5) above (other than any exception thereto) being collectively referred to as "**Restricted Payments**"), unless, at the time of such Restricted Payment:

(A) (i) no Event of Default shall have occurred and be continuing or would occur as a consequence thereof and (ii) with respect to any payments or other actions set forth in clauses (1) through (4) above, there shall be no outstanding payment obligation pursuant to the terms of the Indemnity Documents;

(B) immediately after giving effect to such transaction on a pro forma basis, Parent could incur \$1.00 of additional Indebtedness under Section 4.07(a); and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Parent and the Restricted Subsidiaries after the Issue Date (including Restricted Payments permitted by clauses (1), (2) (with respect to the payment of dividends on Refunding Capital Stock (as defined below) pursuant to clause (B) thereof only) and (6) of Section 4.09(b), but excluding all other Restricted Payments permitted by Section 4.09(b)), is less than the sum of (without duplication):

(i) 50% of the Consolidated Net Income of Parent for the period (taken as one accounting period) from the first day of the fiscal quarter during which the Issue Date occurs to the end of Parent's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit, plus

(ii) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by Parent, including in connection with any merger or consolidation, since immediately after the Issue Date (other than in connection with the Transactions) from the issue or sale of Equity Interests of Parent, but excluding (x) cash proceeds and the Fair Market Value of marketable securities or other property received from the sale of Equity Interests to any employee, director, manager or consultant of Parent, any direct or indirect parent company of Parent and Parent's Subsidiaries after the Issue Date to the extent such amounts have been applied to Restricted Payments made in accordance with Section 4.09(b)(4), (y) net cash proceeds received from any public offering of common stock or contributed to Parent by any direct or indirect parent of Parent from any public offering of common stock that occurs following the Distribution Date to the extent such amounts have been used for the payment of dividends on Parent's common stock (or the payment of dividends to any direct or indirect parent of Parent to fund the payment by any direct or indirect parent of Parent of dividends on such entity's common stock) made in accordance with Section 4.09(b) (19), and, (z) to the extent such net cash proceeds are actually contributed to Parent, Equity Interests of any direct or indirect parent company of Parent (excluding contributions to the extent such amounts have been applied to Restricted Payments made in accordance with Section 4.09(b)(4)), *provided* that this clause (ii) shall not include the proceeds from (a) Refunding Capital Stock (as defined below), (b) Equity Interests (or Indebtedness that has been converted or exchanged for Equity Interests) of Parent sold to a Restricted Subsidiary, Parent or any employee plan of Parent or any Restricted Subsidiary, as the case may be, (c) Disqualified Stock (or Indebtedness that has been converted or exchanged into Disqualified Stock) or (d) Excluded Contributions, plus

(iii) the amount by which Indebtedness of Parent or the Restricted Subsidiaries is reduced on Parent's consolidated balance sheet upon the conversion or exchange subsequent to the Issue Date of any Indebtedness of Parent or the Restricted Subsidiaries (other than Indebtedness held by Parent or a Subsidiary of Parent) convertible or exchangeable for Capital Stock (other than Disqualified Stock) of Parent (less the amount of any cash, or the Fair Market Value of any other property, distributed by Parent upon such conversion or exchange); plus

(iv) the aggregate amount equal to the net reduction in Investments resulting from (x) the sale or other disposition (other than to Parent or a Restricted Subsidiary) of Restricted Investments made by Parent and the Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from Parent and the Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by Parent or its Restricted Subsidiaries, in each case, after the Issue Date, not to exceed in any such case the aggregate amount of Restricted Investments made by Parent or any Restricted Subsidiary after the Issue Date or (y) dividends, distributions, interest payments, return of capital, repayments of Investments or other transfers of assets to Parent or any Restricted Subsidiary from any Unrestricted Subsidiary, or the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary (valued in each case as provided in the definition of "Investment"), not to exceed in the case of any such Unrestricted Subsidiary the aggregate amount of Investments made by Parent or any Restricted Subsidiary in such Unrestricted Subsidiary after the Issue Date; plus

(v) \$105 million;

provided, however, that the calculation under the immediately preceding clauses (i) through (iv) shall not include any amounts attributable to, or arising in connection with, the Transactions.

(b) The foregoing provisions shall not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of this Indenture;

(2) (A) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("**Retired Capital Stock**") of Parent or any Restricted Subsidiary, or any Equity Interests of any direct or indirect parent company of Parent, in exchange for, or out of the proceeds of a sale (other than to a Restricted Subsidiary) made within 120 days of, Equity Interests of Parent or any direct or indirect parent company of Parent to the extent contributed to Parent (in each case, other than any Disqualified Stock) ("**Refunding Capital Stock**") and

(B) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (6) of this Section 4.09(b), the declaration and payment of dividends on the Refunding Capital Stock in an aggregate amount per year no greater than the aggregate amount of dividends per annum that was declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the prepayment, exchange, redemption, defeasance, repurchase or other acquisition or retirement for value of Subordinated Indebtedness of Parent or a Restricted Subsidiary made in exchange for, or out of the proceeds of a sale made within 120 days of, new Indebtedness of Parent or a Restricted Subsidiary that is incurred in compliance with Section 4.07 so long as:

(A) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on the Subordinated Indebtedness being so prepaid, exchanged, redeemed, defeased, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including reasonable tender premiums), defeasance costs and any reasonable fees and expenses incurred in connection with the issuance of such new Indebtedness,

(B) such new Indebtedness is subordinated to the Notes or the applicable Guarantee at least to the same extent as such Subordinated Indebtedness so prepaid, exchanged, redeemed, defeased, repurchased, acquired or retired for value,

(C) such new Indebtedness has a final scheduled maturity date, or mandatory redemption date, as applicable, equal to or later than the final scheduled maturity date, or mandatory redemption date, of the Subordinated Indebtedness being so prepaid, exchanged, redeemed, defeased, repurchased, exchanged, acquired or retired, and

(D) such new Indebtedness has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, defeased, repurchased, exchanged, acquired or retired;

(4) a Restricted Payment to pay for the repurchase, retirement, cancellation or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of Parent, any Subsidiary of Parent or any direct or indirect parent company of Parent held by any future, present or former employee, director, manager, officer or consultant of Parent, any of its Subsidiaries or any direct or indirect parent company of Parent pursuant to any equity plan or stock option plan or any other benefit plan or agreement, or any stock subscription or shareholder agreement (including any principal and interest payable on any notes issued by Parent or any direct or indirect parent company of Parent in connection with such repurchase, retirement or other acquisition), including any Equity Interests rolled over by management of Parent or any direct or indirect parent company of Parent in connection with the Transactions; *provided*, that the aggregate Restricted Payments made under this clause (4) do not exceed in any calendar year the greater of (x) \$25.0 million and (y) 0.75% of Consolidated Total Assets (with unused amounts being carried over to the succeeding fiscal years, subject to an aggregate cap of up to \$50 million in any fiscal year under this clause (4)); *provided further* that such amount in any calendar year may be increased by an amount not to exceed:

(A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of Parent and, to the extent contributed to Parent, the cash proceeds from the sale of Equity Interests of any direct or indirect parent company of Parent, in each case to any future, present or former employees, directors, managers or consultants of Parent, any of its Subsidiaries or any direct or indirect parent company of Parent that occurs after the Issue Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (C) of Section 4.09(a); plus

(B) the cash proceeds of key man life insurance policies received by Parent and the Restricted Subsidiaries after the Issue Date, less

(C) the amount of any Restricted Payments previously made pursuant to clauses (A) and (B) of this Section 4.09(b)(4);

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A) and (B) of this Section 4.09(b)(4) in any calendar year; and *provided further* that cancellation of Indebtedness owing to Parent or any Restricted Subsidiary from any future, present or former employees, directors, managers or consultants of Parent (or any permitted transferee thereof), any direct or indirect parent company of Parent or any Restricted Subsidiary in connection with a repurchase of Equity Interests of Parent or any direct or indirect parent company of Parent shall not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Indenture;

(5) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Parent or any Restricted Subsidiary or any class or series of preferred stock of any Restricted Subsidiary, in each case, issued in accordance with Section 4.07 to the extent such dividends are included in the definition of Fixed Charges;

(6) the declaration and payment of dividends on Refunding Capital Stock that is preferred stock in excess of the dividends declarable and payable thereon pursuant to Section 4.09(b)(2); *provided* that, for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of the declaration of such dividends on Refunding Capital Stock, after giving effect to such issuance or declaration on a *pro forma* basis, Parent and the Restricted Subsidiaries on a consolidated basis would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries and joint ventures having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding (the amount at the time outstanding calculated without giving effect to the sale of an Unrestricted Subsidiary or joint venture to the extent the proceeds of such sale do not consist of cash, Cash Equivalents or marketable securities), not to exceed the greater of (x) \$50.0 million and (y) 1.25% of Consolidated Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) payments made or expected to be made by Parent or any Restricted Subsidiary in respect of withholding or similar Taxes payable upon exercise of Equity Interests by any future, present or former employee, director, manager or consultant and repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(9) [Reserved];

(10) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (10) not to exceed \$100 million; *provided* that, at the time of any such Restricted Payment made pursuant to this clause (10), (x) there shall be no outstanding payment obligation pursuant to the terms of the Indemnity Documents unless such Restricted Payment will be applied to satisfy all or a portion of such outstanding payment obligation, and (y) \$50 million of such Restricted Payments made pursuant to this clause (10) are used only for payments of Accrued Amounts for so long as the Indemnity Agreement remains outstanding; *provided further*, that immediately after giving effect to any such Restricted Payment made pursuant to this clause (10), on a pro forma basis, Parent could incur \$1.00 of additional Indebtedness under the provisions of Section 4.07(a);

(11) distributions or payments of Receivables Fees;

(12) repurchases of Capital Stock deemed to occur upon the exercise, conversion or exchange of stock options, warrants, other rights to acquire Capital Stock or other convertible or exchangeable securities if such Capital Stock represents all or portion of the exercise price thereof or withholding Taxes payable with respect thereto;

(13) the repurchase, redemption or other acquisition for value of Equity Interests of Parent deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of Parent, or upon the exercise, conversion or exchange of any stock options, warrants, other rights to purchase Capital Stock or other convertible or exchangeable securities, in each case, permitted under this Indenture;

(14) the distribution, by dividend or otherwise, of shares of Capital Stock or other securities of, or Indebtedness owed to Parent or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash or Cash Equivalents);

(15) (i) for any taxable period for which Parent and/or any of its Subsidiaries are members of a consolidated, combined or similar income tax group for U.S. federal and/or applicable state, local or non-U.S. income or Tax purposes of which Parent is the common parent, Restricted Payments may be made in an amount not in excess of the U.S. federal, state, local or non-U.S. income Taxes that Parent and/or its applicable Subsidiaries would have paid had Parent and/or such Subsidiaries been a stand-alone taxpayer (or a stand-alone group); *provided* that Restricted Payments by Parent or a Restricted Subsidiary in respect of an Unrestricted Subsidiary shall be permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to Parent or any of its Restricted Subsidiaries for such purpose and (ii) payments pursuant to and required under the Tax Matters Agreement;

(16) payments or distributions to satisfy dissenters' rights, pursuant to or in connection with a consolidation, merger or transfer of assets that complies with Article 5 hereof;

(17) any Restricted Payments attributable to, or arising in connection with, (i) the Transactions, including the Distribution Date Payment and the Post-Distribution Debt Payment and (ii) any other transactions pursuant to agreements or arrangements in effect on the Distribution Date on

substantially the terms described in the Offering Memorandum or any amendment, modification or supplement thereto or replacement thereof, as long as the terms of such agreement or arrangement, as so amended, modified, supplemented or replaced is not materially more disadvantageous to Parent and the Restricted Subsidiaries, taken as a whole, than the terms of such agreement or arrangement described in the Offering Memorandum;

(18) any payments required to be made pursuant to the terms of the Indemnity Documents, subject to such payments not exceeding \$140 million in respect of any calendar year; provided, that to the extent Cash True-Up Payments (as defined in the Indemnity Agreement in effect as of the Issue Date) in respect of a calendar year are payable on the True-Up Payment Date (as defined in the Indemnity Agreement in effect as of the Issue Date) occurring in the immediately succeeding calendar year, in each case excluding any amounts resulting from a late payment fee or a Payment Deferral (as defined in the Indemnity Agreement in effect as of the Issue Date), such Cash True-Up Payments shall count against the \$140 million basket for such prior calendar year as if it had been made on December 31 of such prior calendar year; provided, that immediately after giving effect to any such Restricted Payment made pursuant to this clause (18), (x) on a pro forma basis, Parent could incur \$1.00 of additional Indebtedness under the provisions of Section 4.07(a) and (y) no Event of Default specified under Section 6.01 (1), (2) or (7) shall have occurred and be continuing;

(19) the declaration and payment of dividends on Parent's common stock (or the payment of dividends to any direct or indirect parent of Parent to fund the payment by any direct or indirect parent of Parent of dividends on such entity's common stock) of up to 6.0% per annum of the net cash proceeds received by Parent from any public offering of common stock or contributed to Parent by any direct or indirect parent of Parent from any public offering of common stock that occurs following the Distribution Date, other than public offerings with respect to Parent's common stock registered on Form S-4 or S-8 or successor form thereto and other than any public sale constituting Excluded Contributions;

(20) Restricted Payments that are made with Excluded Contributions;

(21) any Restricted Payment so long as immediately after giving effect to the making thereof, the Consolidated Total Net Debt Ratio of Parent and the Restricted Subsidiaries is equal to or less than 1.75 to 1.00 so long as there shall be no outstanding payment obligation pursuant to the terms of the Indemnity Documents unless such Restricted Payment will be applied to satisfy all or a portion of such outstanding payment obligation; and

(22) the declaration and payment of dividends on Parent's common shares after the Distribution Date, not to exceed \$75 million in any twelve-month period;

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (6), (10) and (14) of this Section 4.09(b), no Default shall have occurred and be continuing.

(c) If any Restricted Payment or Investment (or a portion thereof) would be permitted pursuant to one or more provisions of Section 4.09 and/or one or more of the exceptions contained in the definition of "Permitted Investments," Parent may divide and classify such Investment or Restricted Payment (or a portion thereof) in any manner that complies with Section 4.09 and may later divide and reclassify any such Investment or Restricted Payment so long as the Investment or Restricted Payment (as so divided and/or reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

(d) As of the Issue Date, all of Parent's Subsidiaries shall be Restricted Subsidiaries. Parent shall not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by Parent and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated shall be deemed to be Restricted Payments in an amount determined as set forth in the definition of "Investment." Such designation shall be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to Section 4.09 or under the definition of "Permitted Investments," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries shall not be subject to any of the restrictive covenants set forth in this Indenture.

SECTION 4.10. Liens.

Parent shall not, and shall not permit the Issuer or any Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) that secures obligations under any Indebtedness or any related Guarantee on any asset or property of Parent, the Issuer or any Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless the Notes (or the related Guarantee in the case of Liens of a Guarantor) are equally and ratably secured with (or, in the event the Lien relates to Subordinated Indebtedness, are secured on a senior basis to) the obligations so secured. Any Lien created for the benefit of the Holders of the Notes pursuant to this Section 4.10 shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon (i) the release and discharge of the Lien that gave rise to the obligation to secure the Notes (the “**Initial Lien**”) or (ii) any sale, exchange or transfer to any Person not an Affiliate of Parent of the property or assets secured by the Initial Lien, or of all of the Capital Stock held by Parent or any Restricted Subsidiary in, or all or substantially all the assets of, any Guarantor creating such Initial Lien.

SECTION 4.11. Change of Control.

(a) If a Change of Control occurs after the Distribution Date, unless the Issuer has, prior to or concurrently with the time the Issuer is required to make a Change of Control Offer (as defined below), delivered electronically or mailed a redemption notice with respect to all the Outstanding Notes pursuant to Article 3 or Section 8.06, the Issuer shall make an offer to purchase all of the Notes pursuant to the offer described below (the “**Change of Control Offer**”) at a price in cash (the “**Change of Control Payment**”) equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding the date of purchase, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date. No later than 30 days following any Change of Control, the Issuer shall send notice of such Change of Control Offer by first class mail or overnight mail, with a copy to the Trustee sent in the same manner, to each Holder of Notes to the address of such Holder appearing in the security register with a copy to the Trustee or otherwise in accordance with the procedures of the Depository, with the following information:

- (1) that a Change of Control Offer is being made pursuant to this Section 4.11 and that all Notes properly tendered pursuant to such Change of Control Offer shall be accepted for payment by the Issuer;
- (2) the purchase price and the purchase date, which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed or sent (the “**Change of Control Payment Date**”);
- (3) that any Note not properly tendered shall remain outstanding and continue to accrue interest;
- (4) that, unless the Issuer defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest on the Change of Control Payment Date;
- (5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer shall be required to surrender the Notes, with the form entitled “Option of Holder to Elect Purchase” on the reverse of the Notes completed, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;
- (6) that Holders shall be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes; *provided* that the paying agent receives, not later than the expiration time of the Change of Control Offer, electronic transmission (in PDF), facsimile transmission or letter (sent in the same manner provided in the Change of Control Offer) setting forth the name of the Holder of the Notes, the principal amount of Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7) that if the Issuer is purchasing less than all of the Notes, the Holders of the remaining Notes will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered. The unpurchased portion of the Notes must be equal to \$2,000 or an integral multiple of \$1,000 in excess thereof;

(8) if such notice is delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control and if applicable, shall state that, in the Issuer's discretion, the Change of Control Payment Date may be delayed until such time as the Change of Control shall occur, or that such redemption may not occur and such notice may be rescinded in the event that the Issuer shall determine that such condition will not be satisfied by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed; and

(9) the other instructions, as determined by us, consistent with this Section 4.11, that a Holder must follow.

(b) While the Notes are in the form of Global Notes and the Issuer makes an offer to purchase all of the Notes pursuant to the Change of Control Offer, a Holder shall exercise its option to elect for the purchase of the Notes through the facilities of the Depository subject to its rules and regulations.

(c) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(d) On the Change of Control Payment Date, the Issuer shall, to the extent permitted by law,

(1) accept for payment all Notes issued by it or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the paying agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the Notes so accepted together with an Officer's Certificate stating that all Notes or portions thereof have been tendered to and purchased by the Issuer.

(e) In the event that the Issuer makes a Change of Control Payment, the paying agent shall promptly mail or pay by wire transfer to each Holder of the Notes the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate a new Note (or cause to be transferred by book entry) equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note shall be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof. Parent shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(f) The Issuer shall not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuer and purchases all such Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of the making of such Change of Control Offer.

(g) If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right, upon not less than 10 days nor more than 60 days' prior notice, provided that such notice is given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase on a date (the "**Second Change of Control Payment Date**") at a price in cash equal to the applicable Change of Control Payment in respect of the Second Change of Control Payment Date.

(h) The provisions under this Section 4.11 related to the Issuer's obligations to make a Change of Control Offer may be waived or modified with the written consent of the Holders of a majority in principal amount of the Notes.

SECTION 4.12. Corporate Existence.

Except as otherwise permitted by Article 5 hereof, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 4.13. Future Guarantors.

(a) On and after the Escrow Release Date, Parent shall cause each of its Restricted Subsidiaries that incurs any Indebtedness, or guarantees the payment of any Indebtedness incurred, pursuant to the Senior Credit Facilities to, within 30 days of such incurrence or guarantee, execute and deliver a supplemental indenture, substantially in the form attached as Exhibit D hereto, to this Indenture providing for a Guarantee by such Subsidiary. Further, Parent may cause any Restricted Subsidiary to become a Guarantor at its election.

(b) Any such Guarantee shall be released in accordance with Article 10.

SECTION 4.14. Limitations on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

Parent shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(a) (1) pay dividends or make any other distributions to Parent or any Restricted Subsidiary on its Capital Stock or (2) pay any Indebtedness owed to Parent or any Restricted Subsidiary;

(b) make loans or advances to Parent or any Restricted Subsidiary; or

(c) sell, lease or transfer any of its properties or assets to Parent or any Restricted Subsidiary,

except (in each case) for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date or the Distribution Date, if on substantially the terms described in the Offering Memorandum, including those arising under the Senior Credit Facilities, this Indenture, the Notes and the Guarantees;

(2) purchase money obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (c) above on the property so acquired;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by or merged or consolidated with or into Parent or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated;

(5) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of Parent pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(6) Secured Indebtedness otherwise permitted to be incurred pursuant to Sections 4.07 and 4.10 that apply only to the assets securing such Indebtedness;

(7) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(8) other Indebtedness, Disqualified Stock or preferred stock of Restricted Subsidiaries permitted to be incurred subsequent to the Issue Date pursuant to Section 4.07;

(9) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture;

(10) customary provisions contained in agreements and instruments, including but not limited to leases, subleases, licenses, sublicenses or similar agreements, in each case, entered into in the ordinary course of business;

(11) customary provisions that arise or are agreed to in the ordinary course of business and do not detract from the value of property or assets of Parent or any Restricted Subsidiary in any manner material to Parent or such Restricted Subsidiary;

(12) Hedging Obligations;

(13) restrictions created in connection with any Receivables Facility that, in the good faith determination of the Board of Directors of Parent, are necessary or advisable to effect in connection with such Receivables Facility; and

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of Parent's Board of Directors, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this Section 4.14: (i) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common equity shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to Parent or a Restricted Subsidiary to other Indebtedness incurred by Parent or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

SECTION 4.15. Asset Sales.

(a) Parent shall not, and shall not permit any Restricted Subsidiary to, consummate, directly or indirectly, an Asset Sale, unless:

(1) Parent or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration from such Asset Sale and all other Asset Sales since the Issue Date, on a cumulative basis received by Parent or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the amount of:

(A) any liabilities (as reflected on Parent's most recent consolidated balance sheet, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on Parent's consolidated balance sheet if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by Parent) of Parent, other than liabilities that are by their terms subordinated to the Notes, that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale) and for which Parent and all such Restricted Subsidiaries have been validly released by all applicable creditors in writing,

(B) any securities, notes or other obligations or assets received by Parent or such Restricted Subsidiary from such transferee that are converted by Parent or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale, and

(C) any Designated Non-cash Consideration received by Parent or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (C) not to exceed the greater of \$50 million and 1.25% of Consolidated Total Assets at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be cash for purposes of this provision and for no other purpose.

(b) Within 365 days after Parent's or any Restricted Subsidiary's receipt of the Net Proceeds of any Asset Sale (the "***Asset Sale Proceeds Application Period***"), Parent or such Restricted Subsidiary, at its option, may apply the Net Proceeds from such Asset Sale:

(1) To repay, prepay, purchase, repurchase or redeem any Senior Indebtedness (including the Senior Credit Facilities) of the Issuer or any Guarantor, or any Indebtedness that would appear as a liability upon a balance sheet of a Restricted Subsidiary that is not a Guarantor (in each case other than Indebtedness owed to Parent or a Restricted Subsidiary); provided, however, that in connection with any repayment, prepayment, purchase, repurchase or redemption of Indebtedness pursuant to this clause (1), Parent or such Restricted Subsidiary will retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so repaid, prepaid, purchased, repurchased or redeemed; or

(2) to reinvest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Proceeds received by Parent or another Restricted Subsidiary) within 365 days from the later of the date of such Asset Sale and the date of receipt of such Net Proceeds, provided that Parent and its Restricted Subsidiaries shall be deemed to have complied with this clause (2) if and to the extent that, within 365 days after the Asset Sale that generated the Net Proceeds, Parent or such Restricted Subsidiary has entered into and not abandoned or rejected a binding agreement to consummate any such investment described in this clause (2) with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an “*Acceptable Commitment*”) and, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in connection therewith, Parent or such Restricted Subsidiary enters into another Acceptable Commitment (a “*Second Commitment*”) within 180 days of such cancellation or termination; provided further that if any Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute Excess Proceeds; or

(3) any combination of the foregoing.

(c) Within ten Business Days after the date that the balance of any Net Proceeds not invested or applied in the timeframe and as permitted by clauses (1), (2) and (3) of Section 4.15(b) (any such Net Proceeds, whether from one or more Asset Sales, “*Excess Proceeds*”) exceeds \$75.0 million, the Issuer shall make an offer to all Holders of the Notes, and, if the Issuer or any Guarantor elects, or is required by the terms of any Pari Passu Indebtedness of any such Issuer or Guarantor, to the holders of such Pari Passu Indebtedness (an “*Asset Sale Offer*”), to purchase the maximum aggregate principal amount of Notes and such Pari Passu Indebtedness (with respect to the Notes only) in denominations of \$2,000 initial principal amount and multiples of \$1,000 thereafter, that may be purchased out of the Excess Proceeds at an offer price, in the case of the Notes, in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in this Indenture. In the event that Parent or a Restricted Subsidiary prepays any Pari Passu Indebtedness that is outstanding under a revolving credit or other committed loan facility pursuant to an Asset Sale Offer, Parent or such Restricted Subsidiary shall cause the related loan commitment to be permanently reduced in an amount equal to the principal amount so prepaid.

The Issuer shall commence an Asset Sale Offer for the Notes by transmitting electronically or by mailing the notice required pursuant to the terms of this Indenture, with a copy to the Trustee. To the extent that the aggregate amount of Notes and, if applicable, Pari Passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds (or, in the case of an Asset Sale Offer being effected in advance of being required to do so by this Indenture, the amount of Net Proceeds to be applied in such Asset Sale Offer), the Issuer may use any remaining Excess Proceeds (or such amount offered) in any manner not prohibited by this Indenture. If the aggregate principal amount of Notes and, if applicable, Pari Passu Indebtedness surrendered in an Asset Sale Offer exceeds the amount of Excess Proceeds, the Issuer shall determine the aggregate principal amount of Notes to be purchased or repaid on a pro rata basis based on the accreted value or principal amount of the Notes or such Pari Passu Indebtedness tendered, and (in the event the Notes are in certificated form) the Notes to be purchased or repaid will be selected on a pro rata basis based on the accreted value or principal amount of the Notes tendered or by lot or such similar method or (if the Notes are in global form) in accordance with the procedures of the Depository; *provided* that no Notes of \$2,000 or less shall be repurchased in part. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero, and in the case of an Asset Sale Offer being effected in advance of being required to do so by this Indenture, the amount of Net Proceeds to be applied in such Asset Sale Offer shall be excluded in subsequent calculations of Excess Proceeds.

(d) Pending the final application of any Net Proceeds pursuant to this Section 4.15, Parent or the applicable Restricted Subsidiary may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise use such Net Proceeds in any manner not prohibited by this Indenture.

(e) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

SECTION 4.16. Limitation on Guarantee of Indemnity Agreement. Parent will not, and will not permit any Subsidiary to, directly or indirectly, guarantee any obligation of the Indemnitor pursuant to the Indemnity Documents, unless such guarantee is subordinated in right of payment to the Notes and otherwise incurred in compliance with the applicable provisions of this Indenture. Notwithstanding anything to the contrary in this Indenture, any such guarantee of any obligation of the Indemnitor pursuant to the Indemnity Documents shall be on an unsecured basis, and Parent will not, and will not permit any Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien that secures any obligations of the Indemnitor pursuant to the Indemnity Documents.

SECTION 4.17. Limitations on Transactions with Affiliates.

Parent shall not, and shall not permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of Parent (each of the foregoing, an “*Affiliate Transaction*”) involving aggregate payments or consideration in excess of \$25.0 million, unless:

(1) such Affiliate Transaction is on terms that are not materially less favorable to Parent or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Parent or such Restricted Subsidiary with an unrelated Person on an arm’s-length basis; and

(2) in the case of an Affiliate Transaction including aggregate payments or consideration in excess of \$50.0 million, the Issuer delivers to the Trustee a resolution adopted by the majority of the Board of Directors of Parent approving such Affiliate Transaction and set forth in an Officer’s Certificate certifying that such Affiliate Transaction complies with clause (1) above.

(b) The foregoing provisions shall not apply to the following:

(1) (i) transactions between or among Parent or any of the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction and (ii) any merger or consolidation of Parent or any direct or indirect parent of Parent; provided that such parent company shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of Parent and such merger or consolidation is otherwise in compliance with the terms of this Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by Section 4.09 and the definition of “Permitted Investments”;

(3) the payment of reasonable and customary fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided on behalf of, or for the benefit of, former, current or future officers, directors, managers, employees or consultants of Parent, any direct or indirect parent company of Parent or any Restricted Subsidiary;

(4) transactions in which Parent or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to Parent or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable to Parent or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Parent or such Restricted Subsidiary with an unrelated Person on an arm’s-length basis;

(5) transactions pursuant to agreements or arrangements in effect on the Distribution Date or, on substantially the terms described in the Offering Memorandum or pursuant to the Spin-Off Documents (including the Transactions, all transactions in connection therewith (including but not limited to the financing thereof), and all fees and expenses paid or payable in connection with the Transactions) or any amendment, modification or supplement thereto or replacement thereof, as long as such agreement or arrangement, as so amended, modified, supplemented or replaced is not materially more disadvantageous to Parent, the Issuer and the Restricted Subsidiaries, taken as a whole, than the agreement or arrangement in existence on the Distribution Date or pursuant to the Spin-Off Documents;

(6) the existence of, or the performance by Parent or any Restricted Subsidiary of its obligations under the terms of, any stockholders agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date or the Distribution Date (on substantially the terms described in the Offering Memorandum) and any similar agreements which it may enter into thereafter; provided that the existence of, or the performance by Parent or any Restricted Subsidiary of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date or the Distribution Date, as applicable, shall only be permitted by this clause (6) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders in any material respect when taken as a whole;

(7) any transaction in the ordinary course of business and otherwise in compliance with the terms of this Indenture that is fair to Parent and the Restricted Subsidiaries, in the reasonable determination of the Board of Directors of Parent or the senior management thereof, or is on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(8) the issuance or transfer of Equity Interests (other than Disqualified Stock) of Parent and the granting and performance of customary registration rights;

(9) sales of accounts receivable, or participations therein or other transactions, in connection with any Receivables Facility;

(10) payments, loans, advances or guarantees (or cancellation of loans, advances or guarantees) to employees, directors, managers or consultants of Parent, any direct or indirect parent company of Parent or any Restricted Subsidiary and employment agreements, stock option plans and other similar arrangements with such employees, directors, manager or consultants which, in each case, are approved by Parent in good faith;

(11) payments to any future, current or former employee, director, manager, officer, manager or consultant of Parent, any of its Subsidiaries or any direct or indirect parent company of Parent pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement; and any employment and severance arrangements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, managers or consultants that are, in each case, approved by Parent in good faith;

(12) any transaction with a Person (other than an Unrestricted Subsidiary) which would constitute an Affiliate Transaction solely because Parent or a Restricted Subsidiary owns an Equity Interest in or otherwise controls such Person;

(13) any lease entered into between Parent or any Restricted Subsidiary, as lessee, and any Affiliate of Parent, as lessor, in the ordinary course of business;

(14) intellectual property licenses in the ordinary course of business;

(15) transactions between Parent or any of its Restricted Subsidiaries and any Person that would constitute an Affiliate Transaction solely because a director of such Person is also a director of Parent or any other direct or indirect parent of Parent; provided, however, that such director abstains from voting as a director of Parent or such direct or indirect parent of Parent, as the case may be, on any matter involving such other Person;

- (16) pledges of Equity Interests of Unrestricted Subsidiaries;
- (17) transactions with joint ventures entered into in the ordinary course of business, or approved by a majority of the Board of Directors of Parent;
- (18) payments made pursuant to any customary tax consolidation and grouping arrangements; and
- (19) transactions contemplated under Section 4.07(b)(19).

SECTION 4.18. Suspension of Covenants.

(a) During any period of time following the Issue Date that: (1) the Notes have Investment Grade Ratings from both Rating Agencies and (2) no Default has occurred and is continuing under this Indenture (the occurrence of the events described in the foregoing clauses (1) and (2) being collectively referred to as a “**Covenant Suspension Event**”), Parent and the Restricted Subsidiaries shall not be subject to the following provisions of this Indenture:

- (A) Section 4.07;
- (B) Section 4.09;
- (C) Section 4.13;
- (D) Section 4.14;
- (E) Section 4.15;
- (F) Section 4.16;
- (G) Section 4.17; and
- (H) clause (a)(4) of Section 5.01.

(collectively, the “**Suspended Covenants**”). Solely for the purpose of determining the amount of Permitted Liens under Section 4.10 during any Suspension Period (as defined below) and without limiting Parent’s or any Restricted Subsidiary’s ability to incur Indebtedness during any Suspension Period, to the extent that calculations in Section 4.10 (including the definition of “Permitted Liens”) refer to Section 4.07, such calculations shall be made as though Section 4.07 remains in effect during the Suspension Period. Upon the occurrence of a Covenant Suspension Event (the date of such occurrence, the “**Suspension Date**”), the amount of Excess Proceeds shall be set at zero. In the event that Parent and the Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the “**Reversion Date**”) one or both of the Rating Agencies withdraws its Investment Grade Rating or downgrades the rating assigned to the Notes below an Investment Grade Rating, then Parent and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the “Suspension Period.” Notwithstanding that the Suspended Covenants may be reinstated, no Default or breach of any kind shall be deemed to exist under this Indenture, the Notes or the Guarantees with respect to the Suspended Covenants, and none of Parent or any of its Restricted Subsidiaries shall bear any liability for any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising during the Suspension Period, as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period). Parent shall provide an Officer’s Certificate to the

Trustee indicating the occurrence of any Suspension Date or Reversion Date. The Trustee shall have no obligation to independently determine or verify if such events have occurred or notify the Holders of any Suspension Date or Reversion Date. The Trustee may provide a copy of such Officer's Certificate to any Holder of Notes upon request.

(b) On the Reversion Date, all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period shall be deemed to have been incurred or issued on the Issue Date, so that it is classified as permitted pursuant to Section 4.07(b)(3). Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 4.09 shall be made as though Section 4.09 had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 4.09(a) and the items specified in Section 4.09(a)(C)(i) through (C)(iv) if occurring during the Suspension Period will increase the amount available to be made as Restricted Payments under such section. No Subsidiaries shall be designated as Unrestricted Subsidiaries during any Suspension Period. Any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant Section 4.17(b)(6). Any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in Section 4.14(a) through (c) that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to the exception contained in paragraph (1) of Section 4.14.

(c) The Issuer shall give the Trustee prompt (and in any event not later than five Business Days after a Covenant Suspension Event) written notice of any Covenant Suspension Event. In the absence of such notice, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. The Issuer shall give the Trustee prompt (and in any event not later than five Business Days after a Covenant Suspension Event) written notice of any occurrence of a Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect.

ARTICLE 5 MERGER, CONSOLIDATION OR SALE OF ALL OR SUBSTANTIALLY ALL ASSETS

SECTION 5.01. Issuer and Parent May Consolidate, Etc., Only on Certain Terms.

(a) The Issuer shall not consolidate or merge with or into or wind up into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) (i) the Issuer is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia (in each of (i) and (ii), such Person, as the case may be, being herein called the "**Successor Issuer**");

(2) the Successor Issuer, if other than the Issuer, expressly assumes all the obligations of the Issuer under this Indenture and the Notes pursuant to supplemental indentures or other documents or instruments in form and substance reasonably satisfactory to the Trustee;

(3) immediately after such transaction, no Default exists;

(4) immediately after giving pro forma effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the Applicable Measurement Period,

(A) Parent would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.07(a) or

(B) the Fixed Charge Coverage Ratio for Parent and the Restricted Subsidiaries would be equal to or greater than the Fixed Charge Coverage Ratio for Parent and the Restricted Subsidiaries immediately prior to such transaction;

(5) in the case of Section 5.01(a)(1)(ii), each Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under this Indenture and the Notes; and

(6) in the case of Section 5.01(a)(1)(ii), the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with this Indenture and an Opinion of Counsel stating that this Indenture constitutes the legal, valid, binding and enforceable obligation of the Issuer or Successor Issuer, as applicable.

(b) Parent will not consolidate or merge with or into or wind up into (whether or not Parent is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) (i) Parent is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger (if other than Parent) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia (in each of (i) and (ii), such Person, as the case may be, being herein called the "**Successor Parent**");

(2) the Successor Parent, if other than Parent, expressly assumes all the obligations of Parent under this Indenture pursuant to supplemental indentures or other documents or instruments in form and substance reasonably satisfactory to the Trustee;

(3) immediately after such transaction, no Default exists;

(4) immediately after giving pro forma effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the Applicable Measurement Period,

(A) the Successor Parent would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set for in Section 4.07(a), or

(B) the Fixed Charge Coverage Ratio for the Successor Parent and the Restricted Subsidiaries would be equal to or greater than the Fixed Charge Coverage Ratio for Parent and the Restricted Subsidiaries immediately prior to such transaction;

(5) in the case of Section 5.01(a)(1)(ii), each Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under this Indenture and the Notes; and

(6) in the case of Section 5.01(a)(1)(ii), Parent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with this Indenture and an Opinion of Counsel stating that this Indenture and the Guarantee, as applicable, constitute legal, valid, binding and enforceable obligations of Parent or Successor Parent, as applicable.

(c) The Successor Issuer or Successor Parent, as the case may be, will succeed to, and be substituted for, the Issuer, as applicable in the case of the Successor Issuer, or Parent, in the case of the Successor Parent, under this Indenture and the Notes and the Issuer or Parent, as applicable, will automatically be released and discharged from its obligations under this Indenture and the Notes.

(d) Notwithstanding clauses (3) and (4) of Section 5.01(a) or Section 5.01(b):

(1) any Restricted Subsidiary may consolidate with, merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Issuer or any Guarantor or, in the case of a Restricted Subsidiary that is not a Guarantor, any Restricted Subsidiary;

(2) the Issuer or Parent may consolidate or merge with or into or transfer all or substantially all its properties and assets to an Affiliate incorporated or organized solely for the purpose of reincorporating or reorganizing the Issuer or Parent in another jurisdiction within the laws of the United States, any state thereof or the District of Columbia; and

(3) the Transactions and all transactions in connection therewith shall be permitted.

SECTION 5.02. Subsidiary Guarantors May Consolidate, Etc., Only on Certain Terms. Subject to Section 10.05, no Subsidiary Guarantor shall, and Parent shall not permit any such Subsidiary Guarantor to, consolidate or merge with or into or wind up into (whether or not such Subsidiary Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) (A) (i) such Subsidiary Guarantor is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the United States, any state thereof or the District of Columbia (in each of (i) and (ii), such Person, as the case may be, being herein called the "**Successor Person**");

(B) The Successor Person, if other than such Subsidiary Guarantor, expressly assumes all the obligations of such Subsidiary Guarantor under the Indenture and such Subsidiary Guarantor's related Guarantee pursuant to supplemental indentures or other documents or instruments in form and substance reasonably satisfactory to the Trustee;

(C) immediately after such transaction, no Default exists; and

(D) except in the case of Section 5.02(1)(A)(i), Parent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with this Indenture and an Opinion of Counsel stating that this Indenture and the Guarantees, as applicable, constitute legal, valid, binding and enforceable obligations of the applicable Subsidiary Guarantor, subject to customary exceptions; or

(2) the transaction is an Asset Sale that is made in compliance with Section 4.15.

Subject to Section 10.05, the Successor Person shall succeed to, and be substituted for, such Subsidiary Guarantor under this Indenture and such Subsidiary Guarantor's Guarantee and such Subsidiary Guarantor will automatically be released and discharged from its obligations under this Indenture and such Subsidiary Guarantor's Guarantee. Notwithstanding the foregoing, any Subsidiary Guarantor may (i) merge into or transfer all or part of its properties and assets to another Guarantor or the Issuer, (ii) merge with an Affiliate of the Issuer solely for the purpose of reincorporating or reorganizing the Subsidiary Guarantor under the laws of the United States, any state thereof or the District of Columbia so long as the amount of Indebtedness of Parent and its Restricted Subsidiaries is not increased thereby or (iii) convert into a Person organized or existing under the laws of a jurisdiction in the United States.

ARTICLE 6
REMEDIES

SECTION 6.01. Events of Default. “*Event of Default*,” wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Notes issued under this Indenture;

(2) default for 30 days or more in the payment when due of interest on or with respect to the Notes issued under this Indenture;

(3) the failure to perform or comply with any of the provisions described under Article 5 hereof;

(4) the failure by Parent or any Restricted Subsidiary for 60 days after the receipt of written notice given by the Trustee or the Holders of not less than 25% in principal amount of the Notes then outstanding (with a copy to the Trustee) to comply with any of its obligations, covenants or agreements (other than a default referred to in clauses (1), (2) and (3) above) contained in this Indenture or the Notes;

(5) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by Parent or any Restricted Subsidiary or the payment of which is guaranteed by Parent or any Restricted Subsidiary, other than Indebtedness owed to Parent or any Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Notes, if both:

(A) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity and

(B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregate \$100.0 million or more at any one time outstanding;

(6) the failure by Parent or any Significant Subsidiary to pay final judgments aggregating in excess of \$100.0 million (net of amounts covered by insurance policies issued by reputable insurance companies), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(7) any of the following events with respect to Parent, the Issuer or any Significant Subsidiary:

(A) Parent, the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case;

- (ii) consents to the entry of an order for relief against it in an involuntary case;
 - (iii) consents to the appointment of a custodian of it or for all or substantially all of its property;
 - (iv) takes any comparable action under any foreign laws relating to insolvency; or
- (B) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (i) is for relief against Parent, the Issuer or any Significant Subsidiary in an involuntary case;
 - (ii) appoints a custodian of Parent, the Issuer or any Significant Subsidiary or all or substantially all of its property; or
 - (iii) orders the winding up or liquidation of Parent, the Issuer or any Significant Subsidiary;
- and the order or decree remains unstayed and in effect for 60 days;

(8) the Guarantee of any Guarantor that is a Significant Subsidiary shall for any reason cease to be in full force (except as contemplated by the terms thereof or hereof) and effect or be declared null and void or any responsible officer of any Guarantor that is a Significant Subsidiary denies that it has any further liability under its Guarantee or gives notice to such effect, other than by reason of the termination of the related Indenture or the release of any such Guarantee in accordance with this Indenture; or

(9) the failure by Parent to comply with, or the breach of, any material provision of the Escrow Agreement on or prior to the Escrow Release Date.

SECTION 6.02. Acceleration of Maturity; Rescission and Annulment.

(a) If any Event of Default (other than an Event of Default specified in Section 6.01(7) with respect to the Issuer or Parent) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes issued under this Indenture may, and the Trustee at the request of such Holders of the notes shall (subject to receiving indemnity, prefunding and/or security to its satisfaction), declare the principal, premium, if any, interest and any other monetary obligations on all the Outstanding Notes to be due and payable immediately.

(b) Upon the effectiveness of a declaration under Section 6.02, such principal and interest will be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising under Section 6.01(7) above with respect to the Issuer or Parent, all Outstanding Notes shall become due and payable without further action or notice. The Trustee may withhold from the Holders notice of any continuing Default or Event of Default, except a Default or Event of Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in their interest.

(c) At any time after a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided in this Article, the Holders of a majority in aggregate principal amount of the Outstanding Notes, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences with respect to the Notes, so long as such rescission and annulment would not conflict with any judgment of a court of competent jurisdiction and all amounts owing to the Trustee have been repaid, if

(1) The Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(A) all overdue interest on all Outstanding Notes,

(B) all unpaid principal of (and premium, if any, on) any Outstanding Notes which has become due otherwise than by such declaration of acceleration, and interest on such unpaid principal at the rate borne by the Notes,

(C) to the extent that payment of such interest is lawful, interest on overdue interest at the rate borne by the Notes, and

(D) all sums paid or advanced by the Trustee hereunder and the compensation and properly incurred expenses, disbursements and advances (including any indemnity payments) of the Trustee, its agents and counsel; and

(2) Events of Default, other than the nonpayment of amounts of principal of (or premium, if any, on) or interest on Notes, which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 6.08;

provided that no such rescission shall affect any subsequent default or impair any right consequent thereon.

(d) Notwithstanding Section 6.02(c) the preceding paragraph, in the event of any Event of Default specified in Section 6.01(5), such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 20 days after such Event of Default arose,

(1) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged, or

(2) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default,
or

(3) the default that is the basis for such Event of Default has been cured.

SECTION 6.03. Collection of Indebtedness and Suits for Enforcement by Trustee. If an Event of Default specified in Section 6.01(1) or (2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium on, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.04. Trustee May File Proofs of Claim. The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.05. Application of Money Collected. If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee, the Agents, their respective agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and

Third: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.05.

SECTION 6.06. Limitation on Suits. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, a Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer to the Trustee security, prefunding and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security, prefunding and/or indemnity satisfactory to the Trustee against any loss, liability or expense; and

(e) within such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

SECTION 6.07. Control by Holders. Except as otherwise provided herein, the Holders of a majority in principal amount of the outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee with respect to the Notes. The Trustee, however, may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder of a Note or that would involve the Trustee in personal liability.

SECTION 6.08. Waiver of Past Defaults. Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium and interest on the Notes (including in connection with an offer to purchase) (*provided, however*, that the Holders of a majority in aggregate principal amount at maturity of the then Outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.09. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.06 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

SECTION 6.10. Waiver of Stay or Extension Laws. Each of the Issuer, the Guarantors and any other obligor on the Notes covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and each of the Issuer, the Guarantors and any other obligor on the Notes (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7 TRUSTEE

SECTION 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of certificates or opinions specifically required by any provision hereof to be furnished to it, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this Section 7.01(c) does not limit the effect of Section 7.01(b);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to Section 7.01 (a), (b) and (c).

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Trust Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default or Event of Default is received by the Trustee as set forth in Section 6.01 and such notice references this Indenture.

(h) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The Trustee shall have no duty to inquire as to the performance of, or otherwise monitor compliance with, the Issuer's covenants herein.

(j) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 7.02. Rights of the Trustee.

(a) The Trustee may conclusively rely upon any document and notice believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in any such document.

(b) Before the Trustee acts or refrains from acting, it may require an Officer's Certificate or an Opinion of Counsel, or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officer's Certificate or Opinion of Counsel. The Trustee may consult with counsel of its own selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture, *provided* that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its reasonable discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall reasonably determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer during normal business hours and upon reasonable notice, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(h) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any willful misconduct or gross negligence on the part of any agent or attorney appointed with due care by it under this Indenture.

(i) The Trustee shall not be required to give any bond or surety in respect of the performance of its power and duties hereunder.

(j) The rights, privileges, protections, immunities and benefits given to the Trustee under this Article 7, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, Deutsche Bank Trust Company Americas in each of its capacities hereunder as an Agent, and to each agent, Custodian and other Person employed to act hereunder.

(k) The permissive right of the Trustee to take or refrain from taking any actions enumerated in this Indenture shall not be construed as a duty.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action.

(m) Anything in this Indenture notwithstanding, in no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profit), even if the Issuer has been advised as to the likelihood of such loss or damage and regardless of the form of action.

SECTION 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee or resign. Any Agent may do the same with like rights and duties. The Trustee shall also be subject to Sections 7.10 hereof.

SECTION 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.05. Notice of Defaults.

(a) The Trustee shall not be deemed to have notice of any Default with respect to Notes unless a Trust Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by a Trust Officer of the Trustee at the Corporate Trust Office of the Trustee from the Issuer or the Holders of 25% in aggregate principal amount of the outstanding Notes, and such notice references the specific Default or Event of Default, the Notes and this Indenture.

(b) If a Default occurs and is continuing and is actually known to the Trustee, the Trustee shall deliver to Holders of the Notes, notice of the Default within the earlier of 90 days after the occurrence of a Default or 30 days after it is actually known to a Trust Officer or written notice of it is received by the Trustee, unless such Default shall have been cured or waived. Except in the case of a Default in the payment of principal of, premium, if any, or interest on any Note (including payments pursuant to the redemption provisions of the Notes), the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

SECTION 7.06. [Reserved].

SECTION 7.07. Compensation and Indemnity.

The Issuer and the Guarantors shall pay to Deutsche Bank Trust Company Americas, in each of its capacities as Trustee and Agent, from time to time reasonable compensation for Agent's and Trustee's services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer and the Guarantors shall reimburse the Trustee and the Agents promptly upon request for all reasonable disbursements, advances and expenses incurred or made by such party in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's and Agents' respective agents and counsel.

The Issuer and the Guarantors shall, jointly and severally, indemnify the Trustee and Agent against any and all losses, liabilities or expenses (including reasonable attorneys' fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuer and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by the Issuer and the Guarantors or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, fraud or willful misconduct. The Trustee shall notify the Issuer and the Guarantors promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel. The Issuer and the Guarantors need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

The obligations of the Issuer and the Guarantors under this Section 7.07 shall survive the resignation or removal of the Trustee or the Agents, as applicable, the satisfaction and discharge and the termination of this Indenture.

To secure the Issuer's and the Guarantors' payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the resignation or removal of the Trustee, the satisfaction and discharge and the termination of this Indenture.

In addition, and without prejudice to the rights provided to the Trustee under any of the provisions of this Indenture, when the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(f) or (g) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

"*Trustee*" for purposes of this Section shall include any predecessor Trustee and the Trustee in each of its capacities hereunder and each agent, custodian and other person employed to act hereunder; *provided, however*, that the negligence or willful misconduct of any predecessor Trustee hereunder shall not affect the rights of any other Trustee hereunder (other than a successor Trustee that is successor by merger or consolidation to such predecessor Trustee).

SECTION 7.08. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of Notes of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing. The Issuer may remove the Trustee if:

- (a) the Trustee fails to comply with Section 7.10 hereof;
- (b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;
- (c) a custodian or public officer takes charge of the Trustee or its property; or
- (d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer, or the Holders of Notes of at least 10% in principal amount of the then outstanding Notes or the Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder of a Note who has been a Holder of a Note for at least six months, fails to comply with Section 7.10, such Holder of a Note may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of the Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuer's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee.

SECTION 7.09. Successor Trustee by Merger, Etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or banking association, the successor corporation or banking association without any further act shall, if such successor corporation or banking association is otherwise eligible hereunder, be the successor Trustee.

Subject to Section 7.10, any business entity into which the Trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a Person organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least \$100.0 million as set forth in its most recent published annual report of condition.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Issuer may, at its option, at any time, with respect to the Notes, elect to have either Section 8.02 or 8.03 hereof applied to all Outstanding Notes upon compliance with the conditions set forth below in this Article 8.

SECTION 8.02. Legal Defeasance and Discharge.

Upon the Issuer's exercise under Section 8.01 of the option applicable to this Section 8.02, the Issuer and the Guarantors shall, be deemed to have been discharged from their obligations with respect to all Outstanding Notes on the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "**Legal Defeasance**"). For this purpose, such Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Notes, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in clauses (a) and (b) below, and to have satisfied all its other obligations under such Notes and this Indenture insofar as such Notes are concerned (and the Trustee, at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Outstanding Notes to receive payments in respect of the principal of (and premium, if any, on) and interest on such Notes when such payments are due, solely out of the trust described in Section 8.04, (b) the Issuer's obligations with respect to such Notes under Article 2 and Section 4.02 hereof, (c) the rights, powers, trusts, duties and immunities of the Trustee and Agents hereunder and the obligations of each of the Guarantors and the Issuer in connection therewith and (d) this Article 8. Subject to compliance with this Article 8, the Issuer may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 with respect to the Notes.

SECTION 8.03. Covenant Defeasance.

Upon the Issuer's exercise under Section 8.01 of the option applicable to this Section 8.03, the Issuer and the Guarantors shall be released from their obligations under any covenant contained in Sections 5.01(a)(4) and (5), 5.01(b)(4) and (5), 5.02 and in Sections 4.03 and 4.07 through 4.18 hereof with respect to the Outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "**Covenant Defeasance**"), and the Notes shall thereafter be deemed not to be "Outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, Covenant Defeasance means that, with respect to the Outstanding Notes, the Issuer or any Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01(3) and, with respect to only any Significant Subsidiary and not the Issuer, Section 6.01(7), but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby.

SECTION 8.04. Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 to the Outstanding Notes:

(a) the Issuer shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 6.08 who shall agree to comply with the provisions of this Article 8 applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to the benefit of the Holders of such Notes; (A) cash in U.S. dollars, or (B) Government Securities, or (C) a combination thereof, in such amounts as will be sufficient, in the written opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, the principal of (and premium, if any) and interest on the Outstanding Notes at the Stated Maturity (or Redemption Date, if applicable and so indicated to the Trustee in writing); provided, that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of this Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of deposit, with any deficit as of the date of redemption (any such amount, the “*Applicable Premium Deficit*”) required to be deposited with the Trustee on or prior to the date of redemption; provided that the Trustee shall have been irrevocably instructed to apply such cash or the proceeds of such Government Securities or combination thereof to said payments with respect to the Notes. Before such a deposit, the Issuer may give to the Trustee, in accordance with Section 3.03 hereof, a notice of its election to redeem all of the Outstanding Notes at a future date in accordance with Article 3 hereof, which notice shall be irrevocable. Such irrevocable redemption notice, if given, shall be given effect in applying the foregoing; in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions, (A) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the issuance of the Notes, there has been a change in the applicable U.S. Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel in the United States shall confirm that, subject to customary assumptions and exclusions, the beneficial owners of the Outstanding Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(b) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that, subject to customary assumptions and exclusions, the beneficial owners of the Outstanding Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and

(c) the Issuer shall have delivered to the Trustee an Officer’s Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

SECTION 8.05. Deposited Money and U.S. Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

All cash and non-callable U.S. Government Obligations (including the proceeds thereof) deposited with the Paying Agent (or other qualifying trustee, collectively for purposes of this Section 8.05, the “*Trustee*”) pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer acting as Paying Agent) as the Trustee may determine, to the Holders of the Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such cash and securities need not be segregated from other funds except to the extent required by law.

The Issuer shall pay and indemnify the Trustee and Paying Agent, as applicable, against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Paying Agent shall deliver or pay to the Issuer from time to time upon the request of the Issuer any money or non-callable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. Satisfaction and Discharge.

This Indenture shall be discharged and shall cease to be of further effect (except as set forth in the last paragraph of this Section 8.06 and as to surviving rights registration of transfer or exchange of the Notes expressly provided for herein or pursuant hereto) and the Trustee, at the expense of the Issuer, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture when either:

(a) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.07 and (ii) Notes for whose payment money has theretofore been deposited with the Trustee or any Paying Agent or segregated and held on their behalf by the Issuer and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 2.04) have been delivered to the Trustee for cancellation; or

(b) (1) all such Notes not theretofore delivered to the Trustee for cancellation,

(i) have become due and payable by reason of the making of a notice of redemption pursuant to Section 3.03 or otherwise,

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer,

and either Issuer or any Guarantor, in the case of (i), (ii) or (iii) has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders of the Notes, cash in U.S. dollars, U.S. dollar-denominated Government Securities, or a combination thereof, in such amounts as will be sufficient, in the written opinion of a nationally recognized firm of independent public accountants delivered to the Trustee, without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal, premium, if any and accrued interest to the Stated Maturity or Redemption Date, as the case may be; provided that upon any redemption that requires the payment of the Applicable Premium, the amount deposited therefor shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any Applicable Premium Deficit required to be deposited with the Trustee on or prior to the date of redemption;

(2) the Issuer has paid or caused to be paid all sums payable by it under this Indenture;

(3) the Issuer has delivered irrevocable written instructions to the Trustee under this Indenture to apply the deposited money toward the payment of such Notes at the Stated Maturity or the Redemption Date, as the case may be; and

(4) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein to the satisfaction and discharge under this Indenture have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee and the Agents under Section 7.07, the obligations of the Issuer to any Authenticating Agent under Article 2 and, if money or Government Securities shall have been deposited with the Trustee pursuant to this Article, the obligations of the Trustee under Section 7.01 and the last paragraph of Section 2.04 shall survive such satisfaction and discharge.

SECTION 8.07. Repayment to Issuer.

Any cash or non-callable U.S. Government Obligations deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of, premium, if any, or interest on, any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Issuer on its request or (if then held by the Issuer) shall be discharged from such trust; and the Holder shall thereafter, as an unsecured creditor, look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such cash and securities, and all liability of the Issuer as trustee thereof, shall thereupon cease.

SECTION 8.08. Reinstatement.

If the Trustee or Paying Agent is unable to apply any cash or non-callable U.S. Government Obligations in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such cash and securities in accordance with Section 8.02 or 8.03, as the case may be; *provided, however*, that, if the Issuer makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders to receive such payment from the cash and securities held by the Trustee or Paying Agent.

SECTION 8.09. Survival.

The Trustee's rights under this Article 8 shall survive termination of this Indenture or the resignation of the Trustee.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.01. Without Consent of Holder.

Without the consent of any Holder, the Issuer, Parent, any Guarantor (with respect to any amendment relating to its Guarantee) and the Trustee, at any time and from time to time, may amend or supplement this Indenture, the Notes and any related Guarantee for any of the following purposes:

- (a) to cure any ambiguity, omission, mistake, defect or inconsistency;
- (b) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (c) to comply with Article 5 hereof;
- (d) to provide for the assumption of the Issuer's or any Guarantor's obligations to Holders;
- (e) to make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect the legal rights under this Indenture of any such Holder;
- (f) to secure the Notes or to add covenants for the benefit of the Holders of Notes or to surrender any right or power conferred upon the Issuer or any Guarantor;

(g) to evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee pursuant to the requirements of Sections 7.08 and 7.09 hereof;

(h) to provide for the issuance of Additional Notes, in accordance with this Indenture;

(i) to add a Guarantor or a parent guarantor under this Indenture, provided that only the Issuer, Parent, the Trustee and the Guarantor or parent guarantor being added need to sign any such supplement or amendment, or release a Guarantor in accordance with the terms of this Indenture;

(j) to conform the text of this Indenture, Guarantees or the Notes to any provision of the "Description of the Notes" section of the Offering Memorandum; or

(k) to amend the provisions of this Indenture relating to the transfer and legending of Notes as permitted by this Indenture, including without limitation, to facilitate the issuance and administration of the Notes; *provided*, that

(A) compliance with this Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law; and

(B) such amendment does not materially and adversely affect the rights of Holders to transfer Notes.

Upon the request of the Issuer, and upon receipt by the Trustee of the documents described in Section 9.05 hereof, the Trustee and the Agents shall join with the Issuer and the Guarantors in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but neither the Trustee nor the Agents shall be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.01 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof. A consent to any amendment or waiver under either this Indenture, the Notes, as applicable, or any Guarantee, by any Holder given in connection with a tender or exchange of such Holder's Notes will not be rendered invalid by such tender or exchange.

After an amendment, supplement or waiver under this Section 9.01 becomes effective, the Issuer shall deliver (by means of electronic transmission in accordance with the applicable procedures of DTC) to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

SECTION 9.02. With Consent of Holders of Notes.

(a) With the consent of the Holders of not less than a majority in principal amount of the Outstanding Notes, by act of said Holders delivered to the Issuer and the Trustee, the Issuer, any Guarantor (with respect to any Guarantee to which it is a party or this Indenture) and the Trustee may amend or supplement this Indenture, any Guarantee and the Notes for the purpose of adding any provisions hereto or thereto, changing in any manner or eliminating any of the provisions or of modifying in any manner the rights of the Holders hereunder or thereunder (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes) and any existing Default or Event of Default or compliance with any provision of this Indenture, the Notes and any related Guarantee may be waived with the consent of the Holders of not less than a majority in principal amount of the Outstanding Notes, other than Notes beneficially owned by the Issuer or its Affiliates (including consents obtained in connection with a purchase of or tender offer or exchange offer for Notes); provided that, without consent of the Holder of each Outstanding Note affected thereby, no such amendment, supplement or waiver shall, with respect to any Notes held by a non-consenting Holder:

- (1) reduce the principal amount of the Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the Stated Maturity of any such Note or reduce the premium payable upon the redemption any Note or change the time at which any Note may be redeemed pursuant to Section 3.07;
- (3) reduce the rate of or change the time for payment of interest on any Note;
- (4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the Notes issued under this Indenture, except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in this Indenture or any guarantee which cannot be amended or modified without the consent of all Holders of the Notes;
- (5) make any Note payable in money other than that stated in the Notes;
- (6) make any change in Section 6.08 or the rights of Holders of the Notes to receive payments of principal of or premium, if any, or interest on the Notes;
- (7) make any changes to this Section 9.02;
- (8) impair the right of any Holder to receive payment of principal of, or interest on such Holder's Notes on or after the due dates thereto or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes; or
- (9) make any change to or modify the ranking of any Note or related Guarantee that would adversely affect the Holders of the Notes.

SECTION 9.03. Payments for Consent.

Neither Parent nor any of its Restricted Subsidiaries may, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders (or in the case of an exchange offer, exchanged with all Holders) that consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or amendment.

SECTION 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion thereof that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to its Note or portion thereof if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver shall become effective in accordance with its terms and thereafter shall bind every Holder.

SECTION 9.05. Trustee and Agents to Sign Amendments.

The Trustee and Agents shall sign any amended or supplemental indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee and Agents, as applicable. In executing any amended or supplemental indenture, the Trustee and Agents shall be provided with and (subject to Section 7.01 hereof) shall be fully protected in relying upon an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture and that such amended or supplemental indenture is the legal, valid and binding obligations of the Issuer enforceable against it in accordance with its terms, subject to customary exceptions and that such amended or supplemental indenture complies with the provisions hereof.

ARTICLE 10
GUARANTEES

SECTION 10.01. Guarantees.

Effective from and after the Escrow Release Date, each Guarantor that is a party hereto on the Issue Date or that executes a supplemental indenture in the form of Exhibit D hereto, will hereby fully, unconditionally and irrevocably guarantee on a senior unsecured basis, jointly and severally, to each Holder and to the Trustee, the Agents and their respective successors and assigns (a) the full and punctual payment of principal of and interest on the Notes when due, whether at Stated Maturity, by acceleration or otherwise, and all other monetary obligations of the Issuer under this Indenture and the Notes and (b) the full and punctual performance within applicable grace periods of all other monetary obligations of the Issuer under this Indenture and the Notes (all such obligations set forth in clauses (a) and (b) above being hereinafter collectively called the “*Guaranteed Obligations*”). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Guarantor and that such Guarantor will remain bound under this Article 10 notwithstanding any extension or renewal of any Guaranteed Obligation.

Each Guarantor waives presentation to, demand of, payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor hereunder shall not be affected by (a) the failure of any Holder, the Trustee or Agents to assert any claim or demand or to enforce any right or remedy against the Issuer, any other Guarantor or any other Person under this Indenture, the Notes or any other agreement or otherwise; (b) any extension or renewal of any obligation of the Issuer under this Indenture or any Note, by operation of law or otherwise; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; or (d) except as set forth in Section 10.05, any change in the ownership of such Guarantor.

Each Guarantor further agrees that from and after the Escrow Release Date, its Guarantee will constitute a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder, the Trustee or Agents to any security held for payment of the Guaranteed Obligations.

Each Guarantor further agrees that from and after the Escrow Release Date, its Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder, the Trustee or Agents upon the bankruptcy or reorganization of the Issuer or otherwise.

Each Guarantor further agrees that, as between it, on the one hand, and the Holders, the Trustee and the Agents, on the other hand, (x) the maturity of the Guaranteed Obligations may be accelerated as provided in Article 6 for the purposes of such Guarantor’s Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations, and (y) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section.

Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys’ fees) incurred by the Trustee or the Agents in enforcing any rights under this Section.

SECTION 10.02. Limitation on Liability.

Each Subsidiary Guarantor, and by its acceptance hereof each Holder, confirms that it is the intention of all such parties that the guarantee by each such Subsidiary Guarantor pursuant to its Guarantee not constitute a

fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law or the provisions of its local law relating to fraudulent transfer or conveyance. To effectuate the foregoing intention, the Holders and each such Subsidiary Guarantor hereby irrevocably agree that the obligations of such Subsidiary Guarantor under its Guarantee shall be limited to the maximum amount that will not, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to this Section 10.02, result in the obligations of such Subsidiary Guarantor under its Guarantee constituting such fraudulent transfer or conveyance.

SECTION 10.03. Successors and Assigns.

This Article 10 shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee, the Agents and the Holders and, in the event of any transfer or assignment of rights by any Holder, the Trustee or the Agents, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 10.04. No Waiver.

Neither a failure nor a delay on the part of either the Trustee, the Agents or the Holders in exercising any right, power or privilege under this Article 10 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee, the Agents and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 10 at law, in equity, by statute or otherwise.

SECTION 10.05. Release of Guarantor.

Any Guarantee by a Subsidiary Guarantor of the Notes shall be automatically and unconditionally released and discharged upon:

(1) (A) any sale, exchange or transfer (by merger or otherwise) of (i) the Capital Stock of such Subsidiary Guarantor (including any sale, exchange or transfer) after which the applicable Subsidiary Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all of the assets of such Subsidiary Guarantor, which sale, exchange or transfer is made in compliance with the applicable provisions of this Indenture;

(B) the release or discharge of the guarantee by, or direct obligation of, such Subsidiary Guarantor with respect to the Senior Credit Facilities;

(C) the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of this Indenture;

(D) the exercise of the Legal Defeasance of the Notes under Section 8.02 hereof, and the Covenant Defeasance of the Notes under Section 8.03 hereof, or if the Issuer's obligations under this Indenture are discharged in accordance with Section 8.06 of this Indenture;

(E) the merger or consolidation of any Subsidiary Guarantor with and into the Issuer or another Guarantor that is the surviving Person in such merger or consolidation, or upon the liquidation of such Guarantor following the transfer of all of its assets to the Issuer or another Guarantor;

(F) as described under Section 9.01 or 9.02; and

(2) The Issuer and such Subsidiary Guarantor delivering to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to such release have been complied with.

SECTION 10.06. Contribution.

Each Guarantor that makes a payment under its Guarantee shall be entitled upon payment in full of all Guaranteed Obligations to contribution from each Guarantor, as applicable, in an amount equal to such Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

ARTICLE 11
MISCELLANEOUS

SECTION 11.01. [Reserved].

SECTION 11.02. Notices.

Any notice or communication by the Issuer, the Trustee or an Agent to the other parties is duly given if in writing in English and delivered in person or mailed by first class mail (registered or certified, return receipt requested), facsimile or electronic transmission or overnight air courier guaranteeing next-day delivery, to the other's address:

If to the Issuer:

Resideo Funding Inc.
1985 Douglas Drive North,
Golden Valley, Minnesota 55422
Attention: Matthew Giordano (Matt.Giordano@honeywell.com) and Jeannine Lane
(Jeannine.Lane@honeywell.com)

If to the Trustee, Registrar, Paying Agent or Authenticating Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Services
60 Wall Street, 16th Floor
MS: NYC60-1630
New York, New York 10005
Attn: Corporates Team Deal Manager – RESIDEO FUNDING INC.
Fax: 732 – 578 – 4635

With a copy to:

Deutsche Bank Trust Company Americas
Trust and Agency Services
c/o Deutsche Bank National Trust Company
100 Plaza One, 8th Floor
Mail Stop: JCY03-0801
Jersey City, New Jersey 07311
Attn: Corporates Team Deal Manager – RESIDEO FUNDING INC.
Fax: 732 – 578 – 4635

The Issuer, the Trustee or the Agents, by notice to the other, may designate additional or different addresses for subsequent notices or communications.

The Trustee and the Agents, as applicable, agree to accept and act upon email with portable document format (PDF) attached or facsimile transmission of written instructions pursuant to this Indenture; *provided, however*, that (a) the party providing such written instructions, subsequent to such transmission of written instructions, shall provide the originally executed instructions in a timely manner and (b) such originally executed instructions or directions shall be signed by an authorized representative of the party providing such instructions or directions.

All notices and communications (other than those sent to the Trustee, Agents or Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five calendar days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if sent by facsimile transmission; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next-day delivery. All notices and communications to the Trustee, Agents or Holders shall be deemed duly given and effective only upon receipt. Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the security register for the Notes. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuer mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

SECTION 11.03. [Reserved].

SECTION 11.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuer to the Trustee or an Agent to take any action under any provision of this Indenture (unless otherwise specified in this Indenture and other than the initial issuance of the Notes), the Issuer shall furnish to the Trustee and/or Agent, as applicable:

(a) an Officer's Certificate in form and substance reasonably satisfactory to the Trustee and/or Agent, as applicable, (which shall include the statements set forth in Section 11.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee and/or Agent, as applicable, (which shall include the statements set forth in Section 11.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 11.05. Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to Section 4.04 hereof) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

SECTION 11.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar, Paying Agent or Authenticating Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 11.07. No Personal Liability of Directors, Managers, Officers, Employees and Stockholders.

No past, present or future director, manager, officer, employee, incorporator or stockholder of the Issuer, any Guarantor or the Trustee, as such, shall have any liability for any obligations of the Issuer or of the Guarantors under the Notes, this Indenture, the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 11.08. Governing Law; Waiver of Jury Trial.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE AND THE NOTES.

EACH OF THE ISSUER, THE GUARANTORS AND THE TRUSTEE IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 11.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of Parent or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.10. Successors.

All covenants and agreements of the Issuer in this Indenture and the Notes shall bind its successors. All covenants and agreements of the Trustee and the Agents in this Indenture shall bind their respective successors.

SECTION 11.11. Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 11.13. Table of Contents, Headings, Etc.

The table of contents, cross-reference table and headings in this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 11.14. Force Majeure.

In no event shall the Trustee or the Agents be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility; it being understood that the Trustee and the Agents, as applicable, shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

SECTION 11.15. Patriot Act.

In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States (“Applicable AML Law”), the Trustee and Agent are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Trustee and Agent. Accordingly, each of the parties agree to provide to the Trustee and Agent, upon their reasonable request from time to time such identifying information and documentation as may be reasonably available for such party in order to enable the Trustee and Agent to comply with Applicable AML Law.

ARTICLE 12
ESCROW MATTERS

SECTION 12.01. Escrow Account.

On the Issue Date, the Issuer, the Escrow Agent and the Trustee shall enter into the Escrow Agreement, pursuant to which the Issuer will deposit (or cause to be deposited) the gross proceeds of the offering of the Notes sold on the Issue Date into the Escrow Account.

The Issuer shall grant the Trustee, upon the terms set forth in the Escrow Agreement and for the benefit of the Holders of the Notes, a first-priority security interest in the Escrow Account and all deposits therein to secure the Issuer’s obligation pursuant to Section 3.09 hereof.

Other than as permitted under the Escrow Agreement, the Issuer will only be entitled to direct the Escrow Agent to release the Escrow Property (in which case the Escrow Property will be paid to or as directed by the Issuer) upon delivery to the Escrow Agent and the Trustee, on or prior to the Escrow Outside Date, of an Escrow Release Request, certifying that the Escrow Release Conditions have been satisfied.

SECTION 12.02. Special Mandatory Redemption.

If a Special Mandatory Redemption of the Notes is to occur pursuant to Section 3.09 hereof, the Escrow Agent will cause the release of the Escrow Property to the Trustee in accordance with the terms of the Escrow Agreement. The Trustee shall apply the Escrow Property to the payment of the Special Mandatory Redemption Price, as set forth in Section 3.09 hereof.

SECTION 12.03. Release of Escrow Property.

Upon delivery of the Escrow Release Request, the Escrow Agreement provides that the Escrow Agent will cause the release of the proceeds of such Escrow Property to or on the order of the Issuer on the Escrow Release Date in accordance with the terms of the Escrow Agreement.

SECTION 12.04. Trustee Direction to Execute Escrow Agreement.

The Trustee is hereby authorized and directed to execute and deliver the Escrow Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

ISSUER:

RESIDEO FUNDING INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: Secretary

GUARANTORS:

RESIDEO TECHNOLOGIES, INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: President

RESIDEO HOLDING INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: Secretary

RESIDEO INTERMEDIATE HOLDING INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: Secretary

ADEMCO INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: President

ALARMNET, INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: Assistant Secretary

RSI VIDEO TECHNOLOGIES, INC.

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: Assistant Secretary

HONEYWELL HOMMED LLC

By: /s/ Jacqueline W. Katzel

Name: Jacqueline W. Katzel

Title: Assistant Secretary

TRUSTEE: DEUTSCHE BANK TRUST COMPANY AMERICAS

By: /s/ Annie Jaghatspanyan
Name: Annie Jaghatspanyan
Title: Vice President

By: /s/ Robert S. Peschler
Name: Robert S. Peschler
Title: Vice President

**REGISTRAR, PAYING AGENT AND
AUTHENTICATING AGENT: DEUTSCHE BANK
TRUST COMPANY AMERICAS**

By: /s/ Annie Jaghatspanyan

Name: Annie Jaghatspanyan
Title: Vice President

By: /s/ Kenneth R. Ring

Name: Kenneth R. Ring
Title: Director

[FORM OF FACE OF NOTE]

[Global Note Legend]

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE REGISTRAR MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06(h) OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE REGISTRAR FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) (“DTC”) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[Private Placement Legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO RESIDEO TECHNOLOGIES, INC. OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING FOR TRANSFERS TO AN INSTITUTIONAL “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AND BASED UPON AN OPINION OF COUNSEL IF RESIDEO TECHNOLOGIES, INC. OR ANY SUBSIDIARY THEREOF SO REQUEST), OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

[Regulation S Global Note Legend]

BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

CUSIP: _____

ISIN: _____

[RULE 144A][REGULATION S] GLOBAL NOTE

6.125% Senior Notes due 2026

No. ____

\$_[_____]

RESIDEO FUNDING INC.

promises to pay to Cede & Co., or registered assigns, the principal sum of _____ DOLLARS on November 1, 2026, as such amount may be changed from time to time pursuant to the Schedule of Exchanges of Interests attached hereto.

Interest Payment Dates: May 1 and November 1

Record Dates: April 15 and October 15

Dated: _____, 20__

RESIDEO FUNDING INC.

By: _____
Name:
Title:

This is one of the Notes referred to in the within-mentioned Indenture:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Authenticating Agent

By: _____

Name:

Title:

[FORM OF REVERSE SIDE OF NOTE]

6.125% Senior Note due 2026

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Resideo Funding Inc. (the “*Issuer*”), promises to pay interest on the principal amount of this Note at a rate per annum of 6.125% from October 19, 2018 until maturity or earlier redemption or repayment of the Note. The Issuer will pay interest on this Note semi-annually in arrears on May 1 and November 1 of each year, commencing on May 1, 2019, or, if any such day is not a Business Day, on the next succeeding Business Day (each, an “*Interest Payment Date*”). The Issuer will make each interest payment to the Holder of record of this Note on the immediately preceding April 15 and October 15 (each, a “*Regular Record Date*”). Interest on this Note will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including October 19, 2018. The Issuer will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the rate borne by this Note; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the rate borne by this Note. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuer will pay interest on this Note to the Person who is the registered Holder of this Note at the close of business on the Record Date (whether or not a Business Day) next preceding the Interest Payment Date, even if this Note is cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. Payment of interest may be made by check mailed to the Holders at their addresses set forth in the Note Register of Holders, *provided* that (a) all payments of principal, premium, if any, and interest on, Notes represented by Global Notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof and (b) all payments of principal, premium, if any, and interest with respect to certificated Notes will be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee or the Paying Agent may accept in its discretion). Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. AUTHENTICATING AGENT, PAYING AGENT AND REGISTRAR. Initially, Deutsche Bank Trust Company Americas will act as Authenticating Agent, Paying Agent and Registrar. The Issuer may change any Authenticating Agent, Paying Agent or Registrar without notice to the Holders. Parent or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuer issued the Notes under an Indenture, dated as of October 19, 2018 (the “*Indenture*”), among the Issuer, the Guarantors party thereto, Deutsche Bank Trust Company Americas, as trustee (the “*Trustee*”) and Deutsche Bank Trust Company Americas, as authenticating agent (“*Authenticating Agent*”), registrar (“*Registrar*”) and paying agent (“*Paying Agent*”). The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. OPTIONAL REDEMPTION. At any time prior to November 1, 2021, the Issuer may redeem all or part of the Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the Redemption Date (subject to the rights of Holders of record of Notes on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date).

On and after November 1, 2021, the Issuer may redeem the Notes, in whole or in part, at the following redemption prices (expressed as percentages of principal amount of Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the right of Holders of record of Notes on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date, if redeemed during the twelve-month period beginning on November 1 of each of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2021	104.594%
2022	103.063%
2023	101.531%
2024 and thereafter	100.00%

In addition, until November 1, 2021, the Issuer may, at its option, on one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price equal to 106.125% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date, subject to the right of Holders of record of Notes on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date, with the net cash proceeds of one or more Equity Offerings to the extent such net cash proceeds are received by or contributed to Parent; *provided* that at least 65% of the sum of the aggregate principal amount of Notes originally issued under this Indenture (including any Additional Notes issued under the Indenture after the Issue Date) remains outstanding immediately after the occurrence of each such redemption; *provided, further*, that each such redemption occurs within 120 days of the date of closing of each such Equity Offering.

Any redemption pursuant to this Section 5 shall be made pursuant to the provisions of Section 3.07 of the Indenture.

6. OFFERS TO REPURCHASE. Upon the occurrence of a Change of Control, the Issuer shall make a Change of Control Offer in accordance with Section 4.11 of the Indenture.

7. MANDATORY REDEMPTION. Except as set forth in Sections 3.09 regarding a Special Mandatory Redemption and 4.11 of the Indenture, the Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

8. NOTICE OF REDEMPTION. At least 10 days but not more than 60 days before a Redemption Date, the Issuer shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address. Any redemption and notice thereof may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess of \$2,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Registrar shall not be required to register the transfer of or exchange of (a) any Note selected for redemption in whole or in part pursuant to Article 3 of the Indenture, except the unredeemed portion of any Note being redeemed in part, or (b) any Note for a period beginning 15 days before the mailing of a notice of an offer to repurchase or redeem Notes or 15 days before an Interest Payment Date (whether or not an Interest Payment Date or other date determined for the payment of interest), and ending on such mailing date or Interest Payment Date, as the case may be.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

11. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture, the Guarantees or the Notes may be amended or supplemented as provided in the Indenture.

12. DEFAULTS AND REMEDIES. The Events of Default relating to the Notes are defined in Section 6.01 of the Indenture. If any Event of Default (other than an Event of Default specified in Section 6.01(7) with respect to the Issuer or Parent) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable immediately by notice in writing to the Issuer and the Trustee (if given by the Holders). If an Event of Default specified in Section 6.01(7) with respect to the Issuer or Parent occurs and is continuing, then all Outstanding Notes shall become due and payable without further action or notice. Holders may not enforce the Indenture, the Notes or the Guarantees except as provided in the Indenture. Subject to certain limitations, Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal, premium, if any, or interest) if it determines that withholding notice is in their interest.

13. AUTHENTICATION. This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee or Authenticating Agent.

14. GOVERNING LAW. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THE INDENTURE, THE NOTES AND THE GUARANTEES.

15. CUSIP AND ISIN NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP and ISIN numbers to be printed on the Notes and the Trustee or Registrar may use CUSIP and ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

_____ (Insert assignee's legal name)

_____ (Insert assignee's soc. sec. or tax I.D. no.)

_____ (Print or type assignee's name, address and zip code)

and irrevocably appoint
substitute another to act for him.

to transfer this Note on the books of the Issuer. The agent may

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this
Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.11 of the Indenture, check the box below:

Section 4.11

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.11 of the Indenture, state the amount you elect to have purchased:

\$ _____

Date: _____

Your Signature:

(Sign exactly as your name appears
on the face of this Note)

Tax Identification No.:

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The initial outstanding principal amount of this Global Note is \$ _____. The following exchanges of a part of this Global Note for an interest in another Global Note or for a Certificated Note, or exchanges of a part of another Global or Certificated Note for an interest in this Global Note, have been made:

<u>Date of Exchange</u>	Amount of decrease in Principal Amount of this <u>Global Note</u>	Amount of increase in Principal Amount of this <u>Global Note</u>	Principal Amount of this Global Note following such decrease or <u>increase</u>	<u>Signature of authorized officer of Trustee or Custodian</u>
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* This schedule should be included only if the Note is issued in global form.

FORM OF CERTIFICATE OF TRANSFER

Resideo Funding Inc.
1985 Douglas Drive North,
Golden Valley, Minnesota 55422
Attention: Matthew Giordano
 Jeannine Lane

Deutsche Bank Trust Company Americas
Trust and Agency Services
c/o DB Services Americas, Inc.
5022 Gate Parkway, Suite 200
Jacksonville, FL 32256
Attn: Transfer Department

Re: 6.125% Senior Notes due 2026

Reference is hereby made to the Indenture, dated as of October 19, 2018 (the “*Indenture*”), among Resideo Funding Inc., the Guarantors party thereto, Deutsche Bank Trust Company Americas, as trustee (the “*Trustee*”) and Deutsche Bank Trust Company Americas, as registrar, paying agent and authenticating agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the “*Transferor*”) owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of \$ _____ in such Note[s] or interests (the “*Transfer*”), to _____ (the “*Transferee*”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT 144A GLOBAL NOTE OR RELEVANT CERTIFICATED NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the “*Securities Act*”), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Certificated Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Certificated Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

2. CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT REGULATION S GLOBAL NOTE OR RELEVANT CERTIFICATED NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, (iii) the transaction is not part of a plan or scheme to

evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the applicable Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Note will be subject to the restrictions on Transfer enumerated in the Indenture and the Securities Act.

3. CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE RELEVANT CERTIFICATED NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Certificated Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

- (a) such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or
- (b) such Transfer is being effected to the Issuer or a subsidiary thereof.

4. CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OR OF AN UNRESTRICTED CERTIFICATED NOTE.

(a) CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Certificated Notes and in the Indenture.

(b) CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Certificated Notes and in the Indenture.

(c) CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Certificated Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Certificated Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

- (a) a beneficial interest in the:
 - (i) 144A Global Note ([CUSIP:]), or
 - (ii) Regulation S Global Note ([CUSIP:]), or
- (b) a Restricted Certificated Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

- (a) a beneficial interest in the:
 - (i) 144A Global Note ([CUSIP:]), or
 - (ii) Regulation S Global Note ([CUSIP:])or
 - (iii) Unrestricted Global Note ([] []); or
- (b) a Restricted Certificated Note; or
- (c) an Unrestricted Certificated Note, in accordance with the terms of the Indenture.

FORM OF CERTIFICATE OF EXCHANGE

Resideo Funding Inc.
 1985 Douglas Drive North,
 Golden Valley, Minnesota 55422
 Attention: Matthew Giordano
 Jeannine Lane

Deutsche Bank Trust Company Americas
 Trust and Agency Services
 c/o DB Services Americas, Inc.
 Attention: Reorg. Department
 5022 Gate Parkway, Suite 200
 MS: JCK01-0218
 Jacksonville, FL 32256
 DB.Reorg@db.com
 Fax: 615-866-3889
 Telephone Assistance: 877-843-9767

Re: 6.125% Senior Notes due 2026

Reference is hereby made to the Indenture, dated as of October 19, 2018 (the "**Indenture**"), among Resideo Funding Inc., the Guarantors party thereto, Deutsche Bank Trust Company Americas, as trustee (the "**Trustee**") and Deutsche Bank Trust Company Americas, as registrar, paying agent and authenticating agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "**Owner**") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of \$ _____ in such Note[s] or interests (the "**Exchange**"). In connection with the Exchange, the Owner hereby certifies that:

1) EXCHANGE OF RESTRICTED CERTIFICATED NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED CERTIFICATED NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES

a) CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note of the same series in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "**Securities Act**"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

b) CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED CERTIFICATED NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Certificated Note of the same series, the Owner hereby certifies (i) the Certificated Note is being acquired

for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Certificated Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

c) CHECK IF EXCHANGE IS FROM RESTRICTED CERTIFICATED NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Owner's Exchange of a Restricted Certificated Note for a beneficial interest in an Unrestricted Global Note of the same series, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Certificated Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

d) CHECK IF EXCHANGE IS FROM RESTRICTED CERTIFICATED NOTE TO UNRESTRICTED CERTIFICATED NOTE OF THE SAME SERIES. In connection with the Owner's Exchange of a Restricted Certificated Note for an Unrestricted Certificated Note of the same series, the Owner hereby certifies (i) the Unrestricted Certificated Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Certificated Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Certificated Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2) EXCHANGE OF RESTRICTED CERTIFICATED NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED CERTIFICATED NOTES OF THE SAME SERIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES OF THE SAME SERIES

a) CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED CERTIFICATED NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Certificated Note of the same series with an equal principal amount, the Owner hereby certifies that the Restricted Certificated Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Certificated Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Certificated Note and in the Indenture and the Securities Act.

b) CHECK IF EXCHANGE IS FROM RESTRICTED CERTIFICATED NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE OF THE SAME SERIES. In connection with the Exchange of the Owner's Restricted Certificated Note for a beneficial interest in the [CHECK ONE] 144A Global Note Regulation S Global Note of the same series, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer and are dated .

[Insert Name of Transferor]

By: _____
Name:
Title:

Dated: _____

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT SUBSIDIARY GUARANTORS

Supplemental Indenture (this “*Supplemental Indenture*”), dated as of _____, among _____ (the “*Guaranteeing Party*”), Deutsche Bank Trust Company Americas, as trustee (the “*Trustee*”) and Deutsche Bank Trust Company Americas, as authenticating agent (“*Authenticating Agent*”), registrar (“*Registrar*”) and paying agent (“*Paying Agent*”).

WITNESSETH

WHEREAS, Resideo Funding Inc., a Delaware corporation (the “*Issuer*”), has heretofore executed and delivered to the Trustee that certain Indenture (the “*Indenture*”), dated as of October 19, 2018, providing for the issuance of an unlimited aggregate principal amount of 6.125% Senior Notes due 2026 (the “*Notes*”);

WHEREAS, the Indenture provides that under certain circumstances the Guarantoring Party shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guarantoring Party shall fully and unconditionally guarantee all of the Issuer’s obligations under the Notes and the Indenture, jointly and severally with each other Guarantor, on the terms and conditions set forth herein and under the Indenture (the “*Guarantee*”); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders as follows:

- (1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
- (2) Agreement to Guarantee. The Guarantoring Party hereby agrees as follows:

(a) Along with all other Guarantors named in the Indenture (including pursuant to any supplemental indentures), to fully, unconditionally and irrevocably guarantee on a senior unsecured basis, jointly and severally, to each Holder and to the Trustee, the Agents and their respective successors and assigns (a) the full and punctual payment of principal of and interest on the Notes when due, whether at Stated Maturity, by acceleration or otherwise, and all other monetary obligations of the Issuer under this Indenture and the Notes and (b) the full and punctual performance within applicable grace periods of all other monetary obligations of the Issuer under this Indenture and the Notes (all such obligations set forth in clauses (a) and (b) above being hereinafter collectively called the “*Guaranteed Obligations*”). Subject to the provisions of Article 10 of the Indenture, such Guarantee shall remain in full force and effect until payment in full of all Guaranteed Obligations. The Guarantoring Party further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from Guarantoring Party and that Guarantoring Party will remain bound under Article 10 of the Indenture notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) The Guarantoring Party waives presentation to, demand of, payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. The Guarantoring Party waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of the Guarantoring Party hereunder shall not be affected by (a) the failure of any Holder, the Trustee or Agents to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Supplemental Indenture, the Indenture, the Notes or any other agreement or

otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Supplemental Indenture, the Indenture, the Notes or any other agreement; (d) the release of any security held by any Holder, the Trustee or Agents for the Guaranteed Obligations or any of them; (e) the failure of any Holder, the Trustee or Agents to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (f) except as set forth in Section 10.05 of the Indenture, any change in the ownership of such Guarantor.

(c) The Guaranteeing Party further agrees that its Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder, the Trustee or Agents to any security held for payment of the Guaranteed Obligations.

(d) The Guaranteeing Party further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal or of interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder, the Trustee or Agents upon the bankruptcy or reorganization of the Issuer or otherwise.

(e) The Guaranteeing Party further agrees that, as between it, on the one hand, and the Holders, the Trustee and the Agents, on the other hand, (x) the maturity of the Guaranteed Obligations may be accelerated as provided in Article 6 of the Indenture for the purposes of the Guaranteeing Party's Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations, and (y) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6 of the Indenture, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Party for the purposes of Section 10.01 of the Indenture and this Supplemental Indenture.

(f) The Guaranteeing Party also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or the Agents in enforcing any rights under Section 10.01 of the Indenture or this Supplemental Indenture.

(3) Limitation on Liability. The limitations of Section 10.02 of the Indenture shall apply to Section 2 of this Supplemental Indenture.

(4) Successors and Assigns. This Supplemental Indenture and Article 10 of the Indenture shall be binding upon the Guaranteeing Party and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee, the Agents and the Holders and, in the event of any transfer or assignment of rights by any Holder, the Trustee or the Agents, the rights and privileges conferred upon that party in this Supplemental Indenture, in the Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of the Indenture.

(5) No Waiver. Neither a failure nor a delay on the part of either the Trustee, the Agents or the Holders in exercising any right, power or privilege under this Supplemental Indenture or Article 10 of the Indenture shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee, the Agents and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Supplemental Indenture and Article 10 of the Indenture at law, in equity, by statute or otherwise.

(6) Merger, Consolidation or Sale of All or Substantially All Assets.

Section 5.02 of the Indenture shall apply to the Guaranteeing Party and such Guaranteeing Party shall be a Subsidiary Guarantor for such purpose.

(7) Releases.

Section 10.05 of the Indenture shall apply to the Guarantee of the Guaranteeing Party and such Guaranteeing Party shall be a Subsidiary Guarantor for such purpose.

(8) Contribution. If the Guaranteeing Party makes a payment under its Guarantee, it shall be entitled upon payment in full of all Guaranteed Obligations to contribution from each other Guarantor, as applicable, in an amount equal to such Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

(9) No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Guaranteeing Party shall have any liability for any obligations of the Issuer or the Guarantors (including the Guaranteeing Party) under the Notes, any Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(10) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(11) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

(12) Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

(13) The Trustee and the Agents. The Trustee and the Agents shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Party.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

[GUARANTEEING PARTY]

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as
Trustee

By: _____
Name:
Title:

By: _____
Name:
Title:

DEUTSCHE BANK TRUST COMPANY AMERICAS, as
Paying Agent, Registrar and Authenticating Agent

By: _____
Name:
Title:

By: _____
Name:
Title: