

BEAZER HOMES USA INC  
 Form 4  
 November 19, 2002

<p><b>FORM 4</b></p> <p>o Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.                  See Instruction 1(b).</p> <p>(Print or Type Responses)</p>	<p><b>UNITED STATES SECURITIES AND EXCHANGE COMMISSION</b></p> <p>Washington, D.C. 20549</p> <p><b>STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP</b></p> <p>Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940</p>	<p>OMB APPROVAL</p> <hr/> <p>OMB Number: 3235-0287                  Expires: January 31, 2005                  Estimated average burden hours per response. . . 0.5</p>
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<p>1. Name and Address of Reporting Person *</p> <p style="text-align: center;">Solari, Larry T.</p> <p style="text-align: center;">(Last) (First) (Middle)</p> <p>5775 Peachtree Dunwoody Road Suite B-200</p> <p style="text-align: center;">(Street)</p> <p style="text-align: center;">Atlanta, GA 30342</p> <p style="text-align: center;">(City) (State) (Zip)</p>	<p>2. Issuer Name and Ticker or Trading Symbol</p> <p style="text-align: center;">Beazer Homes USA, Inc. BZH</p>	<p>4. Statement for (Month/Day/Year)</p> <p style="text-align: center;">November 15, 2002</p>	<p>6. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input checked="" type="checkbox"/> Director</p> <p><input type="checkbox"/> 10% Owner</p> <p><input type="checkbox"/> Officer (give title below)</p> <p><input type="checkbox"/> Other (specify below)</p>
<p>3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)</p>		<p>5. If Amendment, Date of Original (Month/Day/Year)</p> <p style="text-align: center;">/</p>	<p>7. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p>

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)

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			Code	V	Amount	(A) or (D)	Price			

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
 (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)				5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)	11. Name of Indirect Owner (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares						
Stock Options (Right to Buy)	\$62.48	11/15/02		A		2,000		11/15/05	11/15/12	Common Stock	2,000		2,000	D			

Explanation of Responses:

/s/ David S. Weiss

November 19, 2002

\*\* Signature of Reporting Person

Date

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By: David S. Weiss, Attorney-in-fact

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

*See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

<http://www.sec.gov/divisions/corpfin/forms/form4.htm>

*Last update: 09/05/2002*

) designates), prior to the payment that such holder is not a U.S. person and provides such holder's name and address. The gross amount of payments of interest that do not qualify for the portfolio interest exception and that are not U.S. trade or business income will be subject to U.S. withholding tax at a rate of 30% unless a treaty applies to reduce or eliminate withholding. U.S. trade or business income will be taxed at regular, graduated U.S. rates rather than the 30% rate. In the case of a non-U.S. holder that is a corporation, such U.S. trade or business income may also be subject to a branch profits tax equal to 30% (or a lower rate under an applicable income tax treaty) of such amount, subject to adjustments. To claim the benefits of a treaty exemption from or reduction in withholding, a non-U.S. holder must provide a properly executed Form W-8BEN (or such successor form as the IRS designates), and to claim an exemption from withholding because income is U.S. trade or business income, a non-U.S. holder must provide a properly executed Form W-8ECI (or such successor form as the IRS designates), in either case prior to the payment of interest. These forms may need to be periodically updated. A non-U.S. holder who is claiming the benefits of a treaty may be required in certain instances to obtain and to provide a U.S. taxpayer identification number ( TIN ) on a Form W-8BEN.

If you are a non-U.S. holder, any gain you realize on a sale, exchange, redemption or other disposition of notes generally will be exempt from U.S. federal income tax, including withholding tax. This exemption will not apply to you if (i) the gain is U.S. trade or business income, in which case the branch profits tax may also apply if you are a corporate non-U.S. holder or (ii) you are an individual who is present in the United States for 183 or more days in the taxable year of the disposition and certain other requirements are met. Special rules may apply to notes redeemed in part.

Special rules may apply to certain non-U.S. holders (or their beneficial owners), such as controlled foreign corporations, passive foreign investment companies, and certain expatriates, that are subject to special treatment under the Code. Such non-U.S. holders (or their beneficial owners) should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

### **Information Reporting and Backup Withholding**

If you are a U.S. holder, you will generally be subject to information reporting and may also be subject to backup withholding tax, currently at a rate of 28%, when you receive interest payments on a note or proceeds upon the sale or other disposition of a note. Certain U.S. holders (including, among others, corporations and certain tax-exempt organizations) are generally not subject to information reporting or

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backup withholding. In addition, the backup withholding tax will not apply if you provide your TIN to the payor in the prescribed manner unless: (A) the IRS notifies us or our agent that the TIN you provided is incorrect; (B) you fail to report interest and dividend payments that you receive on your tax return and the IRS notifies us or our agent that withholding is required; or (C) you fail to certify under penalties of perjury that (i) you provided us with your correct TIN, (ii) you are not subject to backup withholding, and (iii) you are a U.S. person (including a U.S. resident alien).

Information returns will be filed with the IRS in connection with payments on the notes to non-U.S. holders. If you are a non-U.S. holder, you may have to comply with certification procedures to establish your non-U.S. status in order to avoid additional information reporting and backup withholding tax requirements. The certification procedures required to claim the exemption from withholding tax on interest income described above will satisfy these certification requirements.

The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

THE PRECEDING DISCUSSION OF FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISOR AS TO PARTICULAR TAX CONSEQUENCES TO HIM, HER OR IT OF PURCHASING, HOLDING AND DISPOSING OF NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS, AND OF ANY PROPOSED CHANGES IN APPLICABLE LAW.

**UNDERWRITING**

We are offering the notes described in this prospectus supplement through a number of underwriters. J.P. Morgan Securities Inc., Deutsche Bank Securities Inc. and UBS Securities LLC are the representatives of the underwriters. We have entered into a firm commitment underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, the aggregate principal amount of notes listed next to its name in the following table:

<b>Underwriter</b>	<b>Principal Amount of 2009 Notes</b>	<b>Principal Amount of 2012 Notes</b>
J.P. Morgan Securities Inc.	\$	\$
Deutsche Bank Securities Inc.		
UBS Securities LLC		
<b>Total</b>	<b>\$</b>	<b>\$</b>

The underwriting agreement is subject to a number of terms and conditions and provides that the underwriters must buy all of the notes if they buy any of them. The underwriters will sell the notes to the public when and if the underwriters buy the notes from us.

The underwriters have advised us that they propose initially to offer the notes to the public for cash at the public offering prices set forth on the cover of this prospectus supplement, and to certain dealers at such prices less concessions not in excess of % of the principal amount of the 2009 notes and % of the principal amount of the 2012 notes. The underwriters may allow, and such dealers may realow, a concession not in excess of % of the principal amount of the 2009 notes and % of the principal amount of the 2012 notes to certain other dealers. After the public offering of the notes, the public offering price and other selling terms may be changed.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts, will be approximately \$ .

We have agreed to indemnify the underwriters against, or contribute to payments that the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933.

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or on any automated dealer quotation system. The underwriters may make a market in the notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

In connection with the offering of the notes, certain of the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may over allot in connection with the offering, creating a short position. In addition, the underwriters may bid for, and purchase, the notes in the open market to cover short positions or to stabilize the price of the notes. Any of these activities may stabilize or maintain the market price of the notes above independent market levels, but no representation is made hereby of the magnitude of any effect that the transactions described above may have on the market price of the notes. The underwriters will not be required to engage in these activities, and may engage in these activities, and may end any of these activities, at

any time without notice.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date ) it has not made and will not make an offer of notes to

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the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the

publication by  
the Issuer of a  
prospectus  
pursuant to  
Article 3 of  
the Prospectus  
Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ( FSMA )) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer;

and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

The underwriters and certain of their affiliates have provided from time to time, and may provide in the future, investment and commercial banking and financial advisory services to us and our affiliates in the ordinary course of business, for which they have received and may continue to receive customary fees and commissions. Our chairman and chief executive officer is a member of the board of directors of the parent company of J.P. Morgan Securities Inc.

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### **LEGAL MATTERS**

Certain legal matters will be passed upon for Honeywell by Jacqueline Whorms, Esq., Assistant General Counsel, Corporate Finance, of Honeywell. As of July 24, 2007, Ms. Whorms did not beneficially own any shares of Honeywell common stock and had 700 restricted units and options to acquire 3,500 shares of Honeywell common stock, none of which had vested as of July 24, 2007. Certain legal matters relating to the offering of the notes will be passed upon for the underwriters by Davis Polk & Wardwell, New York, New York.

### **EXPERTS**

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K for the year ended December 31, 2006 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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**Honeywell International Inc.**

**Debt Securities  
Preferred Stock  
Common Stock**

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We will provide specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable supplement carefully before you invest.

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**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

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This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

Prospectus dated March 1, 2007

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We have not authorized anyone to give any information or make any representation about the offering that is different from, or in addition to, that contained in this prospectus, the related registration statement or in any of the materials that we have incorporated by reference into this prospectus. Therefore, if anyone does give you information of this type, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this prospectus are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus does not extend to you. The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies.

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that Honeywell filed with the SEC utilizing a shelf registration process. Under this process, we may offer our debt securities, preferred stock or common stock in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus.

To understand the terms of our securities, you should carefully read this document with the related prospectus supplement. Together they give the specific terms of the securities we are offering. You should also read the documents we have referred you to in [Where You Can Find More Information About Honeywell](#) below for information on our company and our financial statements.

In this prospectus, unless otherwise specified, the terms [Honeywell](#), [we](#), [us](#) or [our](#) mean [Honeywell International Inc.](#) and its consolidated subsidiaries.

Unless otherwise stated, currency amounts in this prospectus and any prospectus supplement are stated in United States dollars, or \$.

**HONEYWELL**

Honeywell International Inc. is a diversified technology and manufacturing company, serving customers worldwide with aerospace products and services, control, sensing and security technologies for buildings, homes and industry, turbochargers, automotive products, specialty chemicals, electronic and advanced materials, and process technology for refining and petrochemicals. Honeywell was incorporated in Delaware in 1985 and its principal executive offices are located at 101 Columbia Road, Morristown, New Jersey, 07962-2497. Its main telephone number is (973) 455-2000.

**USE OF PROCEEDS**

Unless otherwise specified in the applicable prospectus supplement, the net proceeds we receive from the sale of securities described by this prospectus and the accompanying prospectus supplement will be used for general corporate purposes. General corporate purposes may include the repayment of outstanding debt, repurchase of our common stock, investments in or extensions of credit to our subsidiaries, or the financing of possible acquisitions or business expansion. The net proceeds may be invested temporarily or applied to repay short-term debt until they are used for their stated purpose. Pending application for specific purposes, the net proceeds may be invested in marketable securities.



## DESCRIPTION OF DEBT SECURITIES

We will issue the debt securities in one or more series under an indenture dated as of March 1, 2007 between us and Deutsche Bank Trust Company Americas, as trustee. In this section, the terms we, our, us and Honeywell refer solely to Honeywell International Inc. and not its subsidiaries.

We have summarized below the material provisions of the indenture and the debt securities, or indicated which material provisions will be described in the related prospectus supplement. For further information, you should read the indenture. The indenture is an exhibit to the registration statement of which this prospectus forms a part. The following summary is qualified in its entirety by the provisions of the indenture.

We will describe the particular terms and conditions of any series of debt securities offered in a prospectus supplement. The prospectus supplement, which we will file with the SEC, may or may not modify the general terms found in this prospectus. For a complete description of any series of debt securities, you should read both this prospectus and the prospectus supplement relating to that series of debt securities.

### General

The debt securities that we may offer under the indenture are not limited in aggregate principal amount. We may issue debt securities at one or more times in one or more series. Each series of debt securities may have different terms. The terms of any series of debt securities will be described in, or determined by action taken pursuant to, a resolution of our board of directors or a committee appointed by our board of directors or in a supplement to the indenture relating to that series.

We are not obligated to issue all debt securities of one series at the same time and, unless otherwise provided in the prospectus supplement, we may reopen a series, without the consent of the holders of the debt securities of that series, for the issuance of additional debt securities of that series. Additional debt securities of a particular series will have the same terms and conditions as outstanding debt securities of such series, except for the date of original issuance and the offering price, and will be consolidated with, and form a single series with, such outstanding debt securities.

The debt securities will be unsecured obligations and will rank equally with all of our other unsecured senior indebtedness.

The prospectus supplement relating to any series of debt securities that we may offer will state the price or prices at which the debt securities will be offered and will contain the specific terms of that series. These terms may include the following:

the title of the series;

the purchase price, denomination and any limit upon the aggregate principal amount of the series;

the date or dates on which each of the principal of and premium, if any, on the securities of the series is payable and the method of determination thereof;

the rate or rates at which the securities of the series shall bear interest, if any, or the method of calculating such rate or rates of interest, the date or dates from which such interest shall accrue or the method by which such date or dates shall be determined, the interest payment dates on which any such interest shall be payable and the record date, if any;

the place or places where the principal of (and premium, if any) and interest, if

any, on  
securities of  
the series shall  
be payable;

the place or  
places where  
the securities  
may be  
exchanged or  
transferred;

the period or  
periods within  
which, the  
price or prices  
at which, the  
currency or  
currencies  
(including  
currency unit  
or units) in  
which, and the  
other terms  
and conditions  
upon which,  
securities of  
the series may  
be redeemed,  
in whole or in  
part, at our  
option, if we  
are to have  
that option  
with respect to  
the applicable  
series;

our obligation,  
if any, to  
redeem or  
purchase  
securities of  
the series in  
whole or in  
part pursuant  
to any sinking  
fund or upon  
the happening  
of a specified  
event or at the

option of a  
holder thereof  
and the period  
or periods  
within which,  
the price or  
prices at  
which, and the  
other terms  
and conditions

upon which securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which securities of the series are issuable;

if other than U.S. dollars, the currency or currencies (including currency unit or units) in which payments of principal of (and premium, if any) and interest, if any, on the securities of the series shall or may be payable, or in which the securities of the series shall be denominated, and the particular provisions applicable thereto;

if the payments of principal of, or interest or premium, if any, on the securities of the series are to be made, at our or a holder's election, in a currency or currencies (including currency unit or units) other than that in which such securities are denominated or designated to be payable, the currency or currencies (including currency unit or units) in which such payments are to be made, the terms and conditions of such payments and the manner in which the exchange rate with respect to such payments shall be determined, and the particular provisions applicable thereto;

if the amount of payments of principal of (and premium, if any) and

interest, if any,  
on the  
securities of  
the series shall  
be determined  
with reference  
to an index,  
formula or  
other method  
(which index,  
formula or  
method may be  
based, without  
limitation, on a  
currency or  
currencies  
(including  
currency unit  
or units) other  
than that in  
which the  
securities of  
the series are  
denominated  
or designated  
to be payable),  
the index,  
formula or  
other method  
by which such  
amounts shall  
be determined;

if other than  
the principal  
amount  
thereof, the  
portion of the  
principal  
amount of  
securities of  
the series  
which shall be  
payable upon  
declaration of  
acceleration of  
the maturity  
thereof  
pursuant to an  
event of  
default or the

method by which such portion shall be determined;

any modifications of or additions to the events of default or our covenants with respect to securities of the series; whether the securities of the series will be subject to legal defeasance or covenant defeasance as provided in the indenture;

if other than the trustee, the identity of the registrar and any paying agent;

if the securities of the series shall be issued in whole or in part in global form, (i) the Depositary for such global Securities, (ii) the form of any legend which shall be borne by such global Security, (iii) whether beneficial owners of interests in any securities of



the series in  
global form  
may exchange  
such interests  
for certificated  
securities of  
such series and  
of like tenor of  
any authorized  
form and  
denomination  
and (iv) the  
circumstances  
under which  
any such  
exchange may  
occur; and

any other terms  
of the series.

**Covenants**

Except as described below or in the prospectus supplement with respect to any series of debt securities, we are not restricted by the indenture from incurring, assuming or becoming liable for any type of debt or other obligations, from paying dividends or making distributions on our capital stock or purchasing or redeeming our capital stock. The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, with certain exceptions, the indenture does not contain any covenants or other provisions that would limit our right to incur additional indebtedness. The indenture does not contain any provisions that would require us to repurchase or redeem or otherwise modify the terms of any of the debt securities upon a change in control or other events that may adversely affect the creditworthiness of the debt securities, for example, a highly leveraged transaction.

Unless otherwise indicated in the prospectus supplement, covenants contained in the indenture, which are summarized below, will be applicable to the series of debt securities to which the prospectus supplement relates so long as any of the debt securities of that series are outstanding.

*Limitation on Mortgages.* In the indenture, we covenant not to issue, assume or guarantee any indebtedness for borrowed money secured by liens on

any property located in the United States which is in the opinion of our board of directors, a principal manufacturing property; or

any shares of capital stock or indebtedness of any subsidiary owning such property,

without equally and ratably securing the debt securities, subject to exceptions specified in the indenture. These exceptions include:

existing liens on our property or liens on property of corporations at the time those corporations become our subsidiaries or are merged with us;

liens existing on property when acquired, or incurred to finance the purchase price of that property;

certain liens on property to

secure the cost  
of  
development  
of, or  
improvements  
on, that  
property;

certain liens in  
favor of or  
required by  
contracts with  
governmental  
entities; and

indebtedness  
secured by  
liens otherwise  
prohibited by  
the covenant  
not exceeding  
10% of the  
consolidated  
net tangible  
assets of  
Honeywell  
and our  
consolidated  
subsidiaries.

*Limitation on Sale and Lease-Back.* We also covenant not to enter into any sale and lease-back transaction covering any property located in the United States which is in the opinion of our board of directors, a principal manufacturing property, or unless:

we would be  
entitled  
under the  
provisions  
described  
under  
Limitation on  
Liens to  
incur debt  
equal to the  
value of such  
sale and  
lease-back  
transaction,  
secured by  
liens on the  
property to

be leased,  
without  
equally  
securing the  
outstanding  
debt  
securities; or

we, during  
the four  
months  
following the  
effective date  
of such sale  
and  
lease-back  
transaction,  
apply an  
amount equal  
to the value  
of such sale  
and  
lease-back  
transaction to  
the voluntary  
retirement of  
long-term  
indebtedness  
of Honeywell  
or our  
subsidiaries.

*Consolidation, Merger and Sale of Assets.* The indenture provides that we may not consolidate with or merge into any other person or sell our assets substantially as an entirety, unless:

the person  
formed by  
such  
consolidation  
or into which  
we are  
merged or the  
person which  
acquires our  
assets is a  
person  
organized in  
the United  
States of  
America and  
expressly

assumes the  
due and  
punctual  
payment of  
the principal  
of and interest  
on all the debt  
securities and  
the  
performance  
of every  
covenant of  
the indenture  
on our part;

immediately  
after giving  
effect to such  
transaction,  
no event of  
default, and  
no event  
which, after  
notice or  
lapse of time,  
or both,  
would  
become an  
event of  
default, shall  
have  
happened and  
be  
continuing;  
and

we have  
delivered to  
the trustee an  
officers  
certificate and  
an opinion of  
counsel each  
stating that  
such  
consolidation  
or transfer  
and a  
supplemental  
indenture, if  
applicable,

comply with  
the indenture  
and that all  
conditions  
precedent  
herein  
provided for  
relating to  
such  
transaction  
have been  
complied  
with.

Upon such consolidation, merger or sale, the successor corporation formed by such consolidation or into which we are merged or to which such sale is made will succeed to, and be substituted for, us under the indenture, and the predecessor corporation shall be released from all obligations and covenants under the indenture and the debt securities.

The indenture does not restrict, or require us to redeem or permit holders to cause redemption of debt securities in the event of:

a consolidation,  
merger, sale of  
assets or other  
similar  
transaction that  
may adversely  
affect our  
creditworthiness  
or the successor  
or combined  
entity;

a change in  
control of us; or

a highly  
leveraged  
transaction  
involving us  
whether or not  
involving a  
change in  
control.

Accordingly, the holders of debt securities would not have protection in the event of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction involving us that may

adversely affect the holders. The existing protective covenants applicable to the debt securities would continue to apply to us in the event of a leveraged buyout initiated or supported by us, our management, or any of our affiliates or their management, but may not prevent such a transaction from taking place.

### Events of Default, Notice and Waiver

The indenture provides that if an event of default shall have occurred and be continuing with respect to any series of debt securities, then either the trustee or the holders of not less than 25% in outstanding principal amount of the debt securities of that series may declare to be due and payable immediately the outstanding principal amount of the debt securities of the affected series, together with interest, if any, accrued thereon; *provided, however*, that if the event of default is any of certain events of bankruptcy, insolvency or reorganization, all the debt securities, together with interest, if any, accrued thereon, will become immediately due and payable without further action or notice on the part of the trustee or the holders.

Under the indenture, an event of default with respect to the debt securities of any series is any one of the following events:

- (1) default for 30 days in payment when due of any interest due with respect to the debt securities of such series;
- (2) default in payment when due of principal of or of premium, if any, on the debt securities of such series;
- (3) default in the observance or performance of any other covenant or agreement contained in the indenture which default continues for a period of 90 days after we receive written notice

specifying the default (and demanding that such default be remedied) from the trustee or the holders of at least 25% of the principal amount of securities of that series then outstanding (with a copy to the trustee if given by holders) (except in the case of a default with respect to certain consolidations, mergers, or sales of assets as set forth in Section 10.01 of the indenture, which will constitute an event of default with such notice requirement but without such passage of time requirement), *provided, however,* that the sole remedy of Holders of the Securities for an Event of Default relating to the failure to file any documents or reports that the Company is required to file



with the Commission pursuant to Section 13 or 15(d) of the Exchange Act and for any failure to comply with the requirements of Section 314(a)(1) of the Trust Indenture Act to provide such documents or reports, within 30 days after filing with the SEC, to the Trustee pursuant to Section 14.04 of the indenture, will for the first 60 days after the occurrence of such an Event of Default, or such shorter period until such Event of Default has been cured or waived, consist exclusively of the right to receive additional interest on the Securities at an annual rate equal to 0.25% of the outstanding principal amount of the Securities, and that, on the 61st

day after such  
Event of  
Default (if such  
Event of  
Default is not  
cured or  
waived prior to  
such 61st day),  
the S ecurities  
will be subject  
to acceleration  
as provided in  
the indenture;

- (4) certain events  
of bankruptcy,  
insolvency and  
reorganization;  
and
- (5) any other event  
of default  
provided with  
respect to debt  
securities of  
that series.

The indenture provides that the trustee will, within 90 days after the occurrence of a default with respect to the debt securities of any series, give to the holders of debt securities of such series notice of such default known to it, unless cured or waived; provided that except in the case of default in the payment of principal, or interest or premium, if any, on any debt security of such series or in the payment of any sinking fund installment with respect to debt securities of such series, the trustee will be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or specified officers of the trustee in good faith determine that the withholding of such notice is in the interests of the holders of debt securities of such series. The term default for the purpose of this provision means any event that is, or after notice or lapse of time, or both, would become, an event of default.

The indenture contains a provision entitling the trustee, subject to the duty of the trustee during the continuance of an event of default to act with the required standard of care, to be indemnified by the holders before proceeding to exercise any right or power under the indenture at the request of such holders.

The indenture provides that the holders of a majority in outstanding principal amount of the debt securities of any series may, subject to certain exceptions, on behalf of the holders of debt securities of such series direct the time, method and place of conducting proceedings for remedies available to the trustee, or exercising any trust or power conferred on the trustee.

The indenture includes a covenant that we will file annually with the trustee a certificate of no default, or specifying any default that exists.

In certain cases, the holders of a majority in outstanding principal amount of the debt securities of any series may on behalf of the holders of debt securities of such series rescind a declaration of acceleration or waive any past default or event of default with respect to the debt securities of that series except a default not theretofore cured in payment of the principal of, or interest or premium, if any, on any debt security of such series or in respect of a provision which under the indenture cannot be modified or amended without the consent of the holder of each such debt security.

No holder of a debt security of any series will have any right to institute any proceeding with respect to the indenture or the debt securities of any series or for any remedy thereunder unless:

such holder  
shall have  
previously  
given to the  
trustee  
written  
notice of a  
continuing  
event of  
default;

the holders  
of at least  
25% in  
aggregate  
principal  
amount of  
the  
outstanding  
debt  
securities of  
such series  
have also  
made such a  
written  
request;

such holder  
or holders  
have  
provided  
indemnity  
satisfactory

to the  
trustee to  
institute  
such  
proceeding  
as trustee;

the trustee  
has not  
received  
from the  
holders of a  
majority in  
outstanding  
principal  
amount of  
the debt  
securities of  
such series a  
direction  
inconsistent  
with such  
request; and

the trustee  
has failed to  
institute  
such  
proceeding  
within 90  
calendar  
days of such  
notice.

However, such limitations do not apply to a suit instituted by a holder of debt securities for enforcement of payment of the principal of, or premium or interest, if any, on such debt securities on or after the respective due dates expressed in such debt securities after any applicable grace periods have expired.

### **Modification and Waiver**

The trustee and we may amend or supplement the indenture or the debt securities of any series without the consent of any holder, in order to:

cure any  
ambiguity,  
defect or  
inconsistency;

provide for  
uncertificated  
debt securities

in addition to  
or in place of  
certificated  
debt securities;

provide for the  
assumption of  
our obligations  
to the holders  
in the case of a  
merger or  
consolidation  
of us as  
permitted by  
the indenture;

evidence and  
provide for the  
acceptance of  
appointment  
by a successor  
trustee and to  
add to or  
change any of  
the provisions  
of the  
indenture as  
are necessary  
to provide for  
or facilitate the  
administration  
of the trusts by  
more than one  
trustee;

make any  
change that  
would provide  
any additional  
rights or  
benefits to the  
holders of all  
or any series  
of debt  
securities and  
that does not  
adversely  
affect any such  
holder; or

comply with  
SEC  
requirements  
in order to  
effect or  
maintain the  
qualification  
of the  
indenture  
under the Trust  
Indenture Act  
of 1939, which  
we refer to as  
the Trust  
Indenture Act.

In addition, except as described below, modifications and amendments of the indenture or the debt securities of any series may be made by the trustee and us with the consent of the holders of a majority in outstanding principal amount of the debt securities affected by such modification or amendment. However, no such modification or amendment may, without the consent of each holder affected thereby:

change the  
stated  
maturity of,  
or time for  
payment of  
interest on,  
any debt  
security;

reduce the  
principal  
amount of,  
or the rate  
of interest  
or the  
premium,  
payable  
upon the  
redemption  
of, if any,  
on any debt  
security;

change the  
place or  
currency of  
payment of  
principal of,  
or interest or  
premium, if  
any, on any  
debt  
security;

impair the  
right to  
institute suit  
for the  
enforcement  
of any  
payment on  
or with  
respect to  
such debt  
securities on  
or after the  
stated  
maturity or  
prepayment  
date thereof;  
or

reduce the  
percentage  
in principal  
amount of  
debt  
securities of  
any series  
where  
holders must  
consent to an  
amendment,  
supplement  
or waiver.

**Defeasance**

The indenture provides that we will be discharged from any and all obligations in respect of the debt securities of any series (except for certain obligations to register the transfer or exchange of the debt securities, to replace stolen, lost or mutilated debt securities, to maintain paying agencies and hold monies for payment in trust and to pay the principal of and interest, if any, on such debt securities), upon the irrevocable deposit with the trustee, in trust, of money and/or U.S. government securities, which through the payment of interest and principal thereof in accordance with their terms provides money in an amount sufficient to pay the principal of (and premium, if any) and interest, if any, in respect of

the debt securities of such series on the stated maturity date of such principal and any installment of principal, or interest or premium, if any. Also, the establishment of such a trust will be conditioned on the delivery by us to the trustee of an opinion of counsel reasonably satisfactory to the trustee to the effect that, based upon applicable U.S. federal income tax law or a ruling published by the United States Internal Revenue Service, such a defeasance and discharge will not be deemed, or result in, a taxable event with respect to the holders. For the avoidance of doubt, such an opinion would require a change in current U.S. tax law.

We may also omit to comply with the restrictive covenants, if any, of any particular series of debt securities, other than our covenant to pay the amounts due and owing with respect to such series of debt securities. Thereafter, any such omission shall not be an event of default with respect to the debt securities of such series, upon the deposit with the trustee, in trust, of money and/or U.S. government securities which through the payment of interest and principal in respect thereof in accordance with their terms provides money in an amount sufficient to pay any installment of principal of (and premium, if any) and interest, if any, in respect of debt securities of such series on the stated maturity date of such principal or installment of principal, or interest or premium, if any. Our obligations under the indenture and the debt securities of such series other than with respect to such covenants shall remain in full force and effect. Also, the establishment of such a trust will be conditioned on the delivery by us to the trustee of an opinion of counsel to the effect that such a defeasance and discharge will not be deemed, or result in a taxable event with respect to the holders.

In the event we exercise our option to omit compliance with certain covenants as described in the preceding paragraph and the debt securities of such series are declared due and payable because of the occurrence of any event of default, then the amount of monies and U.S. government securities on deposit with the trustee will be sufficient to pay amounts due on the debt securities of such series at the time of the acceleration resulting from such event of default. We shall in any event remain liable for such payments as provided in the debt securities of such series.

### **Satisfaction and Discharge**

At our option, we may satisfy and discharge the indenture with respect to the debt securities of any series (except for specified obligations of the trustee and ours, including, among others, the obligations to apply money held in trust) when:

either (a) all  
debt  
securities of  
such series  
previously  
authenticated  
and delivered  
under the  
indenture  
have been  
delivered to  
the trustee for  
cancellation  
or (b) all debt  
securities of  
such series  
not  
theretofore  
delivered to



the trustee for  
cancellation  
have become  
due and  
payable, will  
become due  
and payable  
at their stated  
maturity  
within one  
year, or are to  
be called for  
redemption  
within one  
year under  
arrangements  
satisfactory to  
the trustee for  
the giving of  
notice of  
redemption  
by the trustee,  
and we have  
deposited or  
caused to be  
deposited  
with the  
trustee as  
trust funds in  
trust for such  
purpose an  
amount  
sufficient to  
pay and  
discharge the  
entire  
indebtedness  
on debt  
securities of  
such series;

we have  
paid or  
caused to  
be paid all  
other sums  
payable  
under the  
indenture  
with respect  
to the debt  
securities of  
such series  
by us; and

we have  
delivered to  
the trustee  
an officers  
certificate  
and an  
opinion of  
counsel,  
each to the  
effect that  
all  
conditions  
precedent  
relating to  
the  
satisfaction  
and  
discharge  
of the  
indenture as  
to such  
series have  
been  
satisfied.

**Regarding the Trustee**

The indenture contains certain limitations on the right of the trustee, should it become a creditor of ours within three months of, or subsequent to, a default by us to make payment in full of principal of or interest on any series of debt securities issued pursuant to the indenture when and as the same becomes due and payable, to obtain payment of claims, or to realize for its own account on property received in respect of any such claim as security or otherwise, unless and until such default is cured. However, the trustee's rights as a creditor of ours will not be limited if the creditor relationship arises from, among other things:

the ownership  
or acquisition

of securities  
issued under  
any indenture  
or having a  
maturity of  
one year or  
more at the  
time of  
acquisition by  
the trustee;

certain  
advances  
authorized by  
a receivership  
or bankruptcy  
court of  
competent  
jurisdiction or  
by the  
indenture;

disbursements  
made in the  
ordinary  
course of  
business in its  
capacity as  
indenture  
trustee,  
transfer agent,  
registrar,  
custodian or  
paying agent  
or in any  
other similar  
capacity;

indebtedness  
created as a  
result of  
goods or  
securities sold  
in a cash  
transaction or  
services  
rendered or  
premises  
rented; or

the  
acquisition,  
ownership,  
acceptance or  
negotiation of  
certain drafts,  
bills of  
exchange,  
acceptances  
or other  
obligations.

The indenture does not prohibit the trustee from serving as trustee under any other indenture to which we may be a party from time to time or from engaging in other transactions with us. If the trustee acquires any conflicting interest within the meaning of the Trust Indenture Act and any debt securities issued pursuant to either indenture are in default, it must eliminate such conflict or resign.

**DESCRIPTION OF PREFERRED STOCK**

**General**

Honeywell's restated certificate of incorporation, or charter, authorizes the board of directors or a committee of the board of directors to cause preferred stock to be issued in one or more series, without stockholder action. They are authorized to issue up to 40,000,000 shares of preferred stock, without par value, and can determine the number of shares of each series, and the rights, preferences and limitations of each series. We may amend the charter to increase the number of authorized shares of preferred stock in a manner permitted by the charter and Delaware law. As of the date of this prospectus, there is no preferred stock outstanding.

The particular terms of any series of preferred stock offered by us will be described in the prospectus supplement relating to that series of preferred stock. Those terms relating to the series of preferred stock offered may include:

the number of shares of the preferred stock being offered;

the title and liquidation preference per share of the preferred stock;

the purchase price of the preferred stock;

the dividend rate or method for determining the dividend rate;

the dates on which dividends will be paid;

whether dividends on the preferred stock will be cumulative or noncumulative and, if cumulative, the

dates from  
which  
dividends shall  
commence to  
accumulate;

any redemption  
or sinking fund  
provisions  
applicable to  
the preferred  
stock;

any securities  
exchange on  
which the  
preferred stock  
may be listed;  
and

any additional  
dividend,  
liquidation,  
redemption,  
sinking fund  
and other rights  
and restrictions  
applicable to  
the preferred  
stock.

The following summary is not complete. You should refer to the certificate of designations relating to any series of preferred stock for the complete terms of that preferred stock. The certificate of designations will be filed with the SEC at the time of the offering of the preferred stock. Unless otherwise specified in the prospectus supplement, if we liquidate, dissolve or wind-up our business, each series of preferred stock will have the same rank as to dividends and distributions as each other series of preferred stock we may issue in the future. Preferred stock will have no preemptive rights.

### **Dividend Rights**

Holders of preferred stock will be entitled to receive, when, as and if declared by the board of directors, cash dividends at the rates and on the dates set forth in the related prospectus supplement. Dividend rates may be fixed or variable or both. Different series of preferred stock may be entitled to dividends at different dividend rates or based upon different methods of determination. Each dividend will be payable to the holders of record as they appear on our stock books on record dates determined by the board of directors. Dividends on preferred stock may be cumulative or noncumulative, as specified in the related prospectus supplement. If the board of directors fails to declare a dividend on any preferred stock for which dividends are noncumulative, then the right to receive that dividend will be lost, and we will have no obligation to pay the dividend for that dividend period, whether or not dividends are declared for any future dividend period.

No full dividends will be declared or paid on any preferred stock unless full dividends for the dividend period commencing after the immediately preceding dividend payment date and any cumulative dividends still owing have

been or contemporaneously are declared and paid on all other series of preferred stock which have the same rank as, or rank senior to, that series of preferred stock. When those dividends are not paid in full, dividends will be declared pro rata, so that the amount of dividends declared per share on that series of preferred stock and on each other series of preferred stock having the same rank as that series of preferred stock will bear the same ratio to each other that accrued dividends per share on that series of preferred stock and the other series of preferred stock bear to each other. In addition, generally, unless full

dividends including any cumulative dividends still owing on all outstanding shares of any series of preferred stock have been paid, no dividends will be declared or paid on the common stock and generally we may not redeem or purchase any common stock. No interest will be paid in connection with any dividend payment or payments which may be in arrears.

Unless otherwise set forth in the related prospectus supplement, the dividends payable for each dividend period will be computed by annualizing the applicable dividend rate and dividing by the number of dividend periods in a year, except that the amount of dividends payable for the initial dividend period or any period shorter than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months and, for any period less than a full month, the actual number of days elapsed in the period.

### **Rights Upon Liquidation**

If we liquidate, dissolve or wind-up our affairs, either voluntarily or involuntarily, the holders of each series of preferred stock will be entitled to receive liquidating distributions in the amount set forth in the prospectus supplement relating to the series of preferred stock, plus an amount equal to any accrued and unpaid dividends before any distribution of assets is made to the holders of common stock. If the amounts payable with respect to preferred stock of any series and any stock having the same rank as that series of preferred stock are not paid in full, the holders of the preferred stock will share ratably in any such distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After the holders of each series of preferred stock having the same rank are paid in full, they will have no right or claim to any of our remaining assets. Neither the sale of all or substantially all of our property or business nor a merger or consolidation by us with any other corporation will be considered a dissolution, liquidation or winding up by us of our business or affairs.

### **Redemption**

Any series of preferred stock may be redeemable in whole or in part at our option. In addition, any series of preferred stock may be subject to mandatory redemption pursuant to a sinking fund. The redemption provisions that may apply to a series of preferred stock, including the redemption dates and the redemption prices for that series, will be set forth in the related prospectus supplement.

If a series of preferred stock is subject to mandatory redemption, the related prospectus supplement will specify the year we can begin to redeem shares of the preferred stock, the number of shares of the preferred stock we can redeem each year, and the redemption price per share. We may pay the redemption price in cash, stock or other securities of Honeywell or of third parties, as specified in the related prospectus supplement. If the redemption price is to be paid only from the proceeds of the sale of our capital stock, the terms of the series of preferred stock may also provide that if no capital stock is sold or if the amount of cash received is insufficient to pay in full the redemption price then due, the series of preferred stock will automatically be converted into shares of the applicable capital stock pursuant to conversion provisions specified in the related prospectus supplement.

If fewer than all the outstanding shares of any series of preferred stock are to be redeemed, whether by mandatory or optional redemption, the board of directors will determine the method for selecting the shares to be redeemed, which may be by lot or pro rata by any other method determined to be equitable. From and after the redemption date, dividends will cease to accrue on the shares of preferred stock called for redemption and all rights of the holders of those shares other than the right to receive the redemption price will cease.

### **Conversion Rights**

The related prospectus supplement will state any conversion rights under which shares of preferred stock are convertible into shares of common stock or another series of preferred stock or other property. As described under **Redemption** above, under some circumstances preferred stock may be mandatorily converted into common stock or



another series of preferred stock.

### **Voting Rights**

For most series of preferred stock, the holders of preferred stock will not be entitled to vote. Except as indicated in the related prospectus supplement, if we issue full shares of any series of preferred stock, each share will be entitled to one vote on matters on which holders of that series of preferred stock are entitled to vote. Because each full share of any series of preferred stock will be entitled to one vote, the voting power of that series will depend on the number of shares in that series, and not on the aggregate liquidation preference or initial offering price of the shares of that series of preferred stock.

### **Transfer Agent and Registrar**

We will appoint a transfer agent, registrar and dividend disbursement agent for the preferred stock. The registrar for the preferred stock will send notices to the holders of the preferred stock of any meeting at which those holders will have the right to elect directors or to vote on any other matter.

### **Permanent Global Preferred Securities**

A series of preferred stock may be issued in whole or in part in the form of one or more global securities that will be deposited with a depository or its nominee identified in the related prospectus supplement. For most series of preferred stock, the depository will be DTC. A global security may not be transferred except as a whole to the depository, a nominee of the depository or their successors unless it is exchanged in whole or in part for preferred stock in individually certificated form. For a description of the depository arrangements, see *Book-Entry Issuance* . Any additional terms of the depository arrangement with respect to any series of preferred stock and the rights of and limitations on owners of beneficial interests in a global security representing a series of preferred stock may be described in the related prospectus supplement.

## DESCRIPTION OF COMMON STOCK

### General

As of the date of this prospectus, we are authorized to issue up to 2,000,000,000 shares of common stock. As of December 31, 2006, we had approximately 957.6 million shares of common stock issued (including approximately 157.0 million shares held in treasury) and had reserved approximately 110.5 million shares of common stock for issuance under various employee or director incentive compensation and option plans. The American Stock Transfer & Trust Company is the transfer agent and registrar for our common stock. Shares of common stock are listed on the New York, Chicago and Pacific stock exchanges, under the symbol HON . In addition, shares of common stock are listed on the London stock exchange.

The following summary is not complete. You should refer to the applicable provision of Honeywell s charter and by-laws and to Delaware corporate law for a complete statement of the terms and rights of our common stock.

### Dividends

Holders of common stock are entitled to receive dividends when, as and if declared by the board of directors, out of funds legally available for their payment, subject to the rights of holders of any preferred stock outstanding.

### Voting Rights

Each holder of common stock is entitled to one vote per share. Subject to any rights of the holders of any series of preferred stock pursuant to applicable law or the provision of the certificate of designations creating that series, all voting rights are vested in the holders of shares of common stock. Holders of shares of common stock have noncumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors can elect 100% of the directors, and the holders of the remaining shares voting for the election of directors will not be able to elect any directors.

### Rights Upon Liquidation

In the event of Honeywell s voluntary or involuntary liquidation, dissolution or winding up, the holders of common stock will be entitled to share equally in any of our assets available for distribution after the payment in full of all debts and distributions and after the holders of any series of outstanding preferred stock have received their liquidation preferences in full.

### Other Rights

Holders of shares of common stock are not entitled to preemptive rights. Shares of common stock are not convertible into shares of any other class of capital stock. If we merge or consolidate with or into another company and as a result our common stock is converted into or exchangeable for shares of stock, other securities or property (including cash), all holders of common stock will be entitled to receive the same kind and amount of consideration per share of common stock.

### Possible Anti-Takeover Provisions

Honeywell s charter and by-laws provide:

that the board  
of directors

may establish the number of seats on the board, subject to the right of preferred stockholders to elect directors in certain circumstances and shareowners rights to set the number of seats upon the vote of holders of a majority of the outstanding shares of common stock;

that vacancies on the board of directors other than at the annual meeting are filled by a vote of the remaining directors;

that special meetings of shareowners generally may be called only by the chief executive officer or by a majority of the authorized number of directors;

that action  
may be taken  
by  
shareowners  
only at  
annual or  
special  
meetings and  
not by  
written  
consent; and

that advance  
notice must  
be given to  
Honeywell  
for a  
shareowner  
to nominate  
directors for  
election at a  
shareowner  
meeting.

Any of these provisions could delay, deter or prevent a tender offer for or attempted takeover of Honeywell.

Our charter permits us to issue up to 40,000,000 shares of preferred stock with terms which may be set by our board of directors or a committee of the board. That preferred stock could have terms that could delay, deter or prevent a tender offer or takeover attempt of Honeywell.

Under Delaware law, an acquirer of 15% or more of our shares of stock must wait three years before a business combination with us unless one of the following exceptions is available:

approval by  
our board of  
directors  
prior to the  
time the  
acquirer  
became a  
15%  
shareowner  
of  
Honeywell;

acquisition of  
at least 85%  
of our voting  
stock in the  
transaction in

which the  
acquirer  
became a  
15%  
shareowner  
of  
Honeywell;  
or

approval of  
the business  
combination  
by our board  
of directors  
and  
two-thirds of  
our  
disinterested  
shareowners.

### BOOK-ENTRY ISSUANCE

Our common stock is cleared and settled through the Depository Trust Company, or DTC, a securities depository. Most series of debt securities and preferred stock will also be book-entry securities. Upon issuance, all book-entry securities of the same issue will be represented by one or more fully registered global securities. Each global security will be deposited with, or on behalf of, DTC and will be registered in the name of DTC or a nominee of DTC. DTC will thus be the only registered holder of these securities and will be considered the sole owner of the securities.

Purchasers may only hold interests in the global securities through DTC if they are participants in the DTC system. Purchasers may also hold interests through a securities intermediary a bank, brokerage house or other institution that maintains securities accounts for customers that has an account with DTC or its nominee. DTC will maintain accounts showing the securities holdings of its participants, and these participants will in turn maintain accounts showing the securities holdings of their customers. Some of these customers may themselves be securities intermediaries holding securities for their customers. Thus, each beneficial owner of a book-entry security will hold that security indirectly through a hierarchy of intermediaries, with DTC at the top and the beneficial owner's own securities intermediary at the bottom.

The securities of each beneficial owner of a book-entry security will be evidenced solely by entries on the books of the beneficial owner's securities intermediary. The actual purchaser of the securities will generally not be entitled to have the securities represented by the global securities registered in its name and will not be considered the owner. In most cases, a beneficial owner will also not be able to obtain a paper certificate evidencing the holder's ownership of securities. The book-entry system for holding securities eliminates the need for physical movement of certificates. The laws of some jurisdictions require some purchasers of securities to take physical delivery of their securities in definitive form. These laws may impair the ability to transfer book-entry securities.

Unless otherwise specified in the prospectus supplement with respect to a series of debt securities or preferred stock, beneficial owner of book-entry securities represented by a global security may exchange the securities for definitive or paper securities only if:

DTC is  
unwilling or  
unable to  
continue as  
depository for  
such global  
security and  
Honeywell is  
unable to find  
a qualified  
replacement  
for DTC  
within 90  
days;

at any time  
DTC ceases  
to be a  
clearing  
agency  
registered

under the  
Securities  
Exchange Act  
of 1934; or

Honeywell in  
its sole  
discretion  
decides to  
allow some or  
all book-entry  
securities to  
be  
exchangeable  
for definitive  
securities in  
registered  
form.

Any global security that is exchangeable will be exchangeable in whole for definitive securities in registered form with the same terms, and in the case of debt securities, in an equal aggregate principal amount in denominations of \$1,000 and whole multiples of \$1,000. Definitive securities will be registered in the name or names of the person or persons specified by DTC in a written instruction to the registrar of the securities. DTC may base its written instruction upon directions it receives from its participants.

In this prospectus and the accompanying prospectus supplement, for book-entry securities, references to actions taken by security holders will mean actions taken by DTC upon instructions from its participants, and references to payments and notices of redemption to security holders will mean payments and notices of redemption to DTC as the registered holder of the securities for distribution to participants in accordance with DTC's procedures.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under section 17A of the Securities Exchange Act. The rules applicable to DTC and its participants are on file with the SEC.

Honeywell will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the book-entry securities or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.



**PLAN OF DISTRIBUTION**

We may sell the securities:

to or through  
underwriters  
or dealers for  
resale;

through  
agents; or

directly to  
other  
purchasers.

The related prospectus supplement will set forth the terms of the offering of the securities, including the following:

the name or  
names of any  
underwriters,  
dealers or  
agents;

the purchase  
price and the  
proceeds we  
will receive  
from the sale;

any  
underwriting  
discounts and  
other items  
constituting  
underwriters  
compensation;  
and

any initial  
public offering  
price and any  
discounts or  
concessions  
allowed or  
reallowed or  
paid to dealers.

If underwriters are used in the sale, the securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The securities may be either offered to the public through

underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. The obligations of the underwriters to purchase securities will be subject to conditions precedent and the underwriters will be obligated to purchase all the securities of a series if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Securities may be sold directly by us or through agents designated by us from time to time. Any agent involved in the offer or sale of the securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to that agent will be set forth, in the related prospectus supplement. Unless otherwise indicated in the related prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment.

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement so indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and will be identified in the applicable prospectus supplement.

Each series of debt securities or preferred stock will be a new issue of securities with no established trading market. Underwriters and agents may from time to time purchase and sell the securities described in this prospectus and the relevant prospectus supplement in the secondary market, but are not obligated to do so. No assurance can be given that there will be a secondary market for the securities or liquidity in the secondary market if one develops. From time to time, underwriters and dealers may make a market in the securities.

In order to facilitate the offering of the securities, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of these securities or any other securities the prices of which may be used to determine payments on these securities. Specifically, the underwriters may over-allot in connection with the offering, creating a short position in the securities for their own accounts. In addition, to cover over-allotments or to stabilize the price of the securities or of any other securities, the underwriters may bid for, and purchase, the securities or any other securities in the open market. Finally, in any offering of the securities through a syndicate of underwriters, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the securities in the offering, if the syndicate repurchases previously distributed securities in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of

the securities above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

Underwriters named in a prospectus supplement are, and dealers and agents named in a prospectus supplement may be, deemed to be underwriters within the meaning of the Securities Act of 1933, which we refer to as the Securities Act, in connection with the securities offered thereby, and any discounts or commissions they receive from us and any profit on their resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act.

One or more firms, referred to as remarketing firms, may also offer or sell the securities, if the prospectus supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for us. These remarketing firms will offer or sell the securities in accordance with a redemption or repayment pursuant to the terms of the securities. The prospectus supplement will identify any remarketing firm and the terms of its agreement, if any, with us and will describe the remarketing firm's compensation. Remarketing firms may be deemed to be underwriters in connection with the securities they remarket. Remarketing firms may be entitled under agreements that may be entered into with us to indemnification by us against certain civil liabilities, including liabilities under the Securities Act and may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

Unless indicated in the applicable prospectus supplement, we do not expect to apply to list the debt securities or preferred stock on a securities exchange.

Agents and underwriters may be entitled to indemnification by us against civil liabilities arising out of this prospectus, including liabilities under the Securities Act, or to contribution with respect to payments which the agents or underwriters may be required to make relating to those liabilities.

Agents and underwriters may be engaged in transactions with, or perform commercial or investment banking or other services for, us or our subsidiaries or affiliates, in the ordinary course of business.

We will estimate our expenses associated with any offering of debt securities, preferred stock or common stock in the prospectus supplement relating to such offering.

## EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2006 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## LEGAL OPINIONS

Certain legal matters will be passed upon for Honeywell by Jacqueline Whorms, Esq., Assistant General Counsel, Corporate Finance, of Honeywell. As of March 1, 2007, Ms. Whorms did not beneficially own any shares of Honeywell common stock and had 700 restricted units and options to acquire 3,500 shares of Honeywell common stock, none of which had vested as of March 1, 2007.

## WHERE YOU CAN FIND MORE INFORMATION ABOUT HONEYWELL

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room located at 100 F Street N.E. Washington DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>.

You may also inspect reports, proxy statements and other information about Honeywell at the offices of the New York Stock Exchange, 20 Broad Street, New York, NY 10005; and the Chicago Stock Exchange, One Financial Place, 440 South LaSalle Street, Chicago, IL 60605.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information filed with the SEC after the date of this prospectus will update and supersede information on file with the SEC as of the date of this prospectus. We incorporate by reference:

Our  
Annual  
Report on  
Form  
10-K for  
the year  
ended  
December  
31, 2006,  
filed with  
the SEC  
on  
February  
16, 2007;

We incorporate by reference additional documents that we may file with the SEC after the date of this prospectus. These documents include periodic reports, which may include Annual Reports on Form 10-K, Quarterly Reports on

Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.

You can obtain any of the documents incorporated by reference in this prospectus through us, or from the SEC through the SEC's web site at the address provided above. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this prospectus. You can obtain documents incorporated by reference in this prospectus and a copy of the indenture and other agreements referred to in this prospectus free of charge by requesting them in writing or by telephone from us at the following address and telephone number:

Honeywell International Inc.  
101 Columbia Road  
P.O. Box 4000  
Morristown, NJ 07962-2497  
Attention: Vice President and Secretary  
Telephone No.: (973) 455-2000

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management's assumptions and assessments in the light of past experience and trends, current conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. These forward-looking statements should be considered in light of the information included in this prospectus, including the information under the heading "Risk Factors" and the description of trends and other factors in Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in our Form 10-K for the year ended December 31, 2006 and in our other filings with the SEC.

