Navios Maritime Holdings Inc.
Form 6-K
December 20, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

Dated: December 20, 2018

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

HSH Nordbank AG Bank Facility Agreement

Red Rose Shipping Corp., a wholly owned subsidiary of Navios Maritime Holdings Inc. (Navios Holdings), is party to a facility agreement dated May 23, 2017 with HSH Nordbank AG for an amount up to $15,300,000 relating to the financing of the Navios Bonheur (the HSH Facility). The facility bears interest at a rate of LIBOR plus 300 basis points. The HSH Facility is repayable in 17 quarterly installments of $283,500 followed by a final balloon installment of $8,797,500. To date, the amount of $15,300,000 has been drawn under the HSH Facility.

Navios Holdings is a guarantor of the obligations under the HSH Facility. Among other events, it will be an event of default under the HSH Facility if the financial covenants are not complied with or if Angeliki Frangou and her affiliates, together, own less than 20% of the outstanding share capital of Navios Holdings.

The foregoing description is subject in all respects to the actual terms of the HSH Facility. A copy of the HSH Agreement is furnished as Exhibit 10.1 to this Report and is incorporated herein by reference.

Credit Agricole Bank Facility Agreement

Aramis Navigation Inc., Iris Shipping Corporation and Jasmine Shipping Corporation, each a wholly owned subsidiary of Navios Holdings, are party to a facility agreement dated February 14, 2018 with Crédit Agricole Corporate And Investment Bank for an amount up to $28,745,000 in three advances (Advance A , Advance B and Advance C , respectively) relating to the repayment of loans (the CA Facility). Advance A is in the amount of $15,245,000 and is repayable in 7 semi-annual installments of $1,205,000 followed by a final balloon installment of $6,810,000. Advance B is in the amount of $6,750,000 and is repayable in semi-annual installments of $562,500 followed by a final balloon installment of $2,812,500. Advance C is in the amount of $6,750,000 and is repayable in semi-annual installments of $562,500 followed by a final balloon installment of $2,812,500. The CA Facility The facility bears interest at a rate of LIBOR plus 280 basis points. To date, the amount of $28,745,000 has been drawn under the CA Facility.

Navios Holdings is a guarantor of the obligations under the CA Facility. Among other events, it will be an event of default under the CA Facility if the financial covenants are not complied with or if Angeliki Frangou and her affiliates, together, own less than 20% of the outstanding share capital of Navios Holdings.

The foregoing description is subject in all respects to the actual terms of the CA Facility. A copy of the CA Facility is furnished as Exhibit 10.2 to this Report and is incorporated herein by reference.

Supplemental Indentures

On March 12, 2018, Navios Holdings and Navios Maritime Finance II (US) Inc., its wholly owned subsidiary (Navios Finance and, together with Navios Holdings, the Co-Issuers), entered into a First Supplemental Indenture in order to add Asteroid Shipping S.A., Cloud Atlas Marine S.A., Heodor Shipping Inc. and Navios Containers Management Inc. as guarantors to the indenture, dated November 21, 2017, governing the Co-Issuers 11.25% Senior Secured Notes due 2022 (the 11.25% Notes Indenture). A copy of the First Supplemental Indenture is furnished as Exhibit 10.3 to this Report and is incorporated herein by reference.

On October 31, 2018, the Co-Issuers, entered into a Second Supplemental Indenture in order to add Pacifico Navigation Corp, as a guarantor to the 11.25% Notes Indenture. A copy of the Second Supplemental Indenture is furnished as Exhibit 10.4 to this Report and is incorporated herein by reference.

On March 17, 2017, the Co-Issuers, entered into a Fifth Supplemental Indenture in order to add Motiva Trading Ltd, as a guarantor to the indenture, dated November 29, 2013, governing the Co-Issuers 7.375% First Priority Ship

Mortgage Notes due 2022 (the 7.375% Notes Indenture). A copy of the Fifth Supplemental Indenture is furnished as Exhibit 10.5 to this Report and is incorporated herein by reference.

On March 12, 2018, the Co-Issuers, entered into a Sixth Supplemental Indenture in order to add Alpha Merit Corporation, Asteroid Shipping S.A., Cloud Atlas Marine S.A., Heodor Shipping Inc., Navios Containers Management Inc. and Thalassa Marine S.A. as guarantors to the 7.375% Notes Indenture. A copy of the Sixth Supplemental Indenture is furnished as Exhibit 10.6 to this Report and is incorporated herein by reference.

On October 31, 2018, the Co-Issuers, entered into a Seventh Supplemental Indenture in order to add Pacifico Navigation Corp as a guarantor to the 7.375% Notes Indenture. A copy of the Seventh Supplemental Indenture is furnished as Exhibit 10.7 to this Report and is incorporated herein by reference.

SIGNATURES

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

NAVIOS MARITIME HOLDINGS INC.

By: /s/ Angeliki Frangou
Angeliki Frangou

Chief Executive Officer

Date: December 20, 2018

EXHIBIT INDEX

Exhibit No.	Exhibit
10.1	Facility Agreement dated May 23, 2017 for a loan facility of up to $15.3 million, between Red Rose Shipping Corp. and HSH Nordbank AG.
10.2	Facility Agreement dated February 14, 2018 for a loan facility of up to $28.745 million, between Aramis Navigation Inc., Iris Shipping Corporation, Jasmine Shipping Corporation and Crédit Agricole Corporate And Investment Bank.
10.3	First Supplemental Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of March 12, 2018.
10.4	Second Supplemental Indenture relating to the 11.25% Senior Secured Notes due 2022, dated as of October 31, 2018.
10.5	Fifth Supplemental Indenture relating to the 7.375% First Priority Ship Mortgage Notes due 2022, dated as of March 17, 2017.
10.6	Sixth Supplemental Indenture relating to the 7.375% First Priority Ship Mortgage Notes due 2022, dated as of March 12, 2018.
10.7	Seventh Supplemental Indenture relating to the 7.375% First Priority Ship Mortgage Notes due 2022, dated as of October 31, 2018.

bsp;

Net assets available for benefits, at fair value

9,436

8,220

Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(18)	(17)
Net assets available for benefits	$ 9,418	$ 8,203

The accompanying notes are an integral part of these financial statements.

Honeywell Savings and Ownership Plan
Statement of Changes in Net Assets Available for Benefits
for the Year Ended December 31, 2010

	2010
	(dollars in millions)
Additions to net assets attributable to:	
Interest income from notes receivable from participants	$ 7
Contributions:	
Participating employees	322
The Company, net of forfeitures	99
Roll-over contributions	10
Total contributions	431
Plan transfers to Honeywell Savings and Ownership Plan	48
Investment gain from Plan interest in Honeywell Savings and Ownership Plan Master Trust	1,374
Total additions	1,860
Deductions from net assets attributable to:	
Benefits paid to participants	(631)
Plan expenses	(14)
Total deductions	(645)
Net increase in net assets during the year	1,215
Net assets available for benefits:	
Beginning of year	8,203
End of year	$ 9,418

The accompanying notes are an integral part of these financial statements.

Honeywell Savings and Ownership Plan

Notes to Financial Statements

1. Description of the Plan

General

The Honeywell Savings and Ownership Plan (the Plan) is a defined contribution plan for certain employees of Honeywell International Inc. (the Company). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (Code). The following represents a summary of key provisions of the Plan but does not purport to be complete and is qualified in its entirety by the terms of the Plan. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

Administration

The Company s Vice President Human Resources, Compensation and Benefits is the Plan Administrator and has full discretionary authority to manage and control the operation and administration of the Plan, including the power to interpret provisions of the Plan and to promulgate policies and procedures for the Plan s administration and to delegate its administrative responsibilities. The Savings Plan Investment Committee has the power and authority to enter into agreements with trustees to provide for the investment of Plan assets and to appoint investment managers to direct such trustees, as appropriate. The day to day administration of the Plan is handled by ING Institutional Plan Services, LLC (ING), formerly known as CitiStreet. The trustee of the Plan is State Street Bank and Trust Company (the Trustee). .

Contributions and Vesting

For the year ended December 31, 2010, participants are permitted to contribute from 1% to 30% of their base pay as defined in the plan provisions during each pay period, subject to certain restrictions for highly compensated employees , as defined in the plan provisions. Contributions are permitted to be made either on a before-tax or an after-tax basis, or a combination of both, and may be directed into any investment option available within the Plan. In addition to regular before-tax or after-tax contributions, eligible participants may also contribute catch-up contributions up to $5,500 per year if they are or will be at least age 50 by December 31st and are contributing at least 8% before-tax to the Plan or have contributed the maximum regular before-tax contributions to the Plan.

Effective January 1, 2011, participants may elect to make contributions to the Plan in any combination of before-tax, Roth 401(k) and after-tax contributions. The combined before-tax and Roth 401(k) contributions may not exceed $16,500. Employees eligible to make catch-up contributions may contribute as regular before-tax contributions and/or Roth catch-up contributions, not to exceed $5,500.

Generally, the Company matching contribution does not begin until the first pay period following the employee s completion of one year of service with the Company. The Company matching contributions are made to the eligible participants accounts each pay period that employee contributions are made to the Plan.

A Participating Unit is a group of employees which has been designated as participating in the Plan. The Company may contribute on behalf of each participant between 0% and 100% of such participant s contribution to the Plan, depending upon the rate designated for the participant s Participating Unit. Each Participating Unit is affiliated with a Company code which identifies the match level for such unit.

Honeywell Savings and Ownership Plan

Notes to Financial Statements

There are two forms of Company matching contributions which are as follows: (i) variable company matching contributions and (ii) non-variable company matching contributions. Participating Units whose employees are covered by collective bargaining agreements or government contracts, the terms of which may change the Company match from time to time, receive the variable company matching contributions; unless the collective bargaining agreement or government contract provides that the employees are eligible for the non-variable company matching contributions. Participating Units whose employees are not covered by collective bargaining agreements or government contracts (unless the collective bargaining agreement or government contract provides otherwise) are generally eligible for the non-variable company matching contributions.

Effective July 17, 2009 through December 31, 2010, Participating Units covered by a Non-Variable Match received basic matching contributions whereby the Company matched 25 percent of the first 8 percent of base pay that the participant contributed to the Plan (excluding rollover and catch-up contributions). Once the participant participated in the Plan for 60 months after completing one year of vesting service, the Company made matching contributions in the amount of 50 percent of the first 8 percent of base pay contributed to the Plan (excluding rollover and catch-up contributions). Effective January 1, 2011, the 25 percent matching contribution described above was replaced with 31.25 percent and the 50 percent matching contribution described above was replaced with 62.5 percent. Additionally, participants who were actively employed by the Company on December 31, 2010, and who received a non-variable matching contribution in 2010, received an additional one-time matching contribution in 2011 as a match restoration equal to 25 percent of the matching contributions that were made to the participant s account for the period from July 1, 2010 through December 31, 2010.

In addition, depending on the rate designated for the participant s Participating Unit, the Company makes contributions with respect to a participant s contributions up to a maximum of 8 percent of a participant s base pay. Additionally, discretionary supplemental employer contributions may be made by the Company to a participant s account for certain employees who have agreed to such terms with the Company. The Company does not match catch-up contributions. All of the Company s matching contributions are initially invested in the Honeywell Common Stock Fund.

Participants have a full and immediate vested interest in the portion of their accounts contributed by them and the earnings on such contributions. A participant will become 100 percent vested in any Company contributions upon completion of three years of vesting service or upon attainment of age 65 while an employee of the Company or an affiliated company. In addition, a participant s account will become 100 percent vested if the participant s termination with the Company or an affiliated company was due to any one of the following (i) retirement under the terms of a Honeywell pension plan in which the participant participates; (ii) disability (as defined under the plan provisions); (iii) death; (iv) a reduction in force or layoff (as determined by the Company); or (v) a participant s business unit is sold or divested.

A participant will also become 100 percent vested in the event the Company permanently discontinues contributions to or terminates the Plan.

Participant Accounts
Each participant s account is credited with the participant s contribution and allocations of (1) the Company s matching contribution, (if applicable), and (2) investment earnings, and charged with an allocation of investment losses and administrative expenses. The allocation is based on participants

Honeywell Savings and Ownership Plan

Notes to Financial Statements

account balances as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Notes Receivable from Participants
Prior to July 1, 2011, loans will be made to participants from their account balances in the following order (1) before-tax contributions and earnings, (2) after-tax contributions and earnings, (3) rollover contributions and earnings, (4) prior employer contributions and earnings, (5) vested Company matching contributions and earnings and (6) vested Company discretionary supplemental employer contributions and earnings.

The maximum number of loans a participant may have outstanding is limited to one. Any participant who had more than one loan outstanding as of October 31, 2007 continued to make repayments on such loans pursuant to the terms of the loan and shall not be permitted to obtain a new loan until all such prior loans were repaid in full. The maximum loan amount to a participant was the lesser of (1) $50,000, reduced by the participant s highest combined outstanding loan balance during the preceding twelve month period, or (2) 50% of the vested portion of a participant s account. The interest rate on the loans will generally be the published prime rate plus 1% for the month preceding the effective date of the loan. However, the Company may revise this rate of interest for any new loans if it determines that the prime rate plus 1% is no longer a reasonable rate of interest. The rate used will be fixed for the term of the loan. The term of any loan shall not be less than 1 month or more than 60 months unless used to acquire a principal residence for which the term can be up to 25 years.

Interest rates for loans outstanding at December 31, 2010 and 2009 were between 2.5% and 10.5%.

Effective July 1, 2011, no new loans will be permitted from the Plan.

Termination
Although it has not expressed intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of a partial or full Plan termination, all Plan funds must be used in accordance with the terms of the Plan.

Distribution of Benefits
Upon termination of service with the Company, the entire vested amount in a participant s account can be distributed, at the participant s election, in a single payment. If no distribution election is made by the participant and the participant s account balance exceeds $5,000, the balance in the account will remain in the Plan and shall be distributed (1) at the participant s request, (2) when the participant attains age seventy and one-half (70-1/2) through the payment of minimum required distributions as defined by the Plan, or (3) upon the participant s death, whichever is earliest. When a participant dies, if his or her spouse is the beneficiary, the spouse may remain in the Plan under the same conditions as previously described for the participant. Otherwise, the entire amount in the participant s account is distributed in a single payment to the participant s beneficiary (ies).

Honeywell Savings and Ownership Plan

Notes to Financial Statements

Forfeitures
Forfeitures of the Company s contributions and earnings thereon because of terminations and withdrawals reduce contributions otherwise due from the Company. Company contributions were reduced by $1 million due to forfeited nonvested accounts for both the year ended December 31, 2010 and December 31, 2009.

2. Significant Accounting Policies

Basis of Accounting
The financial statements of the Plan are prepared on the accrual basis of accounting.

Reclassifications:
Certain reclassifications have been made in the amounts presented for year end December 31, 2009 relating to Notes receivable from participants to conform to the current presentation.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation
For investment and administrative purposes, the Plan s assets are custodied in the Honeywell Savings and Ownership Plan Master Trust (Master Trust) along with the assets of the Honeywell Puerto Rico Savings and Ownership Plan and Honeywell Secured Benefit Plan. The Plan s investment in the Master Trust represents the Plan s interest in the net assets of the Master Trust. The Plan s investment is stated at fair value and is based on the beginning of year value of the Plan s interest in the Master Trust plus actual Plan contributions and allocated investment income less actual Plan distributions, investment losses and allocated expenses.

Notes Receivable from Participants
Notes receivables from participants are valued at cost plus accrued interest unpaid.

Payment of Benefits
Withdrawals and distributions to participants are recorded when paid.

Expenses
All external third party expenses and internal expenses relating to the administration of the Master Trust and managing the funds established thereunder are borne by the participating plans. Brokerage commissions, transfer taxes and other charges incurred in connection with the purchase and sale of securities are paid out of the fund to which such charges are attributable. Certain other fees are charged directly to the participant s account with respect to which the fee relates.

Recent Accounting Pronouncements
In January 2010, the Financial Accounting Standards Board (FASB) issued guidance that requires new disclosures and clarifies existing disclosure requirements, about fair value measurements. The new guidance requires (a) disclosure of gross significant transfers in and/or out between Levels 1 and 2 and the reasons for those transfers, (b) disclosure of all transfers in/out of Level 3 (significant transfers to be presented gross) and the reasons for those transfers, and (c) purchases, sales, issuances

Honeywell Savings and Ownership Plan

Notes to Financial Statements

and settlements to be disclosed separately (i.e. gross) within the Level 3 roll-forward. The guidance also clarifies (a) the levels of disaggregation in presenting fair value disclosures for each class of assets and liabilities and (b) the disclosures about valuation techniques and inputs that are required for fair value measurements that fall within either Level 2 or Level 3. Item (c) is not effective for the current year and the Plan will adopt this requirement for year end December 31, 2011.

The adoption of the guidance effective for 2010 had no impact on the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

In September, 2010, the FASB issued guidance on Notes receivable from participants. The objective of guidance is to clarify how loans to participants should be classified and measured by defined contribution pension benefit plans. The guidance requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The guidance should be applied retrospectively to all prior periods presented, effective for fiscal years ending after December 15, 2010. Its adoption during the year had no material impact on the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

In May 2011, the FASB issued guidance on Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRS). The guidance is intended to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The amendments are of two types: (i) those that clarify the Board s intent about the application of existing fair value measurement and disclosure requirements and (ii) those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods beginning after December 15, 2011. Plan management does not believe the adoption of this update will have a material impact on the Plan s financial statements.

3. Interest in Honeywell Savings and Ownership Plan Master Trust

The Plan s investment is in the Master Trust, which is commingled with the assets of the Honeywell Puerto Rico Savings and Ownership Plan and Honeywell Secured Benefit Plan. Each participating plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by the Trustee. At December 31, 2010 and 2009, the Plan, Honeywell Puerto Rico Savings and Ownership Plan and the Honeywell Secured Benefit Plan s interest in the net assets of the Master Trust were 98.291%, 0.044% and 1.665% and 97.614%, 0.027% and 2.359%, respectively. Investment income or loss is allocated based on participant balances, and administrative expenses relating to the Master Trust are allocated daily to the respective plans based upon the net asset value balances invested by each plan.

Honeywell Savings and Ownership Plan

Notes to Financial Statements

The Master Trust is comprised of the following types of investments, at fair value, as of December 31, 2010 and 2009:

	2010	2009
	(dollars in millions)	
Common & commingled trust funds	$ 3,400	$ 2,962
Honeywell common stock	2,710	2,129
Short-term investments	1,264	1,267
Common/preferred stocks (separately managed portfolios)	962	803
Guaranteed investment contracts	883	927
Mutual funds	197	183
Total investments, at fair value	9,416	8,271
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(18)	(17)
Total investments, at Contract Value	$ 9,398	$ 8,254

Honeywell Savings and Ownership Plan

Notes to Financial Statements

The Master Trust s investment income for the year ended December 31, 2010 is presented in the following table. The net appreciation/(depreciation) consists of both realized gains/(losses) on investments bought and sold, as well as, the change in unrealized gains/(losses) on investments held during the year by the Master Trust.

		2010
		(dollars in millions)
Net appreciation in fair value of investments:		
Honeywell common stock	$	744
Mutual funds		15
Common & commingled trust funds		380
Common/preferred stocks (separately managed portfolios)		145
Net Appreciation		1,284
Dividend income		81
Interest income		32
Total Investment Income	$	1,397

Honeywell Savings and Ownership Plan

Notes to Financial Statements

Investment Valuation and Income Recognition   Master Trust
Master Trust investments are stated at fair value. Investments in mutual and common/commingled funds are valued at the net asset value of units held at year-end. Common stocks, including Honeywell Common Stock, traded on a national securities exchange, are valued at the last reported sales price or close price at the end of the year. Fixed income securities traded in the over-the-counter market are valued at the bid prices. Short-term securities are valued at amortized cost, which includes cost plus accrued interest, which approximates fair value. Investment contracts are stated at fair value based on a discounted cash flow method.

Interest income is recorded on the accrual basis, and dividend income is recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis.

From time to time, investment managers may use derivative financial instruments including foreign exchange and futures contracts. Derivative instruments are used primarily to mitigate exposure to foreign exchange rate and interest rate fluctuations as well as manage the investment mix in the portfolio. The Master Trust held no derivative instruments as of December 31, 2010.

The Plan s interest in the Master Trust represents more than 5 percent of the Plan s net assets at December 31, 2010 and 2009.

Guaranteed Investment Contracts
The Master Trust entered into benefit-responsive investment contracts, such as traditional guaranteed investment contracts and synthetic guaranteed investment contracts (GICs) with various third parties. These benefit-responsive investment contracts are held through the Honeywell Short Term Fixed Income Fund. Contract values represent contributions made to the investment contract plus earnings, less participant withdrawals and administrative expenses.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

A synthetic GIC provides for a fixed return on principal over a specified period of time through fully benefit-responsive wrapper contracts issued by a third party which are backed by underlying assets owned by the Master Trust. The contract values of the synthetic GICs were $740 million and $784 million at December 31, 2010 and 2009, respectively. Included in the contract values of the synthetic GICs are $15 million and $10 million at December 31, 2010 and 2009, respectively, attributable to wrapper contract providers representing the amounts by which the value of the investment contracts is more than the value of the underlying assets.

A traditional GIC provides for a fixed return on principal over a specified period of time through fully benefit-responsive contracts issued by a third party which are backed by assets owned by the third party. The contract values of the traditional GICs were $125 million and $126 million at December 31, 2010 and 2009, respectively.

Honeywell Savings and Ownership Plan

Notes to Financial Statements

The average yield rate of the Honeywell Short Term Fixed Income Fund was 2.45% and 2.50% for the year ended December 31, 2010 and December 31, 2009, respectively. The average crediting interest rate of the Honeywell Short Term Fixed Income Fund was 2.36% and 1.59% for the year ended December 31, 2010 and December 31, 2009, respectively. The Master Trust is exposed to credit loss in the event of non-performance by the companies with whom the GICs are placed. The Company does not anticipate non-performance by these companies.

Certain events limit the ability of the Plan or the Master Trust to transact at contract value with the issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial plan termination or merger with another plan), (2) changes to Plan s prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Company or other events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the Master Trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that any events which would limit the Plan s ability to transact at contract value with participants are probable of occurring.

Determination of Fair Value

The accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value.

The Plan or Master Trust valuation methodologies for assets and liabilities measured at fair value are described on page 12 - Investment Valuation and Income Recognition Master Trust. The methods described on page 12 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Valuation Hierarchy

The accounting guidance establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy gives the highest priority to

Honeywell Savings and Ownership Plan

Notes to Financial Statements

unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

Following is a description of the valuation methodologies used for financial instruments measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Honeywell International Inc. common stock, other common stocks and mutual funds

Honeywell International Inc. common stock is valued at the closing price reported on the New York Stock Exchange Composite Transaction Tape. Other common stocks are valued at the closing price reported on the major market on which the individual securities are traded. Mutual funds values are based on the Net Asset Value (NAV) that is quoted on an active market. Honeywell International Inc. common stock, other common stocks and mutual funds are all classified within level 1 of the valuation hierarchy.

Common and commingled trust funds

These investments are public investment vehicles consisting of target date funds and equity index funds. These funds permit daily redemption of units. These investments are valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, less its liabilities, and then divided by the number of units outstanding. The NAV is a quoted price in a market that is not active and classified within level 2 of the valuation hierarchy.

Short-term investments

Short-term investments include corporate debt instruments, U.S. government and federal agency obligations, U.S. government-sponsored enterprise obligations, and Other. A limited number of these investments are valued at the closing price reported on the major market on which the individual securities are traded. Where quoted prices are available in an active market, the investments are classified within level 1 of the valuation hierarchy. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, bids provided by brokers or dealers, quoted prices of securities with similar characteristics or discounted cash flows. When quoted market prices for the specific security are not available in an active market, they are classified within level 2 of the valuation hierarchy.

Guaranteed Investment contracts

The fair value of the synthetic guaranteed investment contracts is based on the underlying investments. As of December 31, 2010, the investments underlying the synthetic guaranteed investment contracts are comprised of approximately 42% of US Treasury Securities, 38% of Asset-Backed Securities, 17% of Corporate Bonds, and 3% of Collaterized Mortgage Obligations. As of December 31, 2009, the investments underlying the synthetic guaranteed investment contracts are comprised of approximately 18% of Corporate Bonds, 5% of Collaterized Mortgage Obligations, 35% of Asset-Backed Securities, 5% of Short-term investments, and 37% of US Treasury Securities. They are classified within level 2 of the valuation hierarchy. Refer to page 12 of these financial statements for further information on these contracts.

Guaranteed investment contracts and wrapper values are valued using a discounted cash flow method and are classified as level 3 of the valuation hierarchy.

Honeywell Savings and Ownership Plan

Notes to Financial Statements

Refer to page 12 of these financial statements for further information on these guaranteed investment contracts.

The following table presents the Master Trust s assets measured at fair value as of December 31, 2010, by the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
		(dollars in millions)		
Common/Preferred Stock:				
Honeywell Common Stock	$ 2,710	$	$	$ 2,710
Large Cap Value	406			406
Large Cap Growth	311			311
Small-to -Mid Cap Value	245			245
Total Common/Preferred Stock	3,672			3,672
Mutual Funds:				
Large Cap Value Funds	197			197
Total Mutual Funds	197			197
Common & Commingled Trust Funds:				
Target Date Funds		1,054		1,054
Equity Index Funds		2,346		2,346
Total Common & Commingled Trust Funds		3,400		3,400
Short Term Investments	1	1,263		1,264
Guaranteed Investment Contracts		754	129	883
Total Investments at fair value	$ 3,870	$ 5,417	$ 129	$ 9,416

Honeywell Savings and Ownership Plan

Notes to Financial Statements

The following table presents the Master Trust s assets measured at fair value as of December 31, 2009, by the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	(dollars in millions)			
Common Stock:				
Honeywell Common Stock	$ 2,129	$	$	$ 2,129
Large Cap Value	358			358
Large Cap Growth	259			259
Small-to -Mid Cap Value	92			92
Small-to -Mid Cap Growth	94			94
Total Common Stock	2,932			2,932
Mutual Funds:				
Large Cap Value Funds	183			183
Total Mutual Funds	183			183
Common & Commingled Trust Funds:				
Target Date Funds		878		878
Equity Index Funds		2,082		2,082
Stable Value Funds		2		2
Total Common & Commingled Trust Funds		2,962		2,962
Short Term Investments		1,267		1,267
Guaranteed Investment Contracts		794	133	927
Total Investments at fair value	$ 3,115	$ 5,023	$ 133	$ 8,271

The following table summarizes changes in the fair value of the traditional guaranteed investment contracts, classified as level 3 investments, for the year ended December 31, 2010 and 2009:

	2010	2009
	(dollars in millions)	
Balance, beginning of year	$ 133	$ 668
Net realized and change in unrealized gain/(loss)	(4)	(10)
Purchases, sales, issuances and settlements (net)		(525)
Balance, end of year	$ 129	$ 133
Amount of gains or losses for the year attributed to the change in unrealized gains/(losses) relating to assets and liabilities still held at year end	$ (4)	$ (3)

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Honeywell Savings and Ownership Plan

Notes to Financial Statements

4 Nonparticipant-Directed Investments

Information about the net assets at December 31, 2010 and 2009 and the significant components of the changes in net assets for the year ended December 31, 2010 relating to the nonparticipant-directed investments is as follows:

	2010	2009
	(dollars in millions)	
Honeywell Common Stock	$ 2,710	$ 2,129
Short-term investments	81	41
	$ 2,791	$ 2,170

	2010
	(dollars in millions)
Changes in Net Assets:	
Contributions	$ 165
Net income	48
Net appreciation	744
Benefits paid to participants	(174)
Transfers (to)/from participant directed investments	(162)
	$ 621

5. Asset Transfers

During the year ended December 31, 2010, assets valued at approximately $48 million were transferred to the Plan as follows: $44 million from Norcross Safety Products LLC Retirement Savings Plan and $4 million from Mercury Instruments LLC Savings and Retirement Plan and Trust.

6 Related Party Transactions

The Plan s investment in the Master Trust constitutes a related-party transaction because the Company is both the plan sponsor and a party to the Master Trust. The Master Trust is invested in the Company s common stock and the Plan is invested in notes receivable from participants, both of which qualify as related-party transactions. During the year ended December 31, 2010, the Master Trust made purchases of approximately $204 million, sales of approximately $367 million and realized gains/(loss) of $70 million and dividend income of $65 million earned from the investment in the Company s common stock. The Master Trust invests in commingled funds managed by the Trustee. These investments qualify as party-in-interest transactions.

Honeywell Savings and Ownership Plan

Notes to Financial Statements

7 Risks and Uncertainties

The Plan provides for various investment options which may invest in any combination of stocks, GICs, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

8. Federal Income Taxes

On January 28, 2011, the Plan filed for a favorable determination letter with the Internal Revenue Service. The letter requested approval that the Plan satisfies the requirements of Section 401(a) of the Code and that the plan qualifies as an Employee Stock Ownership Plan (ESOP) as defined in Section 4975(e)(7) of the Code. The Plan s administrator and counsel believes that the Plan has been designed and is currently being operated in compliance with the applicable requirements of the Code and therefore expects that the Plan will receive a favorable determination letter. The Plan previously received a favorable determination letter on April 14, 2003. The Trust under the Plan is intended to be exempt under Section 501(a) of the Code. Accordingly, no provision for income taxes has been made.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. As of December 31, 2010, the Company has analyzed the tax positions by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

9 Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at December 31, 2010 and 2009:

	2010	2009
	(dollars in millions)	
Net assets available for benefits per the financial statements	$ 9,418	$ 8,203
Amounts allocated to withdrawing participants	(1)	(1)
Adjustment from contract value to fair value for benefit-responsive contracts	18	17
Net assets available for benefits per the Form 5500	$ 9,435	$ 8,219

Honeywell Savings and Ownership Plan

Notes to Financial Statements

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500 for the year ended December 31, 2010:

		2010
		(dollars in millions)
Benefits paid to participants per the financial statements	$	631
Add: Amounts allocated to withdrawing participants at December 31, 2010		1
Less: Amounts allocated to withdrawing participants at December 31, 2009		(1)
Benefits paid to participants per the Form 5500	$	631

The following is a reconciliation of investment income per the financial statements to Form 5500 for the year ended December 31, 2010:

		2010
		(dollars in millions)
Total investment income per the financial statements	$	1,374
Net change in adjustment from fair value to contract value for fully benefit-responsive contracts		1
Total investment income per the Form 5500	$	1,375

10. Subsequent Events

Effective March 1, 2011, the Matrikon 401(k) Plan merged and transferred assets of approximately $2 million into the Plan.

The Company has evaluated subsequent events through the date of issuance of our financial statements.

Honeywell Savings and Ownership Plan

Schedule H, Line 4(i) Schedule of Assets (held at end of year)
December 31, 2010
(Dollars in Millions)

Identity of Issue	Description	Cost	Current Value
*Interest in Honeywell Savings and Ownership Plan Master Trust	Various investments	**	$ 9,291
*Notes receivable from participants	(Interest rates range from 2.5% - 10.5%, maturing through December 2, 2035)	**	130
Total			$ 9,421

* Party-in-interest.
** Cost information not required for participant-directed investments.

Signatures

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan administrator has duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

Honeywell Savings and Ownership Plan

By: /s/Brian Marcotte

Brian Marcotte
Vice President, Compensation and Benefits

Date: June 24, 2011