October 6, 2020

STATEMENT: GARRETT MOTION RESPONDS TO HONEYWELL'S MISLEADING ASSERTIONS

Addresses Honeywell's Purported "Investor Fact Sheet" That Misrepresents the Spin and the Dispute Between Garrett and Honeywell

Garrett Motion Inc. ("Garrett" or the "Company") (NYSE: GTX) today responds to a number of inaccurate statements made by Honeywell in the last several weeks, including most recently in Honeywell's so-called "Honeywell and Garrett Motion Investor Fact Sheet," published on September 29, 2020.

Honeywell continues to paint an inaccurate picture of Garrett's October 2018 spin-off from Honeywell and the pending claims against Honeywell regarding the thirty-year Indemnification and Reimbursement Agreement ("Indemnification Agreement") that Honeywell forced on Garrett's subsidiary, Garrett ASASCO Inc., immediately prior to the spin-off. Chief among the points Garrett disputes are five central assertions that underpin Honeywell's argument:

1. Garrett's business is not related to Honeywell's legacy Bendix brake business that gave rise to Honeywell's asbestos liability. That feigned connection between the Bendix liability and Garrett's business was fabricated by Honeywell to justify foisting the asbestos liability on Garrett through the Indemnification Agreement.
2. The Indemnification Agreement is not "reasonable" or "enforceable." In litigation against Honeywell, now pending in the Bankruptcy Court in the Southern District of New York, Garrett asserts the following:
    - Honeywell is not entitled to indemnification under the Indemnification Agreement because it has refused to provide information about its underlying asbestos exposure, and has failed to satisfy the prerequisites for indemnification under New York law. Honeywell owes Garrett more than $240 million already paid to Honeywell under protest and under the threat of a cascade of defaults on Garrett's debts, which would have immediately driven Garrett into severe financial distress.
    - Honeywell has perverse incentives for it to overbill Garrett for asbestos claims because, although it retained 10% of the pre-tax liability, Honeywell actually likely earns an after-tax profit on every expenditure.
    - The Indemnification Agreement also purports to illegally require Garrett to indemnify Honeywell for punitive damages (and other non-indemnifiable amounts), which are meant to punish Honeywell for its decades of manufacturing products with asbestos in reckless disregard of the dangers to human life.
3. Honeywell did not negotiate the one-sided Indemnification Agreement with Garrett or any of Garrett's current executives or Board members. Because no rational company would ever voluntarily agree to the egregious terms of the Indemnification Agreement, Honeywell installed one of its own in-house lawyers prior to the spin-off as Garrett's president and director to force these unconscionable terms on Garrett. Honeywell also refused to provide independent counsel to Garrett's executives or the Board.
4. Honeywell incorrectly states that the Tax Matters Agreement that Honeywell forced on Garrett "allocated to Garrett its share of mandatory transition tax." In fact, the mandatory transition tax is a liability of Honeywell's alone; it was a one-time tax reflected on Honeywell's 2017 tax return, long before the spin-off of Garrett. Moreover, the amount Honeywell seeks from Garrett for Honeywell's

2017 mandatory transition tax liability is not "appropriately associated with the business that was transferred to Garrett." Despite Garrett's repeated requests, Honeywell has been unable to demonstrate that Garrett is liable to pay for any of Honeywell's 2017 mandatory transition tax liability nor has Honeywell demonstrated that the amount it seeks from Garrett has been validly calculated.

5. Honeywell caused Garrett to incur $1.6 billion of debt to pay Honeywell a dividend in connection with the spin-off, which, along with the unconscionable Indemnification Agreement and Tax Matters Agreement, left Garrett with an unsustainable highly-levered capital structure.

Honeywell also asserts that it "worked cooperatively with and supported Garrett and its lenders in amending its credit agreement to provide Garrett with significant covenant and payment relief." To the contrary, as detailed in Garrett's Form 8-K filed with the Securities and Exchange Commission on May 29, 2020, Honeywell interfered with the successful completion of that amendment process by falsely asserting the amendments constituted a default by Garrett under the Indemnification Agreement. Honeywell even demanded Garrett suspend its ongoing litigation against Honeywell as a condition to withdrawing its improper notice of default, even though the litigation was unrelated to the credit agreement amendment process.

For more than a year following its October 2018 spin-off, Garrett attempted to resolve the issues with the Indemnification Agreement amicably with Honeywell. After repeated but unsuccessful discussions, Garrett concluded it had no alternative but to commence litigation, filing its complaint on January 15, 2020, detailing how Honeywell and its executives, and not Garrett's current management or Board, devised Garrett's spin-off to offload Honeywell's more than $1 billion legacy Bendix asbestos liability, while saddling Garrett with unconscionable and illegal covenants. The Company's litigation against Honeywell has been moved to Bankruptcy Court (Case No. 20−01223 (MEW)) as part of Garrett's chapter 11 proceedings, with a pre-trial conference scheduled for October 22, 2020; its complaint before the Bankruptcy Court is available here.