HONEYWELL SPECIALTY ADDITIVES CHANNEL DISTRIBUTION PARTNER PROGRAM 2023

Global

Honeywell

The Honeywell Specialty Additives 2023 Channel Distribution Partner Program handbook focuses on collaboration between our companies. Along with our industry-leading products and technology, the program will provide you with the ability to lead with Honeywell. Moreover, it will give you the confidence and support to create new opportunities to partner and grow.

This handbook details the program and benefits of being a Honeywell Specialty Additives Channel Distribution Partner, along with the requirements for participation in this incentive program.

Working in unison, we'll deliver increased value to our customers and take our businesses to higher levels of performance.

PARTNERING WITH THE INDUSTRIAL LEADER

Customers choose Honeywell because it is the leading brand in Specialty Additives. This will give you credibility when approaching new customers.

Our partners tell us they select Honeywell because:

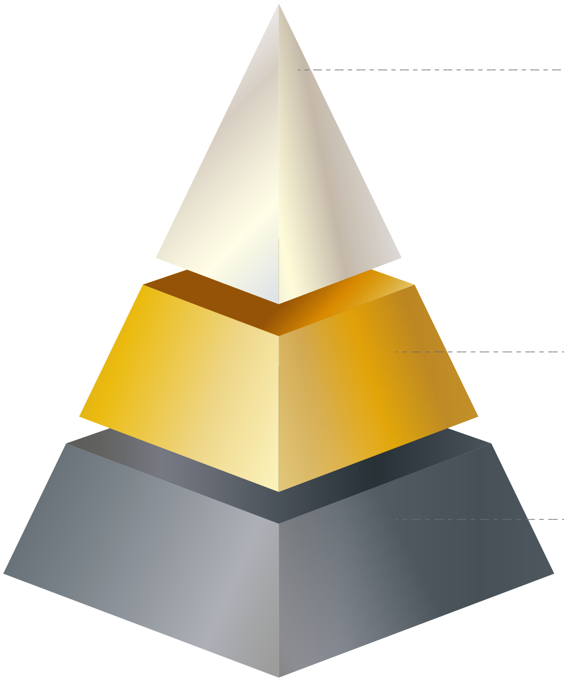
- Their customers choose Honeywell
- Honeywell is the strongest and most reliable brand
- Honeywell has a great channel support infrastructure
- Honeywell has a proven, long-standing commitment to its channel partners, and a partnership mindset
- Honeywell offers a comprehensive channel-ready product portfolio that is:
  - Differentiated compared to the competition
  - Easy to order

PROGRAM LEVELS

The Specialty Additives Channel Program has 3 program levels.

1. Silver Channel Partner
2. Gold Channel Partner
3. Platinum Channel Partner

Channel Partner levels are determined by Honeywell Specialty Additives Scorecard. Any Channel Partner with a score less than 1.5 will not qualify for the program.



SCORECARD DETERMINES THE LEVEL

Honeywell Specialty Additives Channel Partners will have specific targets set by the Honeywell Account Manager for revenue and volume. If a target is not set, then the distributor will neither qualify for a rebate, nor receive the specific partner level benefits (Silver Channel Partner, Gold Channel Partner, Platinum Channel Partner).

PROGRAM LEVEL	PERFORMANCE	SCORE
Platinum Channel Partner	Fully exceeds and has the broadest capabilities	4 - 5
Gold Channel Partner	Exceeds and has broader capabilities	3 - <4
Silver Channel Partner	Fully Complies with program and agreement requirements	1.5 - <3

SA SCORECARD 2023 - GLOBAL

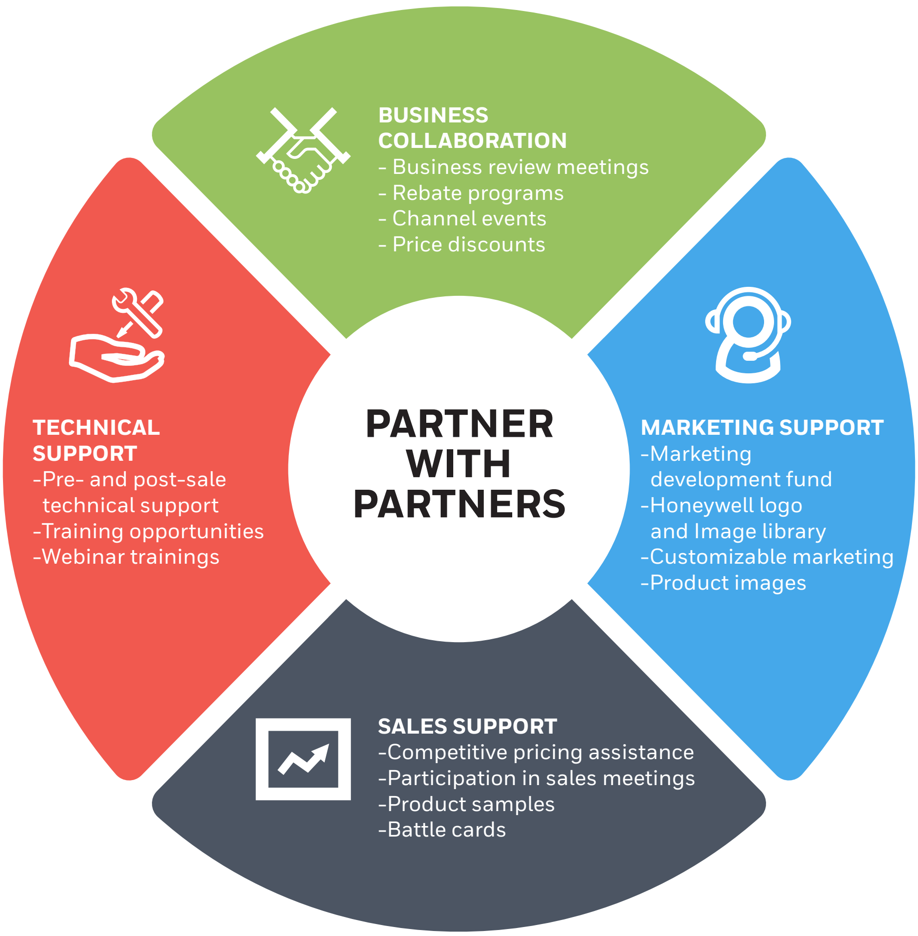
CATEGORY	CRITERIA 2023	WEIGHT %
Business Performance	Target achievement revenue	35%
	Target achievement volume	15%
Business Behavior	Past dues	5%
Business Management	Sell Out and Inventory data (E2Open)	5%
	Joint Business Plan (JBP) Including business goals, growth opps, top customers, market intel, marketing activities, etc.	10%
	Quarterly Business Review (QBR) Including follow-up on KPIs, sales forecast, and inventory	10%
Business Development	Opportunity Pipeline target (total opportunity loads within the year)	10%
	Product focus (CIA/Asphalt/others) – to be defined by region	10%
TOTAL		**100%**

SA SCORECARD METRICS 2023 - GLOBAL								
	SCORING CRITERIA	**METRIC DESCRIPTION**	**GLOBAL METRICS**					
			SCORE 5	**SCORE 4**	**SCORE 3**	**SCORE 2**	**SCORE 1**	**SCORE 0**
Business Performance	Revenue ($) Target Attainment	Revenue result x target (less any returns/credits/debits)	≥105%	≥95% - <105%	≥90% - <95%	≥85% - <90%	≥80% - <85%	<80%
			vs target	vs target	vs target	vs target	vs target	vs target
	Volume (kg) Target Attainment	Volume result x target (less any returns/credits/debits)	>100%	99% - 100%	95% - 98.99%	90% - 94.99%	85% - 89.99%	< 85%
			vs target	vs target	vs target	vs target	vs target	vs target
	Past Dues	Payment behavior according to payment terms	0 - 0.49%	0.5 - 1.99%	2.0 - 3.49%	3.5 - 4.99%	5.0 - 6.5%	> 6.5%
Business Management	JBP & QBR	Strategic planning between partner and Honeywell to establish mutual objectives, assess opportunities and consistently review results	Documented JBP / Regular QBR completed	Partial Completion	Partial Completion	Partial Completion	Partial Completion	No JBP
	POS & Inventory Data Submission	Accuracy, completeness, and timeliness of a partner's submitted monthly market intelligence data (POS/Inventory)	Complete Submission on Time	Incomplete / Errors	Incomplete / Errors	Incomplete / Errors	Incomplete / Errors	No submission
Business Development	Opportunity Pipeline	Pipeline opportunities load compared to the annual revenue target	200% < 175%	175% < 150%	150% < 125%	125% < 100%	100% < 125%	< 100%
			vs target	vs target	vs target	vs target	vs target	vs target
	Product and Market focus	Sales revenue target/ growth of specific focus products within market sector as defined in the Joint Business Plan	≥105%	≥95% - <105%	≥90% - <95%	≥85% - <90%	≥80% - <85%	<80%
			vs target	vs target	vs target	vs target	vs target	vs target

VALUE DELIVERED

The Honeywell Channel Program delivers significant opportunities through four value groups:

1. Business Collaboration - tools that facilitate us working together for success
2. Sales & Marketing Support – tools that help you win in the marketplace
3. Tools, Training, and Aftermarket Support – tools that:
   a. Enhance your team's sales effectiveness
   b. Help us conduct business more efficiently
   c. Provide the aftermarket support your customers need
4. Global Channel Operating Policies – Documented standard operating policies that guide you through how to operate within the Honeywell ecosystem



BENEFITS	GLOBAL		
QUALIFYING LEVEL SCORE	PLATINUM	GOLD	SILVER
Minimum Revenue to be eligible for rebates (per year)	$ 400,000	$ 400,000	$ 400,000
GROWTH INCENTIVES (AMs to set specific targets, rebate paid on full sales)	1.00%	0.75%	0.50%
STOCK INCENTIVE (on the value of each extra month of inventory above previous monthly average)	1.00%	0.50%	0.00%
MARKETING DEVELOPMENT FUND	0.80%	0.60%	0.30%

2023 CHANNEL DISTRIBUTION PARTNER PROGRAM ELIGIBILITY AND CONDITIONS

Every Distribution Channel Partner for Honeywell Specialty Additives is eligible for this program, which is being introduced to drive further engagement with our distributors, and to better reward your efforts.

To participate in the program and receive all its benefits and rewards, the Distributor must achieve at least Silver Channel Partner level target within the established program dates, and must also report sell-out data, inventory levels, and forecast details to Honeywell during the qualifying year. Failure to report this information will result in disqualification for the rebate.

The Channel Partner, when qualified to receive rebates, will be paid on full-year results only.

Payment will be based on the total Channel Partner's purchases of Honeywell Specialty Additive products during 2023, also including all special prices provided (referred to as net purchases including all special prices).

Final numbers for payment and attainment are based on orders that are fully invoiced in the calendar year. The payment of all benefits achieved will be paid after the year closes, during Q1 of the following year. The program defined in this guide applies only to Honeywell Specialty Additives, and replaces any local incentives in place.

BUSINESS COLLABORATION

REBATE PROGRAM

1. Overview

The Rebate Program is intended to accelerate growth. The program provides additional financial rewards for accelerated growth and cannot be combined with any other rebate program.

2. Benefits

Rewards channels for excellent growth, business behavior and partnership.

2023 GROWTH INCENTIVE REVENUE

1. Overview

Growth Rebates
Rebates will be offered to participating distributors to recognize and reward revenue and volume growth if they achieve any of these tier levels: Silver, Gold or Platinum Channel Partner at the end of qualifying year for all invoiced purchases.

To be eligible, a Channel Partner must purchase Honeywell Specialty Additives products with a total value in annual revenues as stated in the benefits table on page 4.

2023 INCENTIVES

TIER LEVEL PER DISTRIBUTOR	GROWTH INCENTIVE
PLATINUM	1.00%
GOLD	0.75%
SILVER	0.50%

TIER LEVEL PER DISTRIBUTOR	STOCK INCENTIVE
PLATINUM	1.00%
GOLD	0.50%
SILVER	0.00%

TIER LEVEL PER DISTRIBUTOR	MARKETING DEVELOPMENT FUNDS (MDF)
PLATINUM	0.8%
GOLD	0.6%
SILVER	0.3%

2023 STOCK INCENTIVE

The stock incentive is provided when the Channel Partner keeps a higher level of stock compared to previous year. This calculation is based on the monthly inventory average. The value to be considered is over the additional stock.

2023 MARKETING DEVELOPMENT FUNDS (MDF)*

Overview

Honeywell designed the Marketing Development Funds (MDF) program to allocate funds to the local market for eligible Channel Partners to significantly grow Honeywell's products sales.

MDFs are available for Channel Distribution Partners when they achieve their tier level during the defined program period.

Benefits

This program enables Honeywell and Channel Distribution Partners to amplify their promotion investments to increase mutual revenue and profits while driving customer loyalty.

Return on Investment (ROI)

The MDF help cover the expenses for direct promotion of Honeywell Specialty Additives portfolio and are intended to support value-added sales efforts. Therefore, all proposed expenditures should be measurable. This means the Channel Partner will need to provide evidence of the return on such investments, such as website and social media analytics, leads generated etc. up to one quarter after the promotional activity is concluded (see Guidelines for MDF usage's chart for reference).

Request and Approval Procedures

MDF should be requested by the Channel Partner through the Partner Portal. It is mandatory that the Channel Partner uploads the request report template with the required information. Then the request will be evaluated internally and, if approved, it will be paid via credit memo or credit note. Please see the "MDF Process" details below.

FUND ACCRUAL

Honeywell Specialty Additives will accrue the MDF percentage on the total purchase of Honeywell Specialty Additives within the defined program period if the Channel Distribution Partner achieves the program's specific tier level.

The MDF that the Channel Partner is rewarded during the qualifying period will be used in the subsequent year.

This MDF program overrides any existing marketing program between Honeywell and its Channel Partners.

*GUIDELINES FOR MDF USAGE

ACTIVITY	HONEYWELL REQUIREMENT	HONEYWELL RECOMMENDATION	ROI METRICS SUGGESTIONS
Trade Show Support	Prominently visible showcase / display of Honeywell products and collateral	Honeywell sales manager to be present	# of inquiries from tradeshow # of meetings for Honeywell Follow-up actions for Honeywell (emails, meetings) Proof of Honeywell showcase and promotional activity
Customer Event/ Training (e.g., Supplier Day, Seminar, Webinar)	Honeywell expert and material should be used	Honeywell web platform / offices used	# of attendees, newvs existing customers Customer testimonials Proof of use (photos, advertising)
Product Promotions (e.g., customer programs, product bundling, etc.)	Cannot include competitive products (can include complementary products)	Bundle multiple Honeywell products	# of redemptions against promo code # revenue of new customers Proof of use (photos, advertising)
Third-Party Advertising	Exclusive Honeywell ad on paid media ie. trade websites / outdoor advertising/ magazines/ catalogs, paid social media	Promo code/link to track visibility of results	Digital #impressions Print # of recipients Proof of use (photos,advertising) Must tie into above activities
Merchandise	Must be used at customer-facing events (tradeshow. seminar, networking) or in collaboration with a promotion	Use Honeywell vendor	Proofof use (photos, advertising)

SELLOUT, FORECASTING AND INVENTORY REPORTING

1. OVERVIEW

This section, which defines the process for reporting sellout, forecast, and inventory reporting, applies to all Channel Distribution Partners, and is mandatory.

2. BENEFITS

Sellout, forecasting, and inventory reporting provide the following benefits to both Honeywell and Channel Distribution Partners:

- Foundation measurement and rewards information used to drive team selling
- Honeywell marketing information, which supports new product development decisions, marketing, and lead generation programs
- Vertical market analysis report for your Honeywell sales
- Critical inventory information needed to optimize delivery performance to our customers
- Snapshot of inventory health-based on purchases and sales out

3. REQUIREMENTS

Distributors are required to submit accurate, complete, and up-to-date information as follows:

- Sellout and Inventory data: each month, after month close
- Forward Forecast: to be provided on the month preceding the quarter start (December, March, June, September).

JOINT BUSINESS PLAN AND QUARTERLY BUSINESS REVIEWS

OVERVIEW

The Honeywell Account Managers will use a template to work together with all Channel Partners during the Joint Business Plan (JBP) in the beginning of the year and the Quarterly Business Reviews (QBR) after each quarter.

DESCRIPTION

JBP and QBR provide the following benefits to both Honeywell and Channel Partners:

- Foundation planning to drive team selling
- Honeywell and Partner marketing alignment
- And main customers action plan
- Including Sales Forecast and Inventory
- Follow up on the whole planning

REQUIREMENTS

Your Honeywell Channel Manager will submit on your behalf after joint completion.

JBP AND QBR TASKS

- Notifications will be sent to the account managers responsible for distributors via Partner Portal/SFDC
- Channel managers will conduct their JBP and QBR meetings with partners and fill up the template available on the Partner Portal.
- Channel managers should upload each template (completed after joint meetings with partners) into the system to conclude the tasks

Deadlines to complete the tasks are shown below:

JBP 2023 deadline
- JBP task completion by the end of April 2023

QBRs 2023 deadlines
- Q1BR task completion by the end of **May 2023**
- Q2BR task completion by the end of **August 2023**
- Q3BR task completion by the end of **November 2023**
- Q4BR task completion by the end of February 2024. This QBR will be considered in the next year's Channel Program Scorecard.

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THE
FUTURE
IS
WHAT
WE
MAKE IT

For additional information or to contact us , please visit:
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