GENERAL ELECTRIC CO
Form DEF 14A
March 14, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

General Electric Company

(Name of Registrant as Specified In Its Charter)

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x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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Notice of 2011
Annual Meeting
and
Proxy Statement

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IMPORTANT VOTING INFORMATION

As a result of recent rule changes, your broker is not permitted to vote on your behalf on the election of directors and other matters to be considered at the shareowner meeting (except on ratification of the selection of KPMG as auditors for 2011), unless you provide specific instructions by completing and returning the Voting Instruction Form or following the instructions provided to you to vote your shares via telephone or the Internet. For your vote to be counted, you now will need to communicate your voting decisions to your broker, bank or other financial institution before the date of the shareowner meeting.

Your Participation in Voting the Shares You Own Is Important

Voting your shares is important to ensure that you have a say in the governance of your company and to fulfill the objectives of the majority voting standard that we apply in the election of directors. Please review the proxy materials and follow the instructions on the proxy card or Voting Instruction Form to vote your shares. We hope you will exercise your rights and fully participate as a shareowner in our company s future.

More Information Is Available

If you have any questions about the proxy voting process, please contact the broker, bank or other financial institution where you hold your shares. The Securities and Exchange Commission (SEC) also has a website (*www.sec.gov/spotlight/proxymatters.shtml*) with more information about your rights as a shareowner.

Additionally, you may contact our Investor Relations Department at *www.ge.com/investors/index.html*.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE SHAREOWNERS MEETING TO BE HELD ON APRIL 27, 2011

The proxy statement is available at *www.ge.com/proxy* and the annual report is available at *www.ge.com/annualreport*.

INFORMATION REGARDING ADMISSION TO THE 2011 ANNUAL MEETING

In accordance with our security procedures, all persons attending the 2011 Annual Meeting must present an admission card and picture identification. Please follow the advance registration instructions on page 56 of this proxy statement to obtain an admission card.

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General Electric Company

3135 Easton Turnpike

Fairfield, Connecticut 06828

March 14, 2011

Dear Shareowner,

You are invited to attend the 2011 Annual Meeting of Shareowners to be held on Wednesday, April 27, in Salt Lake City, Utah.

The annual meeting will begin with a report on our operations, followed by discussion and voting on the matters set forth in the accompanying notice of annual meeting and proxy statement and discussion on other business matters properly brought before the meeting.

If you plan to attend the meeting, please follow the advance registration instructions on page 56 of this proxy statement. An admission card, which is required for admission to the meeting, will be mailed to you prior to the meeting.

Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly voting and submitting your proxy by telephone or by Internet, or by completing, signing, dating and returning your proxy form in the enclosed envelope.

Cordially,

Jeffrey R. Immelt

Chairman of the Board

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Every shareowner s vote is important. Please complete, sign, date and return your proxy form, or submit your vote and proxy by telephone or by Internet.

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2011 Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Shareowners

Time and Date	10:00 a.m., April 27, 2011
Place	Salt Palace Convention Center 100 South West Temple Salt Lake City, Utah 84101
Record date	February 28, 2011
Voting	Shareowners as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.
Admission	An admission card is required to enter GE s annual meeting. Please follow the advance registration instructions on page 56.

Meeting Agenda

Election of 16 directors
Ratification of KPMG as auditors for 2011
Advisory vote on executive compensation
Advisory vote on the frequency of future advisory votes on executive compensation
Vote on five shareowner proposals
Transact other business that may properly come before the meeting

Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	FOR EACH DIRECTOR NOMINEE	10
Management Proposals		
Ratification of KPMG as Auditor for 2011	FOR	48
Advisory Vote on Executive Compensation	FOR	49
Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation	FOR EVERY YEAR	49
Shareowner Proposals		
Cumulative Voting	AGAINST	49
Future Stock Options	AGAINST	50
Withdraw Stock Options Granted to Executives	AGAINST	51
Climate Change Risk Disclosure	AGAINST	52
Transparency in Animal Research	AGAINST	53

Board Nominees

The following table provides summary information about each director nominee. Each director nominee is elected annually by a majority of votes cast.

	Experience/	Committee Memberships	Other Public

Name	Age	Director Since	Occupation	Qualification	Independent	AC	MDCC	NCGC	PRC	RC	Company Boards
W. Geoffrey Beattie	50	2009	President, Woodbridge Company	Leadership Global Finance Industry	X	F				C	Maple Leaf Foods Royal Bank of Canada Thomson Reuters
James I. Cash, Jr.	63	1997	Emeritus James E. Robison Professor of Business Administration, Harvard Graduate School of Business	Education Finance Leadership Global Technology	X	X	X		X		Chubb Wal-Mart
Ann M. Fudge	59	1999	Former Chairman & CEO, Young & Rubicam	Leadership Marketing Global Industry Government	X				X		Novartis Unilever
Susan Hockfield	59	2006	President, Massachusetts Institute of Technology	Leadership Education Technology Industry	X			X	X		

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Name	Age	Director Since	Occupation	Experience/ Qualification	Independent	Committee Memberships AC	MDCC	NCGC	PRC	RC	Other Public Company Boards
Jeffrey R. Immelt	55	2000	Chairman & CEO, General Electric	Leadership Global Industry Government					X		
Andrea Jung	52	1998	Chairman & CEO, Avon	Leadership Global Marketing Industry Technology	X		X	X			Apple Avon
Alan G. (A.G.) Lafley	63	2002	Former Chairman & CEO, Procter & Gamble	Leadership Global Marketing Industry Technology	X			X		X	
Robert W. Lane	61	2005	Former Chairman & CEO, Deere	Leadership Finance Global Industry	X	F	X				Verizon Communications Northern Trust BMW
Ralph S. Larsen	72	2002	Former Chairman & CEO, Johnson & Johnson	Leadership Global Industry	X		C, P	X			
Rochelle B. Lazarus	63	2000	Chairman & former CEO, Ogilvy & Mather	Leadership Global Marketing Industry	X			C	X		Merck
James J. Mulva	64	2008	Chairman & CEO, ConocoPhillips	Leadership Finance	X	F			X		Conoco Phillips

				Global Industry							
Sam Nunn	72	1997	Co-Chairman & CEO, Nuclear Threat Initiative	Leadership Government Industry Technology Education Global	X		X		C		Chevron Coca-Cola Dell
Roger S. Penske	74	1994	Chairman, Penske and Penske Truck Leasing, Chairman & CEO, Penske Automotive	Leadership Global Industry					X		Penske Automotive Universal Technical Institute
Robert J. Swieringa	68	2002	Professor of Accounting and former Dean, Johnson Graduate School of Management, Cornell University	Finance Industry Leadership Education	X	F					
James S. Tisch	58	2010	President & CEO, Loews	Leadership Global Finance Industry Government	X					X	Loews and its consolidated subsidiaries (CNA Financial, Diamond Offshore Drilling)
Douglas A. Warner III	64	1992	Former Chairman, JPMorgan Chase	Finance Industry Leadership Global	X	C, F	X	X			Motorola Solutions

AC	Audit Committee
C	Chair
F	Financial expert
MDCC	Management Development and Compensation Committee
NCGC	Nominating and Corporate Governance Committee
P	Presiding director of the Board

PRC	Public Responsibilities Committee
RC	Risk Committee
Attendance	No director nominee, all of which are current directors, attended fewer than 75% of the Board meetings and committee meetings on which he or she sits.

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Auditors

As a matter of good corporate governance, we are asking our shareowners to ratify the selection of KPMG as our independent auditor for 2011. Set forth below is summary information with respect to KPMG s fees for services provided in 2010 and 2009.

Type of Fees	2010	2009
	(in millions)	
Audit Fees	$ 89.8	$ 88.8
Audit-Related Fees	9.7	13.3
Tax Fees	9.3	8.0
All Other Fees	0.0	0.0
Total	$ 108.8	$ 110.1

Executive Compensation Advisory Vote and Its Frequency

We are asking shareowners to approve on an advisory basis our named executive officer compensation. The Board recommends a FOR vote because it believes that our compensation policies and practices are effective in achieving GE s goals of rewarding sustained financial and operating performance and leadership excellence, aligning the executives long-term interests with those of our shareowners and motivating the executives to remain with GE for long and productive careers. Named executive officer compensation over the past three years reflects amounts of cash and long-term performance awards consistent with periods of economic stress and lower earnings, and equity incentives that align with our actions to stabilize GE and to position it for a continued recovery.

The Board recommends that shareowners vote in favor of holding the advisory vote on executive compensation EVERY YEAR.

Executive Compensation Elements

Type	Form	Terms
Equity	Stock options	Options generally vest 20% per year while employed 1-year holding period for shares received upon exercising options
	Restricted stock units (RSUs)	RSUs generally vest 20% per year while employed
	Performance share units (PSUs) - CEO only	PSUs have 5-year performance periods with 2 objective performance measures
Cash	Salary	Generally eligible for increase at intervals of 18 months or longer
	Annual incentive compensation	Discretionary based on quantitative and qualitative goals
	Long-term performance awards (LTPAs)	LTPAs have 3-year performance periods with 4 objective performance measures
Retirement	Pension	5-year vesting, payable at or after age 60, no lump sum payment
	Supplementary pension	Vests at age 60, no lump sum payment
Other	Perquisites	Life insurance, transportation, financial counseling, home security, GE products, annual physical

Other Key Compensation Features

No severance/employment agreements	No tax gross-ups of perquisites
Clawback of incentive compensation	Significant executive share ownership requirements
Shareowner approval of death benefits	

2010 Compensation Decisions

Over the last decade, through two recessions, GE has earned $161 billion and generated $172 billion of cash from operating activities, cumulatively, more than twice as much as in the prior decade. Over the last five years, GE has earned $83 billion and generated $97 billion of cash from operating activities, cumulatively. As measured by cumulative earnings and cash from operating activities over the past decade, GE is one of the ten largest companies in the world. Throughout this period, management kept the company safe and secure and GE and GE Capital were profitable in every quarter. At the same time, the company went through a substantial portfolio transformation, including the dispositions of Employers Reinsurance

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Corporation, GE Plastics and NBCU, which reduced volatility and generated funds for investment in higher-growth infrastructure businesses.

In 2010, GE had a very strong year, including 15% earnings growth, a 9% reduction in GE Capital s ending net investment (ENI), $14.7 billion of industrial cash from operating activities and strong order growth ending the year with a record $175 billion backlog. This performance is a direct result of actions taken by Mr. Immelt and the GE leadership team over the last few years to reduce the size of GE Capital and focus it on businesses where we are more competitively advantaged, to increase liquidity to improve the safety of GE in an uncertain environment, to invest in technology and research to increase organic growth in our industrial businesses, to emphasize global markets and growth opportunities, and to execute on strategic acquisitions and dispositions.

In light of this recovery and historical performance, after two years of taking no bonus, Mr. Immelt received a bonus of $4 million for 2010, compared to a bonus of $5.8 million for 2007, the last year he accepted a bonus. In 2010, Mr. Immelt also received a special equity grant of two million stock options in order to increase the equity-based portion of his compensation and to underscore the Board s confidence in his leadership. Although reported to have a $7.4 million value under applicable SEC rules, Mr. Immelt will only realize compensation from this award if he continues to work for the company over the five-year vesting period and GE s stock price increases. $6.2 million of Mr. Immelt s $21.4 million compensation reflects the year-over-year increase in pension value, which is based on an increase in his service and age and changes in actuarial pension assumptions, and is not the result of any changes in his actual compensation. In a November 2010 survey conducted by the *Wall Street Journal* of CEO pay at 456 U.S. companies with revenues of $4 billion or more, Mr. Immelt s pay was ranked 310 (the survey excluded year-over-year changes in pension value). Compensation increases in 2010 for the other named executive officers reflect their strong contributions to the company s overall performance and that of their respective businesses or function. Total compensation for our other named executive officers was also significantly affected by the year-over-year increase in pension value.

2010 Compensation Summary

Set forth below is the 2010 compensation for each named executive officer as determined under SEC rules. The SEC s calculation of total compensation (reflected in the column entitled Total) includes several items that are driven by accounting and actuarial assumptions, which are not necessarily reflective of compensation actually realized by the named executives in 2010. To supplement the SEC-required disclosure, we have therefore included an additional column in the table below entitled Total Realized Compensation, which shows total compensation realized by each of the named executives in 2010.

Name and Principal Position	Salary	Bonus	Option Awards	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total	Total Realized Compensation[1]
Jeffrey R. Immelt Chairman of the Board and CEO	$ 3,300,000	$ 4,000,000	$ 7,400,000	$ 6,338,956	$ 389,809	$ 21,428,765	$ 5,845,124
Keith S. Sherin Vice Chairman and CFO	1,680,000	3,000,000	4,070,000	3,872,410	187,031	12,809,441	6,197,979
John Krenicki Vice Chairman	1,400,000	3,000,000	4,070,000	4,544,538	192,238	13,206,776	5,764,387
Michael A. Neal Vice Chairman	1,825,000	3,250,000	4,070,000	4,817,038	226,639	14,188,677	6,945,415
John G. Rice Vice Chairman	1,825,000	3,175,000	4,070,000	5,006,883	248,259	14,325,142	5,580,957

[1] The amounts reported in the Total Realized Compensation column differ substantially from the amounts reported in the Total column required under SEC rules and are not a substitute for those Total amounts. Total Realized Compensation represents: (1) Total compensation, as determined under applicable SEC rules, minus (2) the aggregate grant date fair value of 2010 stock option awards (as reflected in the Option Awards column), minus (3) the year-over-year change in pension value and nonqualified deferred compensation earnings (as reflected in the Change in Pension Value and Nonqualified Deferred Compensation Earnings

column), and plus (4) the value realized in 2010 from the vesting of RSUs or PSUs before payment of any applicable withholding taxes and brokerage commissions (as reflected in the 2010 Option Exercises and Stock Vested table on page 38), including the value realized from the payment of any dividend equivalents. In addition, Total Realized Compensation reflects any bonus actually paid in 2010, whereas Total compensation under the SEC rules reflects any bonus earned for 2010. For more information on Total compensation as calculated under the SEC rules, see the narrative and notes accompanying the 2010 Summary Compensation table set forth on page 30.

2012 Annual Meeting

Deadline for shareowner proposals	November 15, 2011

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Notice of 2011 Annual Meeting of Shareowners

10:00 a.m., April 27, 2011

Salt Palace Convention Center

100 South West Temple

Salt Lake City, Utah 84101

March 14, 2011

To our Shareowners:

General Electric Company s 2011 Annual Meeting of Shareowners will be held at the Salt Palace Convention Center, 100 South West Temple, Salt Lake City, Utah 84101, on April 27, 2011, at 10:00 a.m., to address all matters that may properly come before the meeting. Following a report on GE s business operations, shareowners will:

- vote on election of directors for the ensuing year;
- vote on ratification of the selection of the independent registered public accounting firm for 2011;
- vote on an advisory resolution on executive compensation;
- vote on an advisory vote on the frequency of future advisory votes on executive compensation;
- vote on shareowner proposals set forth at pages 49 through 54 in the accompanying proxy statement; and
- transact other business that may properly come before the meeting.

Shareowners of record at the close of business on February 28, 2011 will be entitled to vote at the meeting and any adjournments thereof.

Brackett B. Denniston III

Secretary

Proxy Statement

General Electric Company

3135 Easton Turnpike

Fairfield, Connecticut 06828

This proxy statement is furnished in connection with the solicitation of proxies by General Electric Company on behalf of the Board of Directors for the 2011 Annual Meeting of Shareowners. Distribution of this proxy statement and a proxy form to shareowners is scheduled to begin on or about March 14, 2011.

You can ensure that your shares are voted at the meeting by submitting your instructions by telephone or by Internet, or by completing, signing, dating and returning the enclosed proxy or voting instruction form in the envelope provided. Submitting your instructions or proxy by any of these methods will not affect your right to attend and vote at the meeting. We encourage shareowners to submit votes in advance of the meeting. A shareowner who gives a proxy may revoke it at any time before it is exercised by voting in person at the annual meeting, by delivering a subsequent proxy or by notifying the inspectors of election in writing of such revocation. If your GE shares are held for you in a brokerage, bank or other institutional account, you must obtain a proxy from that entity and bring it with you to hand in with your ballot, in order to be able to vote your shares at the meeting.

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Election of Directors

At the 2011 Annual Meeting, 16 directors are to be elected to hold office until the 2012 Annual Meeting and until their successors have been elected and qualified. The 16 nominees for election at the 2011 Annual Meeting are listed on pages 11 to 16, with brief biographies. They are all presently GE directors who were elected by shareowners at the 2010 Annual Meeting, except for Mr. Tisch who was elected to the Board in June 2010. Mr. Tisch was recommended to the Nominating and Corporate Governance Committee (NCGC) as a director candidate by our chairman and CEO. Current director Sir William M. Castell is not standing for reelection at the 2011 Annual Meeting. The Board of Directors has determined that Mr. Castell and the following 14 nominees satisfy the New York Stock Exchange s definition of independent director: W. Geoffrey Beattie, James I. Cash, Jr., Ann M. Fudge, Susan Hockfield, Andrea Jung, A.G. Lafley, Robert W. Lane, Ralph S. Larsen, Rochelle B. Lazarus, James J. Mulva, Sam Nunn, Robert J. Swieringa, James S. Tisch and Douglas A. Warner III. We do not know of any reason why any nominee would be unable to serve as a director. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may nominate.

Board Composition. We believe that our directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareowners. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. We also endeavor to have a Board representing a range of experiences at policy-making levels in business, government, education and technology and in areas that are relevant to the company s global activities. The evaluation of director nominees by the NCGC also takes into account diversity of background.

Below we identify and describe the key experience, qualifications and skills our directors bring to the Board that are important in light of GE s businesses and structure. The directors experiences, qualifications and skills that the Board considered in their re-nomination are included in their individual biographies.

Leadership experience. We believe that directors with experience in significant leadership positions, especially CEO positions, over an extended period, provide the company with special insights. These people generally possess extraordinary leadership qualities and the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, processes, strategy, risk management and the methods to drive change and growth. Through their service as top leaders at other organizations, they also have access to important sources of market intelligence, analysis and relationships that benefit the company.

Finance experience. We believe that an understanding of finance and financial reporting processes is important for our directors. The company measures its operating and strategic performance by reference to financial targets. In addition, accurate financial reporting and robust auditing are critical to GE s success. We seek to have a number of directors who qualify as audit committee financial experts, and we expect all of our directors to be financially knowledgeable.

Industry experience. We seek to have directors with experience as executives, directors or in other leadership positions in the industries in which we participate. For example, as GE has expanded its portfolio of businesses in the energy sector, the Board has sought more expertise in this area, including in oil and gas. Our increased focus on the life sciences and early health businesses within our healthcare segment led the Board to seek directors with healthcare experience. Due to the size of our transportation-related businesses, we seek directors that have experience with transportation, engineering and manufacturing companies. We also seek directors with financial services industry experience because of our ownership of GE Capital.

Marketing experience. GE seeks to grow organically by identifying and developing new markets for its products. Therefore, marketing expertise, especially on an international basis, is important to us.

Government experience. We seek directors with experience with and in government because many of GE s businesses are heavily regulated and are directly affected by governmental actions and socioeconomic trends. The company recognizes the importance of working constructively with governments around the world.

Technology and education experience. As a sciences and technology company and leading innovator, we seek directors with backgrounds in technology and education because our success depends on developing and investing in new technologies and access to new ideas.

Global experience. GE s future success depends, in part, on its success in growing its businesses outside the United States. For example, in 2010, 53% of GE s revenues came from outside the United States. This highlights the importance of having directors with a global business perspective.

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W. Geoffrey Beattie, 50, President, The Woodbridge Company Limited, Toronto, Canada. Director since 2009.

Mr. Beattie received a law degree from the University of Western Ontario and served as a partner in the Toronto law firm Torys LLP before joining The Woodbridge Company Limited, where he has been president since 1998. The Woodbridge Company Limited is a privately held investment holding company for the Thomson family of Canada and the majority shareholder of Thomson Reuters, where Mr. Beattie is the deputy chairman and director. Mr. Beattie also serves as a member of the board of directors of Maple Leaf Foods Inc. and Royal Bank of Canada. In addition to his public company board memberships, Mr. Beattie is chairman of CTV Globemedia Inc., a Canadian broadcasting and publishing company, and a trustee of the University Health Network in Toronto.

Director Qualifications:

Leadership and Global experience current president of multinational Canadian company (Woodbridge Company)

Industry and Finance experience current deputy chairman of large financial services company (Thomson Reuters); director of leading global bank (Royal Bank of Canada); chairman of leading media company (CTV Globemedia); trustee of leading healthcare provider (University Health Network)

James I. Cash, Jr., 63, Emeritus James E. Robison Professor of Business Administration, Harvard Graduate School of Business, Boston, Massachusetts. Director since 1997.

A graduate of Texas Christian University with MS and PhD degrees from Purdue University, Dr. Cash joined the faculty of Harvard Business School in 1976, where he served as chairman of the MBA program from 1992 to 1995, and served as chairman of HBS Publishing from 1998 until 2003. Dr. Cash retired from the Harvard Business School faculty in 2003. Dr. Cash is also a director of The Chubb Corporation and Wal-Mart Stores, Inc. He serves as a trustee of the Bert King Foundation, on the board of the National Association of Basketball Coaches Foundation, on the Advisory Council for the Smithsonian National Museum of African American History and Culture and on the advisory board of the Met Fund. Dr. Cash also served as a director at Microsoft, Inc., Scientific-Atlanta, Inc. and Phase Forward, Inc. during the last five years.

Director Qualifications:

Education and Finance experience professor emeritus in business (Harvard); director of leading insurance company (Chubb)

Leadership, Global and Technology experience former chairman (HBS Publishing); director of leading multinational retail company (Wal-Mart); former director of leading technology companies (Microsoft and Scientific-Atlanta)

Ann M. Fudge, 59, Former Chairman of the Board and Chief Executive Officer, Young & Rubicam Brands, global marketing communications network, New York, New York. Director since 1999.

Ms. Fudge received a BA degree from Simmons College and an MBA from Harvard University. Ms. Fudge served as the chairman and chief executive officer of Young & Rubicam from 2003 to the end of 2006. Prior to joining Young & Rubicam, Ms. Fudge worked at General Mills and at General Foods, where she served in a number of positions including president of Kraft General Foods Maxwell House Coffee Company and president of Kraft s Beverages, Desserts and Post Divisions. Ms. Fudge is a director of Novartis AG and Unilever PLC. She is chair of the U.S. Program Advisory Panel of the Gates Foundation, a trustee of the Rockefeller Foundation and serves on the Advisory Council of the Smithsonian National Museum of African American History and Culture and President Obama s National Commission on Fiscal Responsibility and Reform.

Director Qualifications:

Leadership, Government and Marketing experience former CEO of marketing communications company (Young & Rubicam); former president of leading consumer products business units (General Mills and General Foods); member of presidential commission (National Commission on Fiscal Responsibility and Reform)

Global and Industry experience former CEO of large multinational company (Young & Rubicam); director of global healthcare products company (Unilever)

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Susan Hockfield, 59, President of the Massachusetts Institute of Technology, Cambridge, Massachusetts. Director since 2006.

President of MIT since December 2004, Dr. Hockfield received an undergraduate degree from the University of Rochester, and a PhD from Georgetown University, concentrating in neuroscience. Following a postdoctoral fellowship at the University of California at San Francisco, she joined the scientific staff at the Cold Spring Harbor Laboratory in 1980. In 1985, Dr. Hockfield joined the faculty of Yale University, where she went on to serve as dean of the Graduate School of Arts and Sciences from 1998 to 2002 and then as provost. Dr. Hockfield is an elected member of the American Academy of Arts and Sciences and a fellow of the American Association for the Advancement of Science. She holds honorary degrees from Brown University, Mount Sinai School of Medicine, Tsinghua University, University of Edinburgh, University of Pierre and Marie Curie, and the Watson School of Biological Sciences at the Cold Spring Harbor Laboratory. Dr. Hockfield is also a director of the World Economic Forum Foundation, an overseer of the Boston Symphony Orchestra, and a trustee of the Carnegie Corporation of New York and of the Woods Hole Oceanographic Institution.

Director Qualifications:

Leadership, Education and Technology experience president of leading research university (MIT); former provost of leading university (Yale)

Industry experience president of leading research university with prominent renewable energy program (MIT); leader in health sciences field; leading research neuroscientist

Jeffrey R. Immelt, 55, Chairman of the Board and Chief Executive Officer, General Electric Company, Fairfield, Connecticut. Director since 2000.

Mr. Immelt joined GE in corporate marketing in 1982 after receiving a degree in applied mathematics from Dartmouth College and an MBA from Harvard University. He then held a series of leadership positions with GE Plastics in sales, marketing and global product development. He became a vice president of GE in 1989, responsible for consumer services for GE Appliances. He subsequently became vice president of worldwide marketing product management for GE Appliances in 1991, vice president and general manager of GE Plastics Americas commercial division in 1992, and vice president and general manager of GE Plastics Americas in 1993. He became senior vice president of GE and president and chief executive officer of GE Medical Systems in 1996. Mr. Immelt became GE s president and chairman-elect in 2000, and chairman and chief executive officer in 2001. He is a director of the Federal Reserve Bank of New York, a trustee of Dartmouth College and chairman of President Obama s Council on Jobs and Competitiveness.

Director Qualifications:

Leadership and Global experience current CEO of large public multinational company (General Electric)

Industry and Government experience leadership positions in GE s Plastics, Appliances and Medical businesses; CEO of large financial services company (General Electric Capital Services); director of government-organized financial and monetary policy organization (Federal Reserve Bank of New York); chairman of presidential council (Council on Jobs and Competitiveness)

Andrea Jung, 52, Chairman of the Board and Chief Executive Officer, Avon Products, Inc., beauty products, New York, New York. Director since 1998.

Ms. Jung, a graduate of Princeton University, joined Avon Products, Inc. in 1994 as president, product marketing for Avon U.S. She was elected president, global marketing, in 1996, an executive vice president in 1997, president and a director of the company in 1998, chief operating officer in 1998, chief executive officer in 1999 and chairman of the board in 2001. Previously, she was executive vice president, Neiman Marcus and a senior vice president for I. Magnin. Ms. Jung is also a co-lead director of Apple Inc., a director of Catalyst, a nonprofit corporate membership research and advisory organization, chairman of the World Federation of Direct Selling Associations and a member of the board of trustees of New York Presbyterian Hospital.

Director Qualifications:

- Leadership and Global experience current CEO of large public multinational company (Avon)
- Marketing, Industry and Technology experience former marketing executive and current CEO of a global consumer products company with large and complicated sales and marketing network (Avon); co-lead director of leading technology company (Apple); trustee of leading healthcare provider (New York Presbyterian)

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Alan G. (A.G.) Lafley, 63, Former Chairman of the Board and Chief Executive Officer, Procter & Gamble Company, personal and household products, Cincinnati, Ohio. Director since 2002.

Mr. Lafley received a BA degree from Hamilton College and an MBA from Harvard University, following which he joined Procter & Gamble. He was named a group vice president in 1992, an executive vice president in 1995 and, in 1999, president of global beauty care and North America. He served as chief executive officer from 2000 to 2009 and was elected chairman of the board in 2002. He currently serves as a special partner at Clayton, Dubilier and Rice, a private equity investment firm, and as chairman of the board of trustees of Hamilton College. Mr. Lafley also served as a director at Dell Inc. during the last five years.

Director Qualifications:

Leadership and Global experience former CEO of large public multinational company (Procter & Gamble)

Marketing, Industry and Technology experience former CEO of large consumer products company recognized for its marketing expertise (Procter & Gamble); former director of global automaker (General Motors); former director of leading technology company (Dell)

Robert W. Lane, 61, Former Chairman of the Board and Chief Executive Officer, Deere & Company, agricultural, construction and forestry equipment, Moline, Illinois. Director since 2005.

A graduate of Wheaton College, Mr. Lane also holds an MBA from the University of Chicago. Mr. Lane joined Deere & Company in 1982 following a career in global banking, and served Deere in leadership positions in its global construction equipment and agricultural divisions as well as at Deere Credit, Inc. He also served as Deere s chief financial officer and president, as chief executive officer from 2000 to 2009, and retired as chairman of the board in February 2010. Mr. Lane is a director of Verizon Communications Inc. and Northern Trust Corporation, a member of the supervisory board of BMW AG and a member of the board of trustees of the University of Chicago.

Director Qualifications:

Leadership, Finance and Global experience former CEO and CFO of large public multinational company (Deere); supervisory board member of global European automaker (BMW); director of global communications company (Verizon Communications)

Industry experience former CEO of equipment manufacturing company (Deere); director of global financial services company (Northern Trust); supervisory board member of global European automaker (BMW)

Ralph S. Larsen, 72, Former Chairman of the Board and Chief Executive Officer, Johnson & Johnson, pharmaceutical, medical and consumer products, New Brunswick, New Jersey. Director since 2002.

After graduating with a BBA degree from Hofstra University, Mr. Larsen joined Johnson & Johnson in 1962. In 1981, he left Johnson & Johnson to serve as president of Becton Dickinson s consumer products division and returned to Johnson & Johnson in 1983 as president of its Chicopee subsidiary. In 1986, Mr. Larsen was named a company group chairman and later that year became vice chairman of the executive committee and chairman of the consumer sector. He was elected a director in 1987 and served as chairman of the board and chief executive officer from 1989 to 2002. Mr. Larsen is also a trustee of the Robert Wood Johnson Foundation. Mr. Larsen also served as a director at Xerox Corporation during the last five years.

Director Qualifications:

Leadership and Global experience former CEO of large public multinational company (Johnson & Johnson)

Industry experience former CEO of company with large medical products business (Johnson & Johnson); trustee of leading health and healthcare foundation (Robert Wood Johnson Foundation)

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Rochelle B. Lazarus, 63, Chairman of the Board and former Chief Executive Officer, Ogilvy & Mather Worldwide, global marketing communications company, New York, New York. Director since 2000.

A graduate of Smith College, Ms. Lazarus also holds an MBA from Columbia University. She joined Ogilvy & Mather Worldwide in 1971, becoming president of its U.S. direct marketing business in 1989. She then became president of Ogilvy & Mather New York and president of Ogilvy & Mather North America before becoming president and chief operating officer of the worldwide agency in 1995, chief executive officer in 1996, which position she held to 2008, and chairman in 1997. Ms. Lazarus also serves as a director of Merck & Co., Inc., trustee of the New York Presbyterian Hospital, the American Museum of Natural History and the World Wildlife Fund, and is a member of the board of overseers of Columbia Business School.

Director Qualifications:

Leadership and Global experience former CEO of large public multinational company (Ogilvy & Mather)

Marketing and Industry experience former CEO of global marketing communications company (Ogilvy & Mather); director of global pharmaceutical company (Merck); trustee of leading U.S. hospital (New York Presbyterian)

James J. Mulva, 64, Chairman of the Board and Chief Executive Officer, ConocoPhillips, international, integrated energy company, Houston, Texas. Director since 2008.

Mr. Mulva received a BBA degree and an MBA in finance from the University of Texas. After serving as an officer in the U.S. Navy, he joined Phillips Petroleum Company in 1973 and became its chief financial officer in 1990, when he also became part of the company s management committee. He was appointed senior vice president in 1993, executive vice president in 1994, president and chief operating officer in 1994 and served as chairman and chief executive officer from 1999 to 2002. He has been president and chief executive officer of ConocoPhillips since 2002 and also became chairman in 2004. Mr. Mulva served as chairman of the American Petroleum Institute in 2005 and 2006 and is a member of the board of visitors for the M.D. Anderson Cancer Center and The Business Council.

Director Qualifications:

Leadership, Finance and Global experience current CEO and former CFO of large public multinational company (ConocoPhillips, Phillips Petroleum)

Industry experience current CEO of integrated global energy company (ConocoPhillips); member of the board of visitors of leading cancer center (M.D. Anderson)

Sam Nunn, 72, Co-Chairman and Chief Executive Officer, Nuclear Threat Initiative, Washington, D.C. Director since 1997.

After attending the Georgia Institute of Technology and serving in the U.S. Coast Guard, Mr. Nunn received an AB degree from Emory University in 1960 and an LLB degree from Emory Law School. He practiced law and served in the Georgia House of Representatives before being elected to the United States Senate in 1972, where he served as the chairman and ranking member on both the Senate Armed Services Committee and the Senate s Permanent Subcommittee on Investigations before retiring in 1997. He was a partner at King & Spalding from 1997 through 2003. He has served as the co-chairman and CEO of the Nuclear Threat Initiative since 2001 and the chairman of the board of the Center for Strategic and International Studies since 1999. Mr. Nunn is a distinguished professor at the Sam Nunn School of International Affairs at Georgia Tech. He is also a director of Chevron Corporation, The Coca-Cola Company and Dell Inc. Mr. Nunn also served as a director at Scientific-Atlanta, Inc. and Internet Security Systems, Inc. during the last five years.

Director Qualifications:

Leadership, Government, Industry and Technology experience served as U.S. senator for 25 years; co-chairman and CEO of global security organization (Nuclear Threat Initiative); director of global energy, technology and consumer product companies (Chevron, Dell, Coca-Cola)

Education and Global experience chairman of the board of nonpartisan public policy research institution (Center for Strategic and International Studies); professor of international affairs at leading university (Georgia Tech)

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Roger S. Penske, 74, Chairman of the Board, Penske Corporation and Penske Truck Leasing Corporation, Chairman of the Board and Chief Executive Officer, Penske Automotive Group, Inc., diversified transportation company, Detroit, Michigan. Director since 1994.

After attending Lehigh University, Mr. Penske founded Penske Corporation in 1969. He became chairman of the board of Penske Truck Leasing Corporation in 1982 and chairman of the board and chief executive officer of United Auto Group, Inc. (currently Penske Automotive Group, Inc.) in 1999. Mr. Penske is also a director of Universal Technical Institute, Inc. He is a director of Business Leaders for Michigan, vice chairman of Downtown Detroit Partnership and a trustee of the Detroit Medical Center. Mr. Penske also served as a director at Internet Brands, Inc. during the last five years.

Director Qualifications:

Leadership and Global experience current CEO of large public multinational company (Penske Automotive); civic leader (Downtown Detroit Partnership)

Industry experience built and manages one of the leading transportation companies in the United States (Penske Corporation); trustee of medical center (Detroit Medical Center)

Robert J. Swieringa, 68, Professor of Accounting and former Anne and Elmer Lindseth Dean, Johnson Graduate School of Management, Cornell University, Ithaca, New York. Director since 2002.

Dr. Swieringa received a BA degree in economics from Augustana College, an MBA in accounting and economics from the University of Denver and a PhD in accounting and complex organizations from the University of Illinois. He taught accounting at Stanford s Graduate School of Business and at the Johnson Graduate School of Management at Cornell University before serving as a member of the Financial Accounting Standards Board (FASB) from 1986 to 1996. He was then an accounting professor at Yale s School of Management from 1996 to 1997 and was the ninth dean of Cornell s Johnson Graduate School of Management from 1997 to 2007. Dr. Swieringa has been a professor of accounting at the Johnson Graduate School of Management since 1997. Dr. Swieringa is a member of the American Accounting Association (AAA), the board of managers of the Partners Group Private Equity Fund, and the board of trustees of Augustana College. He is a past president of the Financial Accounting and Reporting Section of the AAA and a past chair of the Graduate Management Admissions Council.

Director Qualifications:

Finance and Industry experience professor of accounting (Cornell, Stanford, Yale); former member of accounting standards board (FASB); member of board of managers of private equity fund (Partners Group Private Equity Fund)

Leadership and Education experience former dean at leading university (Cornell s Johnson Graduate School of Management); professor teaching corporate financial reporting and corporate governance (Cornell, Stanford, Yale)

James S. Tisch, 58, President and Chief Executive Officer, Loews Corporation, diversified holding company, New York, New York. Director since 2010.

Mr. Tisch received a bachelor s degree from Cornell University and an MBA from the Wharton Graduate School of the University of Pennsylvania. Since 1998, he has been the president and chief executive officer of Loews Corporation, one of the largest diversified corporations in the United States with subsidiaries involved in commercial property-casualty insurance, offshore drilling, interstate natural gas transmission, natural gas exploration and production and luxury lodging. He also serves as a director of Loews, the Federal Reserve Bank of New York and Loews subsidiary CNA Financial. In addition, he is chairman of Loews subsidiary Diamond Offshore Drilling, Inc. Mr. Tisch serves as chairman of non-profit WNET.ORG, parent of WNET Channel 13 and WLIW Channel 21. He also sits on the boards of the New York Public Library, Mount Sinai Medical Center, and the Partnership for New York City.

Director Qualifications:

Leadership and Global experience current CEO of large public multinational company (Loews); member, Council on Foreign Relations

Finance, Industry and Government experience CEO of diversified multinational company (Loews); director of government-organized financial and monetary policy organization (Federal Reserve Bank of New York); director of insurance company (CNA Financial); director of leading U.S. hospital (Mount Sinai); chairman of offshore drilling and natural gas exploration company (Diamond Offshore Drilling)

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Douglas A. Warner III, 64, Former Chairman of the Board, J.P. Morgan Chase & Co., The Chase Manhattan Bank, and Morgan Guaranty Trust Company, investment banking, New York, New York. Director since 1992. Following graduation from Yale University in 1968, Mr. Warner joined Morgan Guaranty Trust Company of New York, a wholly owned subsidiary of J.P. Morgan Chase & Co. (formerly J.P. Morgan & Co. Incorporated). He was elected president and a director of the bank and its parent in 1990, serving as chairman and chief executive officer from 1995 to 2000, when he became chairman of the board of J.P. Morgan Chase & Co., The Chase Manhattan Bank and Morgan Guaranty Trust Company until his retirement in 2001. Mr. Warner is also a director of Motorola Solutions, Inc., chairman of the board of managers and the board of overseers of Memorial Sloan-Kettering Cancer Center, chairman of the Yale Investment Committee and a trustee of Yale University. Mr. Warner also served as a director at Anheuser-Busch Companies, Inc. and Motorola Inc. during the last five years.

Director Qualifications:

Finance and Industry experience former CEO of large financial services company (JPMorgan Chase); director of leading cancer center (Sloan-Kettering)

Leadership and Global experience former CEO of large public multinational company (JPMorgan Chase); chairman of leading university investment committee (Yale)

Director Not Standing for Reelection

Sir William M. Castell, 63, chairman of the Wellcome Trust, a global charitable foundation, since 2006. Director since 2004.

Sir William was a vice chairman of GE from 2004-2006, and he is also a non-executive director of BP plc.

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Corporate Governance

Governance Principles. The Board of Directors Governance Principles, which include guidelines for determining director independence and qualifications for directors, are published on GE s website at *www.ge.com/company/governance*. This section of the website makes available all of GE s corporate governance materials, including Board committee charters and statements of committee key practices. These materials are also available in print to any shareowner upon request. The Board regularly reviews corporate governance developments and modifies its Governance Principles, committee charters and key practices as warranted.

The Board of Directors elected Mr. Tisch as director in June 2010. Under GE s Governance Principles, directors who also serve as CEOs should not serve on more than two boards of public companies in addition to the GE Board. The NCGC discussed this requirement and recommended that it be waived in the case of Mr. Tisch because two of the public company boards on which he serves are consolidated subsidiaries of Loews and are managed by Mr. Tisch in his role as CEO of Loews.

Our Governance Principles provide that directors should not be nominated for election to the Board after their 73rd birthday, although the Board may nominate candidates over age 73 in special circumstances. Mr. Penske is a current director who is being nominated for election to the Board at the 2011 Annual Meeting, although he is 74. Mr. Penske, a GE director since 1994, is a key Board member with strong management and industry experience and a successful entrepreneurial background. The Board believes that Mr. Penske s expertise in assessing risks related to new ventures, in managing leasing and transportation businesses and executing on strategic growth opportunities continue to be valuable to the Board. The Board therefore decided to nominate Mr. Penske for an additional term as a GE director.

Board Leadership Structure. Our CEO also serves as the chairman of the Board and we have an independent presiding director with broad authority and responsibility. The presiding director, Mr. Larsen, the former chairman of the board and chief executive officer of Johnson & Johnson, has the following responsibilities: (1) to lead meetings of the non-management directors, which are scheduled at least three times a year, and to call additional meetings of the non-management directors as he deems appropriate, (2) to advise the NCGC on the selection of committee chairs, (3) to approve the agenda, schedule and information sent to directors for Board meetings, (4) to work with the chairman to propose an annual schedule of major discussion items for the Board s approval, (5) to provide leadership to the Board if circumstances arise in which the role of the chairman may be, or may be perceived to be, in conflict, and otherwise act as chairman of Board meetings when the chairman is not in attendance, (6) to make himself available for consultation and direct communication with our major shareowners, and (7) to perform such other functions as the Board may direct. We believe that this structure is appropriate for the company because it allows one person to speak for and lead the company and the Board, while also providing for effective oversight by an independent board through an independent presiding director. For a company as large and diverse as GE, we believe the CEO is in the best position to focus the independent directors attention on the issues of greatest importance to the company and its shareowners. In our view, splitting the roles would potentially have the consequence of making our management and governance processes less effective than they are today through undesirable duplication of work and, in the worst case, lead to a blurring of the clear lines of accountability and responsibility, without any clear offsetting benefits.

Board Risk Oversight. Our Board of Directors has overall responsibility for risk oversight with a focus on the most significant risks facing the company, including strategic, operational and reputational risks. At the end of each year, management and the Board jointly develop a list of major risks that GE plans to prioritize in the next year. Throughout the year, the Board and the committees to which it has delegated responsibility dedicate a portion of their meetings to review and discuss specific risk topics in greater detail. Strategic, operational and reputational risks are presented and discussed in the context of the chairman and CEO s report on operations to the Board at regularly scheduled Board meetings and at presentations to the Board and its committees by the vice chairmen, chief risk officer, general counsel and other officers. The Board has delegated responsibility for the oversight of specific risks to Board committees as follows:

In February 2011, the Board created a Risk Committee. This Committee oversees GE s key risks, including strategic, operational, market, liquidity, funding, credit and product risk and the guidelines, policies and processes for monitoring and mitigating such risks. Starting in March 2011, as part of its overall risk oversight responsibilities for GE, the Risk Committee will also oversee risks related to General Electric Capital Corporation and General Electric Capital Services, Inc. (collectively, GE Capital), which previously were subject to direct Audit Committee oversight. The Risk Committee is expected to meet at least four times a year.

The Audit Committee oversees GE s and GE Capital s policies and processes relating to the financial statements, the financial reporting process, compliance and auditing. The Audit Committee receives an annual risk update, which

focuses on the key risks affecting GE as well as reporting on the company s risk assessment and risk management guidelines, policies and processes. In addition to monitoring ongoing compliance issues and matters, the Audit Committee also annually conducts an assessment of compliance issues and programs.

The Public Responsibilities Committee oversees risks related to GE s public policy initiatives, the environment and similar matters.

The Management Development and Compensation Committee oversees the risks associated with management resources, structure, succession planning, management development and selection processes, including evaluating the effect the compensation structure may have on risk decisions.

The Nominating and Corporate Governance Committee oversees risks related to the company s governance structure and processes and risks arising from related person transactions.

The Board s risk oversight process builds upon management s risk assessment and mitigation processes, which include standardized reviews of long-term strategic and operational planning; executive development and evaluation; code of conduct compliance under the company s *The Spirit & The Letter*; regulatory compliance; health, safety and environmental compliance; financial reporting and controllership; and information technology and security. The company s chief risk officer (CRO) is responsible for overseeing and coordinating risk assessment and mitigation on an enterprise-wide basis. The CRO leads the Corporate Risk Function and is responsible for the identification of key business risks, providing for appropriate management of these risks within stated limits, and enforcement through policies and procedures. Management has two committees to further assist it in assessing and mitigating risk. The Policy Compliance Review Board meets between 10 and 14 times a year, is chaired by the company s general counsel and includes the chief financial officer and other senior level functional leaders. It has principal responsibility for monitoring compliance matters across the company. The Corporate Risk Committee meets at least four times a year, is chaired by the CRO and comprises the chairman and CEO and other senior level business and functional leaders. It has principal responsibility for evaluating and addressing risks escalated to the CRO and Corporate Risk Function.

<u>Director Independence</u>. The company currently has 15 independent directors out of 17. The Board has satisfied, and expects to continue to satisfy, its objective that at least two-thirds of the Board should consist of independent directors. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with GE. The Board has established guidelines to assist it in determining director independence, which conform to, or are more exacting than, the independence requirements in the New York Stock Exchange listing standards. In addition to applying these guidelines, which are set forth in Section 4 of our Governance Principles and are published on GE s website at *www.ge.com/company/governance*, the Board will consider all relevant facts and circumstances in making an independence determination. The independent directors and nominees for director are named above under Election of Directors. In the course of the Board s determination regarding independence, it considered relevant transactions, relationships and arrangements as required by the company s independence guidelines. In particular, with respect to each of the three most recently completed fiscal years, as applicable, the Board evaluated for:

each of directors Lafley, Lane and Tisch, (1) the annual amount of sales to GE by the company where each served or currently serves as an executive officer, and purchases by that company from GE, and determined that the amount of sales and the amount of purchases in each fiscal year were not more than the greater of two percent of the annual revenues of each of these companies or $1 million, and (2) the total amount of that company s indebtedness to GE, and determined that the amount of indebtedness was not greater than two percent of that company s total consolidated assets;

director Hockfield, the annual amount of sales to GE by a company where one of her immediate family members serves as an executive officer, and determined that the amount of sales in each fiscal year was not more than the greater of two percent of the annual revenues of that company or $1 million;

director Jung, (1) the annual amount of purchases from GE by the company where she serves as an executive officer, and determined that the amount of purchases in each fiscal year was not more than the greater of two percent of the annual revenues of that company or $1 million, (2) the total amount of that company s indebtedness to GE, and determined that the amount of indebtedness was not greater than two percent of that company s total consolidated assets, and (3) the annual amount of purchases from GE by a company where one of her immediate family members served as an executive officer, and determined that the amount of purchases in each fiscal year was not more than the greater of two percent of the annual revenues of that company or $1 million;

director Lazarus, the annual amount of sales to GE by the company where she served as an executive officer, and determined that the amount of sales in each fiscal year was not more than the greater of two percent of the annual revenues of that company or $1 million; and

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each of directors Beattie and Mulva, (1) the annual amount of purchases from GE by the company where each serves as an executive officer, and determined that the amount of purchases in each fiscal year was not more than the greater of two percent of the annual revenues of that company or $1 million, (2) the total amount of that company s indebtedness to GE, and determined that the amount of indebtedness was not greater than two percent of that company s total consolidated assets, and (3) the annual amount of purchases from GE and the total amount of indebtedness to GE by a company where one of the immediate family members of each serves as an executive officer, and determined that the amount of purchases in each fiscal year was not more than the greater of two percent of the annual revenues of that company or $1 million and the amount of indebtedness was not greater than two percent of that company s total consolidated assets.

In addition, with respect to directors Beattie, Cash, Castell, Fudge, Hockfield, Jung, Lafley, Lane, Larsen, Lazarus, Mulva, Nunn, Swieringa, Tisch and Warner, the Board considered the amount of GE s discretionary charitable contributions to charitable organizations where he or she serves as an executive officer, director or trustee, and determined that GE s contributions constituted less than the greater of $200,000 or one percent of the charitable organization s annual consolidated gross revenues during the organization s last completed fiscal year.

All members of the Audit Committee, Management Development and Compensation Committee (MDCC), NCGC and Risk Committee must be independent directors as defined by the Board s Governance Principles. Members of the Audit Committee must also satisfy a separate Securities and Exchange Commission (SEC) independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from GE or any of its subsidiaries other than their directors compensation. As a policy matter, the Board has determined to apply a separate, heightened independence standard to members of both the MDCC and the NCGC. No member of either committee may be a partner, member or principal of a law firm, accounting firm or investment banking firm that accepts consulting or advisory fees from GE or any of its subsidiaries. The Board has determined that all members of the Audit Committee, MDCC and NCGC are independent and satisfy the relevant SEC or GE additional independence requirements for the members of such committees.

Code of Conduct. All directors, officers and employees of GE must act ethically at all times and in accordance with the policies comprising GE s code of conduct set forth in the company s integrity policy, *The Spirit & The Letter*, which is published on GE s website at *www.ge.com/files/usa/citizenship/pdf/english.pdf*. Under the Board s Governance Principles, the Board will not permit any waiver of any ethics policy for any director or executive officer. Amendments to the code related to certain matters will be published on the GE website, as required under SEC rules, at *www.ge.com*. If an actual or potential conflict of interest arises for a director, the director will promptly inform the CEO and the presiding director. Our NCGC is responsible for resolving any such conflict of interest. If a significant conflict exists and cannot be resolved, the director should resign. All directors are required to recuse themselves from any discussion or decision affecting their personal, business or professional interests.

Communicating Concerns to Directors. The Audit Committee and the non-management directors have established procedures to enable anyone who has a concern about GE s conduct, or any employee who has a concern about the company s accounting, internal accounting controls or auditing matters, to communicate that concern directly to the presiding director or to the Audit Committee. Such communications may be confidential or anonymous, and may be e-mailed or submitted in writing to special addresses or reported by telephone to a toll-free telephone number. Information on how to submit any such communications can be found on GE s website at

www.ge.com/company/governance/board/contact_board.html.

Board of Directors and Committees

The Board held nine meetings during 2010. No member attended fewer than 75% of the Board meetings and committee meetings on which the member sits. It is the Board s policy that the directors should attend our Annual Meeting of Shareowners absent exceptional circumstances. All of our current directors attended the 2010 Annual Meeting, other than Mr. Tisch who was elected to the Board after the 2010 Annual Meeting.

The Board has adopted written charters for each of its five standing committees: the Audit Committee, the MDCC, the NCGC, the Public Responsibilities Committee and the Risk Committee. The committee charters and key practices are available on GE s website at *www.ge.com/company/governance/board/committees.html*.

Audit Committee. The members of the Audit Committee are directors Warner, who chairs the committee, Beattie, Cash, Lane, Mulva and Swieringa. The Board has determined that Messrs. Beattie, Lane, Mulva, Swieringa and Warner are audit committee financial experts, as defined under SEC rules. The Audit Committee is primarily concerned with the integrity of the company s financial statements, the company s compliance with legal and regulatory requirements, the

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independence and qualifications of the independent auditor and the performance of the company s internal audit function and independent auditor. Its duties include: (1) selecting and overseeing the independent auditor, (2) reviewing the scope of the audit to be conducted by them, as well as the results of their audit, (3) overseeing our financial reporting activities, including our annual report, and the accounting standards and principles followed, (4) discussing with management the company s risk assessment and risk management practices, including risk relating to the company s and GE Capital s financial statements, financial reporting processes, and the guidelines, policies and processes for monitoring and managing these risks, (5) approving audit and non-audit services provided to the company by the independent auditor, (6) reviewing the organization and scope of our internal audit function and our disclosure and internal controls, and (7) on behalf of the Board overseeing the company s legal and regulatory compliance. The Audit Committee met 12 times during 2010. The committee s report is on page 47.

Management Development and Compensation Committee. The members of the MDCC are directors Larsen, who chairs the committee, Cash, Jung, Lane, Nunn and Warner. The committee s primary responsibilities include: (1) establishing, reviewing and approving CEO compensation, and reviewing and approving other senior executive compensation, (2) monitoring our management resources, structure, succession planning, development and selection process as well as the performance of key executives, (3) reviewing incentive compensation arrangements to assure that incentive pay does not encourage unnecessary risk taking, and (4) reviewing and discussing, at least annually, the relationship between risk management policies and practices, corporate strategy and senior executive compensation. It also oversees the GE 2007 Long-Term Incentive Plan and the Incentive Compensation Plan and any other compensation and equity-based plans. This committee met eight times during 2010. The committee s report is on page 29. Additional information on the committee s processes and procedures for consideration of executive compensation are addressed in the Compensation Discussion and Analysis below.

Nominating and Corporate Governance Committee. The members of the NCGC are directors Lazarus, who chairs the committee, Hockfield, Jung, Lafley, Larsen and Warner. The committee s responsibilities include the selection of director nominees for the Board and the development and annual review of our Governance Principles. The committee also: (1) reviews director compensation and benefits, (2) oversees the annual self-evaluation of the Board and its committees, (3) makes recommendations to the Board concerning the structure and membership of the Board committees, (4) reviews, approves and ratifies transactions with related persons required to be disclosed under SEC rules, (5) resolves any conflict of interest involving directors or executive officers, and (6) oversees risks related to corporate governance. This committee held four meetings during 2010.

The committee will consider all shareowner recommendations for candidates for the Board, which should be sent to the Nominating and Corporate Governance Committee, c/o Brackett B. Denniston III, Secretary, General Electric Company, 3135 Easton Turnpike, Fairfield, Connecticut 06828. The information required to be included is set forth in our by-laws, and the general qualifications and specific qualities and skills established by the committee for directors are included in Section 3 of the Board s Governance Principles. We believe that directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareowners. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. We endeavor to have a Board representing a range of experience at policy-making levels in business, government, education and technology, and in areas that are relevant to the company s global activities. The committee s evaluation of director nominees takes into account their ability to contribute to the diversity of background and experience represented on the Board, and the committee reviews its effectiveness in balancing these considerations when assessing the composition of the Board.

The committee also considers candidates recommended by current directors, company officers, employees and others. The committee evaluates all nominees for directors in the same manner regardless of the source of the recommendation.

Public Responsibilities Committee. The members of the Public Responsibilities Committee are directors Nunn, who chairs the committee, Cash, Castell, Fudge, Hockfield, Immelt, Lazarus, Mulva and Penske. The purpose of the committee is to review and oversee GE positions on corporate social responsibilities and public issues of significance that affect investors and other key GE stakeholders, including charitable donations, political contributions, lobbying activities and related issues. In addition, the committee reviews the status of any significant governmental inquiry or investigation that is not related to any financial statements, and identifies and discusses with management risks relating to our public policy initiatives, the environment and similar matters. This committee met three times during 2010.

Risk Committee. In February 2011, the Board created a Risk Committee. The members of the Risk Committee are directors Beattie, who chairs the committee, Lafley and Tisch. The committee assists the Board in its oversight of the company s management of key risks, including strategic, operational and reputational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks. The Risk Committee s role includes oversight of risk management of GE Capital. The committee s duties include: (1) reviewing and discussing with management GE and GE Capital s risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk and product risk, (2) meeting separately at least two times a year with GE and GE Capital s chief risk officers, (3) receiving reports from GE and GE Capital s internal audit function on the results of risk management reviews and assessments, (4) reviewing the status of financial services regulatory exams relating to GE and GE Capital, and (5) reviewing the disclosure regarding risk contained in the GE and GE Capital annual and quarterly reports.

Meetings of Non-management Directors. The non-management directors met without any management directors or employees present three times last year. The responsibilities of Mr. Larsen, the presiding director, are set forth in the Board s Governance Principles and include serving as chair at these meetings.

Compensation Discussion and Analysis

The first part of the Compensation Discussion and Analysis, entitled Compensation Actions for 2010, discusses the MDCC s compensation decisions for our named executives for 2010. The second part, entitled Our Compensation Framework, discusses in greater detail our compensation philosophy and practices.

Compensation Actions for 2010

Summary

Over the last decade, through two recessions, GE has earned $161 billion and generated $172 billion of cash from operating activities, cumulatively, more than twice as much as in the prior decade. Over the last five years, GE has earned $83 billion and generated $97 billion of cash from operating activities, cumulatively. As measured by cumulative earnings and cash from operating activities over the past decade, GE is one of the ten largest companies in the world. Throughout this period, management kept the company safe and secure and GE and GE Capital were profitable in every quarter. At the same time, the company went through a substantial portfolio transformation, including the dispositions of Employers Reinsurance Corporation, GE Plastics and NBCU, which reduced volatility and generated funds for investment in higher-growth infrastructure businesses.

In 2010, GE had a very strong year, including 15% earnings growth, a 9% reduction in GE Capital s ending net investment (ENI), $14.7 billion of industrial cash from operating activities and strong order growth ending the year with a record $175 billion backlog. This performance is a direct result of actions taken by Mr. Immelt and the GE leadership team over the last few years to reduce the size of GE Capital and focus it on businesses where we are more competitively advantaged, to increase liquidity to improve the safety of GE in an uncertain environment, to invest in technology and research to increase organic growth in our industrial businesses, to emphasize global markets and growth opportunities, and to execute on strategic acquisitions and dispositions.

In light of this recovery and historical performance, after two years of taking no bonus, Mr. Immelt received a bonus of $4 million for 2010, compared to a bonus of $5.8 million for 2007, the last year he accepted a bonus. In 2010, Mr. Immelt also received a special equity grant of two million stock options in order to increase the equity-based portion of his compensation and to underscore the Board s confidence in his leadership. Although reported to have a $7.4 million value under applicable SEC rules, Mr. Immelt will only realize compensation from this award if he continues to work for the company over the five-year vesting period and GE s stock price increases. $6.2 million of Mr. Immelt s $21.4 million compensation reflects the year-over-year increase in pension value, which is based on an increase in his service and age and changes in actuarial pension assumptions, and is not the result of any changes in his actual compensation. In a November 2010 survey conducted by the *Wall Street Journal* of CEO pay at 456 U.S. companies with revenues of $4 billion or more, Mr. Immelt s pay was ranked 310 (the survey excluded year-over-year changes in pension value). Compensation increases in 2010 for the other named executive officers reflect their strong contributions to the company s overall performance and that of their respective businesses or function. Total compensation for our other named executive officers was also significantly affected by the year-over-year increase in pension value.

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CEO Compensation

In 2010, Mr. Immelt and the Board set the following performance framework for the company: (1) restoring an attractive financial profile, (2) creating a more valuable GE Capital, (3) building world-class operating processes, (4) investing in infrastructure leadership, (5) accelerating growth and capabilities in emerging markets, (6) reinvigorating leadership and the organization, and (7) rebuilding shareowner value. Under Mr. Immelt s leadership, management delivered the following results within this framework:

Restoring an attractive financial profile. Cash generated from industrial operating activities totaled $14.7 billion for the year and GE had consolidated cash and equivalents of $79 billion at year end. Full-year earnings from continuing operations attributable to GE were $12.6 billion, up 15% from 2009. Revenues grew in the fourth quarter 2010, the company s first positive growth in nine quarters.

Creating a more valuable GE Capital. GE Capital s earnings were up by $1.8 billion in 2010. Management significantly improved GE Capital s risk profile by improving the Tier 1 capital ratio at the end of 2010 to 8.9% from 7.6% in 2009, maintaining cash at $60 billion at year end, and reducing 2010 ENI by $49 billion.

Building world-class operating processes. In 2010, GE established a new enterprise risk management framework to augment risk management across the enterprise. It also significantly enhanced risk management at GE Capital by implementing more comprehensive and formalized risk structures, policies and processes.

Investing in infrastructure leadership. GE s investment in R&D now represents about 6% of our Infrastructure revenues, nearly twice as much as a decade ago. GE continued to be a leader in technology with revenues in our infrastructure software business reaching $4 billion in 2010. In addition, GE built scale in big growth markets (including life sciences, distributed energy, water and aviation systems) with approximately $20 billion of revenues in 2010.

Accelerating growth and capabilities in emerging markets. In 2010, GE continued to accelerate growth in emerging markets with revenues increasing to 25% of total GE. The company established significant company-to-country partnerships, accelerated localization and expanded operations in fast-growth regions.

Reinvigorating leadership and the organization. In 2010, the company reorganized and established the new Global Growth & Operations Unit under the leadership of John Rice, a vice chairman of the company, to further accelerate growth in key global markets. In addition, the results of GE s 2010 Employee Opinion Survey were excellent and the company continues to retain an extremely high percentage of its leadership team and has very little unwanted attrition.

Rebuilding shareowner value. In December 2010, the company announced the second dividend increase in six months, for a total improvement of 40% versus the beginning of the year. In addition, the company purchased a total of $1.8 billion in stock under its buyback program in 2010. As part of its balanced capital-allocation plan, GE pursued a number of strategic acquisitions that augmented core industrial capabilities. In addition, GE s market capitalization increased by more than 20% in 2010.

The MDCC believes that Mr. Immelt performed very well in 2010 by executing on this performance framework and against the following additional financial objectives, all of which were exceeded by Mr. Immelt:

Financial Objectives	**Goal**	**Performance**
Earnings per share from continuing operations ($ per share)	1.03	1.15
Cash from operating activities (in $ billions)	14.5	14.7
Return on total capital (%)	9.8	11.2

Margins (%)	15.7	16.2

Mr. Immelt s base salary, which was last increased in April 2005, remained the same. In light of the MDCC s assessment of Mr. Immelt s performance, he received a $4,000,000 cash bonus, compared to a bonus of $5,800,000 in 2007, the last year in which he accepted a bonus. In order to increase the equity-based portion of Mr. Immelt s compensation and to underscore the Board s confidence in his leadership, the MDCC made a special grant of 2,000,000 stock options to Mr. Immelt in March 2010. These options vest 50% after three years and 50% after five years provided that he continues employment with the company.

In February 2011, all of the performance share units (PSUs) granted to Mr. Immelt in 2006 were cancelled pursuant to the terms of the grant because GE s cash from operating activities did not grow an average of more than 10% per year over the performance period from 2006 to 2010, and GE s total shareowner return had not met or exceeded that of the S&P 500 over that same performance period.

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As an indication of Mr. Immelt s alignment with shareowners, Mr. Immelt has purchased over 870,000 shares in the open market since he became CEO in 2001. He has not sold any of the shares he has acquired upon the exercise of stock options or received upon the vesting of restricted stock units (RSUs) or PSUs since he became CEO and he is committed to continue this practice as long as he serves as CEO.

Compensation for Our Other Named Executives

Keith Sherin. Mr. Sherin has been our chief financial officer since 1998 and is also a vice chairman of the company. Since he joined GE in 1981, he has assumed roles with increasing responsibilities at many of our key businesses. As the leader of the company s finance organization, Mr. Sherin s financial objectives focused on the overall performance of the company and were the same as Mr. Immelt s. His strategic and operational goals included, supporting company strategies and financial results, supporting the company s growth activities, continuing to strengthen the finance organization, enhancing the company s enterprise risk model, and creating a new capital allocation model.

Mr. Sherin s leadership was instrumental in delivering GE s strong financial performance in a volatile environment. He led the dispositions of GE Security and NBCU, which freed up $9.7 billion of capital to invest in core infrastructure businesses, including Dresser, Clarient and Wellstream Holdings. He also expanded the reach and depth of the global finance organization. Mr. Sherin enhanced GE s enterprise risk management system through a more formalized framework and infrastructure, and refinement of risk management and mitigation tools. In addition, he improved the company s multi-year capital allocation framework, thereby facilitating the company s two dividend increases, buyback resumption and infrastructure M&A activities.

In light of the MDCC s assessment of Mr. Sherin s performance in 2010, he received a $3,000,000 cash bonus, a 12% increase from 2009. He also received 1,000,000 stock options.

John Krenicki. Mr. Krenicki has been the leader of our Energy Infrastructure business since its formation in 2008 and is also a vice chairman of the company. Previously, he was president and chief executive officer of GE Energy, and held several leadership positions at other businesses since he joined GE in 1984. In addition to the company s overall goals, Mr. Krenicki had goals and objectives for his business. His financial objectives included increasing revenues, segment profit and cash from operating activities. His strategic and operational goals included maximizing the value gap between raw material cost and resale prices, driving inorganic investment in energy, and investing in oil and gas technology.

Mr. Krenicki performed very well in 2010. While revenues were $37.5 billion, an 8% decrease from 2009, reflecting a weaker environment for thermal and wind equipment, segment profit was $7.3 billion, a 2% increase from 2009. Cash from operating activities was $6 billion, an 8% increase from 2009. Mr. Krenicki substantially increased the value gap and increased productivity. Inorganic investments were approximately $5 billion, and Energy Infrastructure s backlog was $67 billion. Mr. Krenicki also increased investment in R&D by 27%.

In light of the MDCC s assessment of Mr. Krenicki s performance in 2010, he received a $3,000,000 cash bonus, a 20% increase from 2009, and his base salary was increased to $1,600,000, effective July 1, 2010, after a 24-month interval since his last base salary increase. He also received 1,000,000 stock options.

Mike Neal. Mr. Neal has been the leader of our GE Capital business since its formation in September 2008 and is also a vice chairman of the company. Previously, he was the president and CEO of GE Commercial Finance and has held several leadership positions at other businesses since he joined GE in 1979. In addition to the company s overall goals, Mr. Neal had goals and objectives for his business. His financial objectives for the GE Capital segment included lowering ENI, achieving 2010 earnings of at least $2 billion, and increasing volume and the Tier 1 capital ratio. His strategic and operational goals included achieving balanced segment growth and performance while positioning for future growth, managing through the difficult commercial real estate cycle, recreating GE Capital as the best specialty finance company, and augmenting the risk function.

Under Mr. Neal s leadership, GE Capital had a very good year in 2010. The GE Capital segment earned $3.3 billion in 2010 with portfolio losses decreasing substantially. Volume increased by $9 billion, with strong returns on investment. As part of GE s strategy to build a smaller, more focused GE Capital, ENI was decreased to $477 billion at the end of 2010, compared to $526 billion at the beginning of the year; the Tier 1 capital ratio was increased to 8.9% at the end of 2010 from 7.6% in 2009; leverage was decreased; cash was maintained at $60 billion at year end; $25 billion of 2011 long-term debt maturities were prefunded; and commercial paper was decreased to $42 billion at year end. Mr. Neal continued to reposition GE Capital through dispositions of non-core businesses and enhanced GE Capital s risk management by building out the enterprise risk management infrastructure.

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In light of the MDCC s assessment of Mr. Neal s performance in 2010, he received a $3,250,000 cash bonus, a 12% increase from 2009, and his base salary was increased to $1,900,000, effective July 1, 2010, after a 24-month interval since his last base salary increase. He also received 1,000,000 stock options.

John Rice. Mr. Rice was the leader of our Technology Infrastructure business until November 2010, when he was appointed by the GE Board of Directors as Vice Chairman, President & CEO, Global Growth & Operations. In this new role, Mr. Rice is responsible for growth outside of the United States. Since joining GE in 1978, he has served as president and CEO of GE Infrastructure, GE Industrial, GE Energy and GE Transportation Systems. In addition to the company s overall goals, Mr. Rice had goals and objectives for his business. His financial objectives focused on increasing new orders, delivering on revenues and segment profit targets, as well as maximizing cash from operating activities. His strategic and operational goals included building out global platforms and product lines, sustaining leadership and growth in service capabilities, building strong and pervasive positions in growth markets, preparing the company for U.S. healthcare reform and positioning the business for growth in 2011.

Mr. Rice led the Technology Infrastructure business to a solid performance in 2010 in a difficult environment. Reflecting general weakness in the airlines industry, revenues were $37.8 billion, a 2% decrease from 2009. However, Technology Infrastructure s total backlog increased to a record $108 billion, with GE Aviation contractual services agreement backlog of $59 billion. Segment profits, which reflect the cost related to the GEnx product launch, were $6.3 billion, a 7% decrease from 2009, and the business generated $6 billion in cash from operating activities. GE Transportation accomplished several key strategic orders, Healthcare expanded its services, and GE Aviation signed significant service deals with a number of large customers. Mr. Rice also launched the joint venture between GE Aviation and AVIC Systems of China to develop and market integrated avionics systems for commercial aircraft customers. He also positioned his business for growth through the acquisition of Clarient, a molecular diagnostics company, and new product launches, including the GEnx engine. In addition, Mr. Rice led GE s health effectiveness efforts lowering GE s U.S. healthcare costs.

In light of the MDCC s assessment of Mr. Rice s performance in 2010 and his new role as Vice Chairman, President & CEO, Global Growth & Operations, he received a $3,175,000 cash bonus, a 12% increase from 2009, and his base salary was increased to $1,900,000, effective July 1, 2010, after a 24-month interval since his last base salary increase, and to $2,100,000, effective January 1, 2011, in connection with his assignment leading Global Growth & Operations headquartered in Hong Kong. He also received 1,000,000 stock options.

Our Compensation Framework

Our Goal

The goal of our executive compensation program is to retain and reward leaders who create long-term value for our shareowners. This goal affects the compensation elements we use and our compensation decisions. Our compensation program rewards sustained financial and operating performance and leadership excellence, aligns the executives long-term interests with those of our shareowners and motivates executives to remain with the company for long and productive careers built on expertise.

Key Considerations in Setting Pay

The following is a summary of key considerations affecting the MDCC s determination of compensation for the named executives.

Emphasis on Consistent and Relative Performance. Our compensation program provides the greatest pay opportunity for executives who demonstrate superior performance for sustained periods of time. Each of our named executives has served the company for many years, during which time he has held diverse positions with increasing levels of responsibility. The amount of their pay reflects the fact that they have consistently contributed, and are expected to continue to contribute, to the company s success. In evaluating consistent performance, we also heavily weigh relative performance of each executive in his industry segment or function.

Our emphasis on consistent performance affects our discretionary annual cash bonus and equity incentive compensation, which are determined with the prior year s award or grant serving as an initial basis for consideration. After an assessment of a named executive s past performance, and expected future contribution to the company s results, as well as the performance of any business or function he leads, the MDCC uses its judgment in determining the amount of bonus or equity award and the resulting percentage change from the prior year. We incorporate current-year, past and expected performance into our compensation decisions, and percentage increases or decreases in the amount of annual compensation therefore tend to be more gradual than in a framework that is focused solely or largely on current-year performance.

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Emphasis on Future Pay Opportunity Versus Current Pay. The MDCC strives to provide an appropriate mix of different compensation elements, including finding a balance among current versus long-term compensation and cash versus equity incentive compensation. Cash payments primarily reward more recent performance, and equity awards encourage our named executives to continue to deliver results over a longer period of time and serve as a retention tool. The MDCC believes that named executive compensation should be more at risk by being based on the company s operating and stock price performance over the long term.

Broad Discretion and Judgment. Except with respect to our long-term performance awards and the PSUs granted to our CEO, both of which depend on achieving specific quantitative performance objectives, the MDCC does not use formulas in determining the amount and mix of compensation. Thus, the MDCC evaluates a broad range of both quantitative and qualitative factors, including reliability in delivering financial and growth targets, performance in the context of the economic environment relative to other companies, a track record of integrity, good judgment, the vision and ability to create further growth and the ability to lead others. The evaluation of a named executive s performance against his stated objectives plays a significant role in awarding the discretionary annual cash bonus and also contributes to a determination of overall compensation. For annual equity incentive awards, the MDCC primarily considers a named executive s potential for future successful performance and leadership as part of the executive management team, taking into account past performance as a key indicator.

Significance of Overall Company Results. The MDCC primarily evaluates the named executives contributions to the company s overall performance rather than focusing only on their individual business or function. The MDCC believes that the named executives share the responsibility to support the goals and performance of the company, as key members of the company s leadership team. While this compensation philosophy influences all of the MDCC s compensation decisions, it has the biggest impact on annual equity incentive awards.

Consideration of Risk. Our compensation programs are discretionary, balanced and focused on the long term. Under this structure, the highest amount of compensation can be achieved through consistent superior performance over sustained periods of time. In addition, large amounts of compensation are usually deferred or only realizable upon retirement. This provides strong incentives to manage the company for the long term, while avoiding excessive risk-taking in the short term. Goals and objectives reflect a balanced mix of quantitative and qualitative performance measures to avoid excessive weight on a single performance measure. Likewise, the elements of compensation are balanced among current cash payments, deferred cash and equity awards. With limited exceptions, the MDCC retains a large amount of discretion to adjust compensation for quality of performance and adherence to company values.

The MDCC reviews the relationship between our risk management policies and practices and the incentive compensation we provide to our named executives to confirm that our incentive compensation does not encourage unnecessary and excessive risks. The MDCC also reviews the relationship between risk management policies and practices, corporate strategy and senior executive compensation.

Limited Use of Compensation Consultants and Benchmarking Data. From time to time, the MDCC and the company s human resources function have sought the views of Frederic W. Cook & Co., Inc. about market intelligence on compensation trends, along with its views on particular compensation programs designed by our human resources function. The company s human resources function consulted with Frederic W. Cook & Co., Inc. in 2010 to obtain its views and information on market practices relating to pension plans for named executive officers. These services were obtained under hourly fee arrangements and not pursuant to a standing engagement. The MDCC and the company have adopted a policy that any compensation consultant used by the committee to advise on executive compensation will not at the same time advise the company on any other human resources matter. With respect to benchmark data, the MDCC considers executive compensation at each of the other component companies of the Dow Jones Industrial Average only as one among several factors in setting pay. The MDCC does not target a percentile within this Dow 30 peer group and instead uses the comparative data only as a reference point in its determination of the types and amount of compensation based on its own evaluation.

No Employment and Severance Agreements. Our named executives do not have employment, severance or change-of-control agreements. They serve at the will of the Board, which enables us to set the terms of any termination of employment. To preserve the MDCC s flexibility to consider the facts and circumstances of any particular situation, we provide limited guaranteed post-termination benefits, which are discussed in more detail beginning on page 41, including death and disability benefits. We have a policy to seek shareowner approval for any future agreement or policy to pay named executive officers unearned death benefits, which is discussed in more detail on page 28. Other than retirement benefits, which serve as a retention tool, post-employment benefits have little bearing on our annual compensation decisions.

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Performance Objectives and Evaluations for Our Named Executives

At the beginning of each year, Mr. Immelt develops the objectives that he believes should be achieved for the company to be successful, which he then reviews with the MDCC for the corollary purpose of establishing how his performance will be assessed. These objectives are derived largely from the company s annual financial and strategic planning sessions, during which in-depth reviews of the company s growth opportunities are analyzed and goals are established for the upcoming year. The objectives include both quantitative financial measurements and qualitative strategic and operational considerations that are evaluated subjectively, without any formal weightings, and are focused on the factors that our CEO and the Board believe create long-term shareowner value. Mr. Immelt reviews and discusses preliminary considerations as to his own compensation with the MDCC. In developing these considerations, he solicits the input of, and receives advice and data from, our senior vice president, human resources. Mr. Immelt does not participate in the final determination of his own compensation.

Each of the other named executives is a leader of an individual business or function of the company. As part of the executive management team, they report directly to Mr. Immelt, who develops the objectives that each individual is expected to achieve, and against which their performance is assessed. As with Mr. Immelt, these objectives are reviewed with the MDCC at the beginning of each year and are derived largely from the company s annual financial and strategic planning sessions in which the other named executives participate. Like Mr. Immelt, their objectives include both quantitative financial measurements and qualitative strategic and operational considerations affecting the company and the businesses or functions that the named executives lead. Mr. Immelt leads the assessment of each named executive s individual performance against the objectives, the company s overall performance and the performance of his business or function. He then makes an initial compensation recommendation to the MDCC for each named executive, again with the advice of our senior vice president, human resources. The named executives do not play a role in their compensation determinations, other than discussing with the CEO their individual performance against their predetermined objectives.

Compensation Elements We Use to Achieve Our Goal

The following summarizes the compensation tools we use to reward, align and retain our named executives.

Base Salary and Bonus. Base salaries for our named executives depend on the scope of their responsibilities, their leadership skills and values, their performance and length of service. Decisions regarding salary increases are affected by the named executive s current salary and the amounts paid to their peers within and outside the company. Base salary rates are generally eligible to be increased at intervals of 18 months or longer. For each named executive other than the CEO, we pay discretionary cash bonuses each February for the prior year based upon the evaluation by the MDCC and the CEO of the executive s performance against stated goals and objectives, as discussed above. In the case of the CEO, his bonus is also paid each February for the prior year based on the MDCC s evaluation.

Stock Options and Restricted Stock Units (RSUs). The company s equity incentive compensation program is designed to recognize scope of responsibilities, reward demonstrated performance and leadership, align the interests of the named executive with those of our shareowners and retain them. We believe that providing combined grants of stock options and RSUs is generally an effective means to focus our named executives on delivering long-term value to our shareowners because options only have value to the extent the price of GE stock on the date of exercise exceeds the stock price on the grant date, and RSUs reward and retain the named executives by offering them the opportunity to receive shares of GE stock on the date the restrictions lapse so long as they continue to be employed by the company. In 2010, the MDCC decided to continue its 2009 compensation focus by shifting potential value to stock options from our historical mix that included RSUs. Historically, we have determined that for annual equity incentive awards the total value of the award should be balanced between RSUs and stock options, with one RSU having three times the value of one stock option. Unvested stock options and RSUs are forfeited if the named executive voluntarily leaves GE, and are generally vested if he or she reaches age 60 and retires prior to the scheduled vesting. The RSUs pay dividend equivalents prior to the lapse of restrictions, equal to the quarterly dividends on GE stock.

Performance Share Units (PSUs). From 2003 through 2009, we compensated our CEO with PSUs, and we anticipate resuming this practice in 2011. Half of the PSUs convert into shares of GE stock only if GE s cumulative industrial cash from operating activities, adjusted to exclude the effect of unusual events, is at least $70 billion over the five-year performance period (or, in the case of grants prior to 2009, GE s cash from operating activities, adjusted to exclude the effect of unusual events, has grown an average of 10% or more per year over the five-year performance period). The remaining PSUs convert into shares of GE stock only if GE s total shareowner return meets or exceeds the return of the S&P 500 over the performance period. Total shareowner return means the cumulative total return on GE stock and the

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S&P 500 Index, respectively, over the performance period, calculated in the same manner as the performance graph shown in our Annual Report on Form 10-K. Beginning with PSUs granted in September 2006, dividend equivalents are paid out only on shares actually received.

Long-Term Performance Awards (LTPAs). Since 1994, we have granted LTPAs generally every three years to our named executives and other selected leaders. These awards have been based on meeting or exceeding long-term performance metrics. In February 2010, we granted contingent LTPAs to approximately 1,000 executives across the company that will only be payable if the company achieves on an overall basis for the three-year (2010 through 2012) period specified goals based on four equally weighted business measurements. These business measurements are: (1) cumulative earnings per share, (2) cumulative industrial cash from operating activities, (3) 2012 industrial return on total capital, and (4) ENI of GE Capital. The MDCC adopted these performance measurements because they directly align with the goals set at the company s annual financial and strategic planning session. In particular, (1) earnings-per-share targets are designed to reflect the company s attractive financial profile, (2) industrial cash from operating activities targets are designed to provide high quality earnings that realize cash for capital allocation, including the capability to grow GE s dividend in line with earnings, (3) return on total capital targets are designed to keep GE on a level at or above other highly valued companies and reflect effective capital allocation, and (4) ENI targets are designed to be consistent with a smaller, more focused financial services business. The final amount will be paid in cash (or, at the MDCC s discretion, in stock) based on achieving threshold, target or maximum levels for any of the four measurements. As was the case with the awards granted under our prior long-term performance award programs, the goals for the 2010 through 2012 performance period are challenging but achievable. Specifically, target goals are achievable with good performance, whereas maximum levels represent stretch goals. The three most recent long-term performance award plans paid out at 56%, 64% and 47% of the maximum payout level, respectively. For each named executive, the award is based on a multiple (i.e., .75X at threshold, 1.50X at target and 2.00X at maximum) of the named executive s base salary in effect in February 2013 and the discretionary bonus awarded in February 2013 for the 2012 performance period, and will be subject to forfeiture if the executive s employment terminates for any reason other than disability, death or retirement before December 31, 2012.

Deferred Compensation. The company has offered periodically both a deferred salary plan and a deferred bonus plan, with only the deferred salary plan providing for payment of an above-market rate of interest as defined by the SEC. These plans are available to approximately 3,200 eligible employees in the executive-band and above. Individuals who are named executives at the time a deferred salary plan is initiated are not offered the opportunity to participate. The plans are intended to promote retention by providing a long-term savings opportunity on a tax-efficient basis. The deferred salary plan is viewed as a strong retention tool because executives generally must remain with the company for at least five years from the time of deferral to receive any interest on deferred balances. In addition, because the deferral plans are unfunded and deferred salary and bonus payments are satisfied from the company s general assets, the deferral plans provide a strong incentive for the company s executives to minimize risks that could jeopardize the long-term financial health of the company. The deferred bonus plan allows executives to defer up to 100% of their discretionary annual cash bonus in GE stock units, S&P 500 Index units or cash units. Under both plans, payouts commence following termination of employment.

Pension Plans. The company provides retirement benefits to the named executives under the same GE Pension Plan, GE Supplementary Pension Plan and GE Excess Benefits Plan in which other executives and employees participate. The GE Pension Plan is a broad-based tax-qualified plan under which employees are eligible to retire at age 60 or later. The company also offers to approximately 3,200 eligible employees in the executive-band and above the GE Supplementary Pension Plan to increase retirement benefits above amounts available under the GE Pension Plan. Unlike the GE Pension Plan, the Supplementary Pension Plan is an unfunded, unsecured obligation of the company and is not qualified for tax purposes. The Supplementary Pension Plan is one of the company s strongest retention tools because participants generally forfeit any benefits under the plan if they leave the company prior to reaching age 60. We therefore believe that this plan allows us to significantly reduce departures of high-performing executives and greatly enhances the caliber of the company s executive workforce. In addition, because the Supplementary Pension Plan is unfunded and benefit payments are satisfied from the company s general assets, it provides a strong incentive for the company s executives to minimize risks that could jeopardize the long-term financial health of the company. Effective January 1, 2011, salaried employees who commence service on or after that date will not be eligible to participate in the GE Pension Plan or GE Excess Benefits Plan, but will participate in a defined contribution retirement plan.

Other Compensation. We provide our named executives with other benefits, reflected in the All Other Compensation column in the 2010 Summary Compensation table on page 30, that we believe are reasonable, competitive and consistent with the company s overall executive compensation program.

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Other Compensation Practices

Role of the MDCC and Executives in Establishing and Implementing Compensation Goals. The MDCC has the primary responsibility for assisting the Board in developing and evaluating potential candidates for executive positions and for overseeing the development of executive succession plans. As part of this responsibility, the MDCC oversees the design, development and implementation of the compensation program for the CEO and the other named executives. Our CEO and senior vice president, human resources, assist the MDCC in administering our compensation programs. The senior vice president, human resources, assists the MDCC and participates in its deliberations about compensation matters by providing advisory services and information, such as past compensation, compensation practices and guidelines, company performance, current industry compensation practices and competitive market information. Information setting forth the total annual compensation of each named executive, and potential retirement benefits accruing to each, is also assembled by the human resources function for the MDCC.

Share Ownership and Holding Period Requirements. We require our named executives to own significant amounts of GE stock. These share ownership requirements are set forth in the MDCC s key practices, which are published on GE s website at *www.ge.com/pdf/company/governance/board/ge_management_dev_key_practices.pdf*. The number of shares of GE stock that must be held is set at a multiple of an executive s base salary. All named executives are in compliance with our stock requirements. The named executives ownership is shown in the stock ownership table on page 45. In addition, they are required to hold for at least one year any net shares of GE stock that they receive through the exercise of their stock option awards. To prevent speculation or hedging of named executives interests in our equity, we prohibit short sales of GE stock, or the purchase or sale of options, puts, calls, straddles, equity swaps or other derivative securities that are directly linked to GE stock, by our named executives.

Equity Grant Practices. The exercise price of each stock option awarded under our long-term incentive plan is the closing price of GE stock on the date of grant, which is the date of the MDCC meeting at which equity awards for the named executives are determined. Board and committee meetings are generally scheduled at least a year in advance. Scheduling decisions are made without regard to anticipated earnings or other major announcements by the company. We prohibit the repricing of stock options.

Tax Deductibility of Compensation. Section 162(m) of the Internal Revenue Code of 1986, as amended, imposes a $1 million limit on the amount that a public company may deduct for compensation paid to the company s CEO or any of the company s three other most highly compensated executive officers (other than the CFO) who are employed as of the end of the year. This limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance-based compensation (i.e., compensation paid only if the individual s performance meets pre-established objective goals based on performance criteria approved by shareowners). For 2010, the grants of stock options and LTPAs and the payments of annual cash bonuses were designed to satisfy the requirements for deductible compensation.

Potential Impact on Compensation from Executive Misconduct. If the Board determines that an executive officer has engaged in conduct detrimental to the company, the Board may take a range of actions to remedy the misconduct, prevent its recurrence, and impose such discipline as would be appropriate. Discipline would vary depending on the facts and circumstances, and may include, without limit: (1) termination of employment, (2) initiating an action for breach of fiduciary duty, and (3) if the conduct resulted in a material inaccuracy in the company s financial statements or performance metrics which affect the executive officer s compensation, seeking reimbursement of any portion of performance-based or incentive compensation paid or awarded to the executive that is greater than would have been paid or awarded if calculated based on the accurate financial statements or performance metrics; provided that if the Board determines that an executive engaged in fraudulent misconduct, it will seek such reimbursement. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

Shareowner Approval of Severance and Death Benefits. If the Board were to agree to pay severance benefits to any of the named executive officers, we would seek shareowner approval of such benefits if: (1) the executive s employment was terminated prior to retirement for performance reasons, and (2) the value of the proposed severance benefits would exceed 2.99 times the sum of the named executive s base salary and bonus. For this purpose, severance benefits would not include: (1) any payments based on accrued pension benefits, (2) any payments of salary or bonus amounts that had accrued at the time of termination, (3) any RSUs paid to a named executive who was terminated within two years prior to age 60, (4) any stock-based incentive awards that had vested or would otherwise have vested within two years following the named executive s termination, and (5) any retiree health, life or other welfare benefits. In addition, the Board will seek shareowner approval for any future agreement or policy that would require the company to make

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payments, grants or awards of unearned amounts following the death of any of its named executive officers. This policy does not apply to payments, grants or awards of the sort that are offered to other company employees. For this purpose, future agreement includes the modification or amendment of any existing agreement.

Compensation Committee Report

The Management Development and Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on its review and discussions with management, the committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in the company s Annual Report on Form 10-K for 2010 and the company s 2011 proxy statement. This report is provided by the following independent directors, who comprise the committee:

Ralph S. Larsen (Chairman)	Andrea Jung
James I. Cash, Jr.	Sam Nunn
Robert W. Lane	Douglas A. Warner III

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2010 Summary Compensation Table

Name and Principal Position	Year	Salary[1]	Bonus	Stock Awards[2]	Option Awards[3]	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings[4]	All Other Compensation[5]	Total
Jeffrey R. Immelt	2010	$ 3,300,000	$ 4,000,000	$ 0	$ 7,400,000		$ 6,338,956	$ 389,809	$ 21,428,765
Chairman of the	2009	3,300,000	0	1,791,000	0		4,398,085	396,155	9,885,240
Board and CEO	2008	3,300,000		2,044,650			3,563,466	372,819	9,280,935
			0		0				
Keith S. Sherin	2010	$ 1,680,000	$ 3,000,000	$ 0	$ 4,070,000		$ 3,872,410	$ 187,031	$ 12,809,441
Vice Chairman	2009	1,500,000	2,675,000	0	6,876,000		2,722,228	182,728	13,955,956
	2008	1,500,000	2,550,000		1,560,000		2,503,541	288,718	16,875,559
and CFO				5,918,000		$ 2,555,300			
John Krenicki	2010	$ 1,400,000	$ 3,000,000	$ 0	$ 4,070,000		$ 4,544,538	$ 192,238	$ 13,206,776
	2009	1,200,000	2,500,000		6,470,000		2,816,366	116,485	13,102,851
Vice Chairman				0					
Michael A. Neal	2010	$ 1,825,000	$ 3,250,000	$ 0	$ 4,070,000		$ 4,817,038	$ 226,639	$ 14,188,677
Vice Chairman	2009	1,750,000	2,900,000	0	6,876,000		3,400,059	269,830	15,195,889
	2008	1,650,000	2,900,000		1,560,000		3,484,939	344,044	15,684,883
				2,812,000		$ 2,933,900			
John G. Rice	2010	$ 1,825,000	$ 3,175,000	$ 0	$ 4,070,000		$ 5,006,883	$ 248,259	$ 14,325,142
Vice Chairman	2009	1,750,000	2,835,000	0	6,876,000				
	2008	1,650,000	2,700,000		1,560,000				
				2,812,000		$ 5,615,400			