GENERAL ELECTRIC CO
Form DEF 14A
March 18, 2019

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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 (Amendment No.)

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))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Under Rule 14a-12

General Electric Company

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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3) Filing Party:
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Guide to GE's Proxy Statement

Significant Information in this Section

Also see "Acronyms Used" on page 67 for a guide to the acronyms used throughout this proxy statement.

Why are we sending you these materials?
On behalf of our Board of Directors, we are making these materials available to you (beginning on March 20, 2019) in connection with GE's solicitation of proxies for our 2019 annual meeting of shareowners.

What do we need from you?
Please read these materials and submit your vote and proxy by telephone, mobile device, the Internet, or, if you received your materials by mail, you can also complete and return your proxy card or voting instruction form.

Where can you find more information?
Check out our annual report, and be sure not to miss the important supplemental information posted on our proxy website.

www.ge.com/proxy
www.ge.com/annualreport

GENERAL ELECTRIC COMPANY EXECUTIVE OFFICES

41 Farnsworth Street, Boston, MA 02210

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Proxy Overview

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

Dear Shareowners,

It is a privilege to serve as your lead director during this important time for GE. I want to share with you some of the major governance actions that the Board has taken in the last year.

CEO SUCCESSION

Choosing the right leadership for GE is the Board's most important responsibility. We made a CEO change in September 2018 to improve the speed and execution of our strategic plan, to strengthen the balance sheet and improve performance. This was a Board-driven process and the company faced a unique situation, particularly since there had just been a CEO transition in 2017.

In Larry Culp, we had a highly experienced and accomplished CEO who had already been an engaged member of the Board since April 2018. His prior track record as CEO at Danaher, with deep operational focus and a rigorous approach to capital allocation, speaks for itself. We discussed several alternatives leading to the CEO transition, but Larry was clearly and unanimously viewed as the best choice. Larry already had a clear understanding of the company's strategy and where it should be headed, and we were confident he would hit the ground running on day one.

Larry understands the challenges GE faces. He also knows that despite his excellent track record, he needs to prove himself everyday—to us, our shareowners and our employees.

GE'S STRATEGY

The Board was highly engaged in the review that culminated in the announcement of GE's new strategic plan in June 2018. The Board continues to believe that empowering the businesses, reducing the emphasis on Corporate and focusing on a narrower set of businesses is the right path for the company and its shareowners. While this plan entails a significant amount of transition, particularly for GE's employees, we believe it is key to unlocking value for shareowners and laying the foundation for a stronger GE going forward.

A central pillar of this plan is reducing the company's outstanding debt, and this continues to be an area of focus for the Board. We recently completed the merger of GE's Transportation business with Wabtec, we're exiting our interest in Baker Hughes, a GE company, and we recently announced an agreement to sell GE's BioPharma business to Danaher for $21 billion. These are important milestones. We are also engaged in improving the company's performance, particularly in Power, and on simplifying the company across multiple dimensions.

COMPENSATION AND TALENT

Last year the Board made several changes to GE's compensation plans with the objective of driving better performance, rewarding and retaining top talent, and better aligning incentives for executives with shareowners. For 2018, the bonus pool was redesigned to make payouts for business executives based on business unit performance, rather than overall company results. This was reflected in the bonuses paid to our Aviation and Healthcare teams, who exceeded expectations this past year. Smaller or no bonuses were paid to businesses that fell short of expectations. We have also shifted pay for our top executives to be increasingly weighted towards equity, rather than cash, to drive alignment with shareowners.

As GE works through a period of significant transition, we recognize the importance of ensuring that management has the right mix of new, outside views and experienced leaders who know the company well. In the last year, in addition to Larry, GE brought in a new general counsel, controller, and head of investor relations from outside the company, as well as several outside hires within the businesses. In February, GE also brought in a new head of human resources, who we expect to help reenergize our focus on talent and human capital management.

BOARD DEVELOPMENTS

In 2018, GE significantly reduced the size of its Board to twelve directors—a size we expect to target going forward. In addition to three new directors last year (including Larry and me), there are two new nominees on our slate of ten directors this year—Paula Rosput Reynolds and Cathie Lesjak. Paula has executive experience in the power and insurance industries, while Cathie brings strong experience in finance, accounting and operations from her career in the technology industry. Our two longest tenured directors, Jim Mulva and Geoff Beattie, are retiring from the GE board this year. We will continue to look for new directors who have relevant domain expertise and skill sets that tie to GE's long-term strategy.

The Board has also taken action based on investor feedback on several important issues. We announced in December that we would open up the tender for the company's independent auditor. We implemented a new approach to risk focused on the most critical strategic risks facing the company. And we have brought in new advisors to provide the Board with fresh perspectives on important strategic, financial and legal issues.

My fellow directors and I remain committed to continuing the progress we've made toward creating a stronger, simpler, more focused company, for you and all of GE's stakeholders. Thank you for your support.

Thomas W. Horton
Lead Director

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Annual Meeting

LOGISTICS

DATE AND TIME:
May 8, 2019 at 10:00 a.m. Eastern Time

WEBCAST:

www.ge.com/investor-relations

LOCATION:
Westchester Marriott
670 White Plains Rd.
Tarrytown, NY 10591

ATTENDING IN PERSON:
You must be a GE shareowner as of the record date, and you must bring your admission card & photo ID.
Follow the instructions on page 66 or on our proxy website

Check out our annual report

www.ge.com/annualreport

HOW YOU CAN VOTE

Do you hold shares directly with GE or in the Retirement Savings Plan (RSP)?

Use the Internet at
www.proxypush.com/GE

Call toll-free (US/Canada)
1-866-883-3382

Mail your signed proxy form

Do you hold shares through a bank or broker?

Use the Internet at
www.proxyvote.com

Call toll-free (US/Canada)
1-800-454-VOTE (8683)

Mail your signed voting instruction form

You are invited to attend GE's 2019 annual meeting. This page contains important information about the meeting, including how you can make sure your views are represented by voting today. Be sure to also check out our annual report at the website below.

Cordially,
Mike Holston, Secretary

AGENDA

		Board Recommendation	Read More
1	Elect the 10 directors named in the proxy for the coming year	**FOR** each director nominee	Page 12
2	Approve our named executives' compensation in an advisory vote	**FOR**	Page 30
3	Amend the Certificate of Incorporation to reduce the a minimum number of directors for our Board from ten to seven	**FOR**	Page 56
4	Ratification of the selection of KPMG as independent auditor for 2019	**FOR**	Page 57
5	Vote on shareowner proposals included in the proxy, if properly presented at the meeting	**AGAINST** each proposal	Page 60

Shareowners also will transact any other business that properly comes before the meeting

VOTING Q&A

Who can vote?
Shareowners as of our record date, March 11, 2019

Is my vote confidential?
Yes, only IVS Associates & certain GE employees/agents have access to individual shareowner voting records

How many shares are entitled to vote?
8.7 billion common shares (preferred shares are not entitled to vote)

How many votes do I get?
One vote on each proposal for each share you held as of the record date (see first question above)

Do you have an independent inspector of elections?
Yes, you can reach them at IVS Associates, 1000 N. West St., Ste. 1200, Wilmington, DE 19801

Can I change my vote?

Yes, by voting in person at the meeting, delivering a new proxy or notifying IVS Associates in writing. But, if you hold shares through a broker, you will need to contact them

How many votes are needed to approve a proposal?
Generally majority of votes cast, with abstentions & broker non-votes generally not being counted & having no effect; for the management proposal to amend the Certificate of Incorporation, majority of shares outstanding, with abstentions & broker non-votes having the same effect as a vote AGAINST

Where can I find out more information?

See "Voting and Meeting Information" on page 64

Board Composition & Refreshment

Your vote is needed on Director Elections:

Election of the 10 nominees named in the proxy for the coming year

Board Balance

SIGNIFICANT BOARD REFRESHMENT SINCE 2017 ANNUAL MEETING

Annual Board Evaluation + Retirement Age + Term Limits

Joining the Board Since the 2017 Annual Meeting

2017: Flannery, Garden

2018: Culp, Horton, Seidman, Reynolds

2019: Lesjak

7 new directors over last 2 years

15 retired directors

Retiring from Board

2017: Immelt, Lane, McAdam

2018: Dekkers, Henry, Hockfield, Jung, Lazarus, Mollenkopf, Rohr, Schapiro, Flannery, Brennan

2019: Beattie, Mulva

Board Effectiveness

BOARD SIZE

Significantly reduced size in 2018 to enhance dialogue and promote accountability

Board Accountability

Annual director elections with majority voting standard

Proxy access on market terms at 3%, 3 years, 20% of Board, up to 20 shareowners can aggregate

TENURE

2.5 years average tenure

Newer (<3 years): 7
Medium-tenured (3-6 years): 1
Experienced (>6 years): 2

Our Board term limit is 15 years

INDEPENDENCE

Our Board is **90%** independent

Independent: 9
Not Independent: 1

All director nominees except our CEO are independent, and meet *heightened independence standards for our audit, compensation and governance committees*

AGE

Median age is 57

<60 years: 6
60-70 years: 4
>70 years: 0

Our Board age limit is 75 years

DIVERSITY OF GENDER AND BACKGROUND

Our policy is to build a cognitively diverse board representing a range of backgrounds

Female: 4 (40%)
Ethnically diverse: 2 (20%)
Born outside U.S.: 3 (30%)

The Board is committed to building upon its diversity in connection with future refreshment opportunities and to interviewing female and ethnically diverse candidates for all vacancies

BOARD SKILLS AND EXPERIENCE

Our policy is to create an experienced board with expertise in areas relevant to GE

50% **INVESTOR**	
80% **INDUSTRY & OPERATIONS**	80% **RISK MANAGEMENT**
30% **TECHNOLOGY**	20% **GOVERNMENT & REGULATORY**
90% **FINANCE & ACCOUNTING**	70% **GLOBAL**

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Board Nominees

The Board recommends a vote for the 10 director nominees set forth below. The committee memberships indicate the composition of the committees of the Board as of the date of this proxy (other than retiring directors). For information on anticipated committee composition following the annual meeting, see "Board Committees" on page 21.

The Board is nominating two new directors on the 2019 slate: **Catherine Lesjak** and **Paula Rosput Reynolds**. Ms. Lesjak recently retired as the longtime CFO for technology leader HP, and she also has director experience in the renewable energy industry. Ms. Reynolds has executive experience in the power and insurance industries, and has served as a director in the aviation, oil and gas and several other industries.

Name & Primary Occupation	Age	Director since	Other Public Company Boards	Primary Qualifications and Attributes	GE Committees A	C	F	G
Sébastien Bazin Chair & CEO, AccorHotels	57	2016	AccorHotels, Huazhu Group					
H. Lawrence Culp, Jr. Chair & CEO, General Electric	55	2018						
Francisco D'Souza CEO* and Vice Chairman, Cognizant Technology Solutions	50	2013	Cognizant					
Edward Garden Chief Investment Officer & Co-Founder, Trian Fund Management	57	2017	Bank of New York Mellon					
Thomas Horton Senior Advisor, Warburg Pincus & Former Chairman & CEO, American Airlines	57	2018	Qualcomm, Walmart					
Risa Lavizzo-Mourey Professor, University of Pennsylvania & Former President & CEO, Robert Wood Johnson Foundation	64	2017	Hess, Intel					
Catherine Lesjak Former CFO, HP	60	2019 **NEW**	SunPower					
Paula Rosput Reynolds CEO, PreferWest	62	2018 **NEW**	BAE Systems, BP, CBRE Group and TransCanada Pipelines					
Leslie Seidman Former Chair, Financial Accounting Standards Board	56	2018	Moody's					
James Tisch President & CEO, Loews	66	2010	Loews and its consolidated subsidiaries					

INDEPENDENCE

All director nominees other than the CEO are independent

* Mr. D'Souza will be stepping down as the CEO of Cognizant in April 2019, but will remain on its board as Vice Chairman.

ATTENDANCE

All director nominees attended at least 75% of the meetings of the Board and committees on which they served in 2018

QUALIFICATIONS AND ATTRIBUTES

Industry & Operations
Finance & Accounting
Investor
Technology
Risk Management
Government & Regulatory
Global
Diversity

A Audit Committee
C Compensation Committee
F Finance Committee
G Governance Committee
Member
Chair
Financial Expert & Member

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Board & Committees

CHANGES TO OUR BOARD

Appointed a new Chairman and CEO, Larry Culp, in September 2018, upon the resignation of John Flannery from the Board. Mr. Culp had previously been appointed as lead director in June 2018, and was succeeded by Tom Horton in the role.

Added four new directors during the year: Larry Culp, Tom Horton, Paula Rosput Reynolds and Leslie Seidman.

Added Cathie Lesjak as a new director in March 2019.

Reduced number of regularly scheduled Board meetings beginning in 2019 from 8 to 6 times per year to permit senior leadership to focus on management, while still holding regular Board calls every few weeks.

Full Board

Chair
Larry Culp

Lead Director
Tom Horton

Board Rhythm

6/year Regular meetings	1/year Strategy session	1/year Board self-evaluation
2+/year Business visits for each director	1+/year Governance & investor feedback reviews	Calls Regularly scheduled between meetings

2018 MEETINGS
15, including 4 meetings of the independent directors

Recent Focus Areas

- Leadership transitions, particularly for the CEO
- Reviewing GE's portfolio and future strategy
- Capital structure and liquidity, particularly reducing leverage and de-risking the balance sheet
- Business performance reviews, particularly in Power
- GE Capital and Insurance
- Sale of BioPharma business
- Separation of Transportation, Baker Hughes, a GE company (BHGE), Healthcare and other business units
- Cybersecurity

Committees Prior to the Annual Meeting

Below is an overview of our committees as of the date of this proxy and their key oversight and focus areas. Mr. Beattie and Mr. Mulva, who are our two longest tenured directors, will be retiring from the Board at the time of the annual meeting. We anticipate that Ms. Seidman will Chair the Audit Committee after the annual meeting and that Ms. Lesjak will join the committee at its next meeting. The Board has decided to dissolve the Finance and Capital Allocation Committee at the time of the annual meeting and to reallocate its responsibilities to the full Board and Audit Committee. For more information, see "Board Committees" on page 21.

Audit

Chair: Geoff Beattie

Members: Jim Mulva, Paula Rosput Reynolds & Leslie Seidman

Oversight and Focus Areas

- Financial reporting
- Independent auditor
- Goodwill recoverability
- Insurance
- Internal audit
- Accounting policies
- Compliance
- Significant litigation and investigations

Governance & Public Affairs

Chair: Risa Lavizzo-Mourey

Members: Sébastien Bazin, Frank D'Souza, Tom Horton &

Oversight and Focus Areas

- Director recruitment
- GE leadership structure
- Board governance processes

Finance & Capital Allocation

Chair: Jim Mulva

Members: Sébastien Bazin, Ed Garden, Leslie Seidman & Jim Tisch

Oversight and Focus Areas

- Capital allocation
- Financial risk
- Investments and uses of cash
- Portfolio assessment & M&A activity
- GE Capital portfolio & risk

Management Development & Compensation

Chair: Tom Horton

Members: Geoff Beattie, Frank D'Souza, Ed Garden & Risa Lavizzo-Mourey

Oversight and Focus Areas

- CEO and management succession
- Talent recruitment and retention

Jim Tisch	Climate change-related risk Political & lobbying strategy Environmental, social & governance issues (including human rights & supply chain practices)	CEO and senior executive performance evaluations & compensation Incentive compensation programs

Compensation

Your vote is needed on Management Proposal #1:

Advisory approval of our named executives' compensation for 2018

EXECUTIVE COMPENSATION HAS EVOLVED TO PROVIDE A CLOSER CONNECTION BETWEEN PAY, PERFORMANCE AND ACCOUNTABILITY

A greater percentage of our leadership team's compensation is paid in equity, rather than cash, compared to prior years.

We have reduced the number of goals in our compensation programs to focus our executives on our top priorities. Our annual bonuses focus on two goals — an earnings metric and a cash metric. Our 3-year PSUs granted in 2018 focused on relative TSR, due to the ongoing portfolio changes.

Our bonus program is focused on business performance. Bonuses are funded for each business (e.g., Power, Aviation) based solely on the business's performance, rather than being based on company performance. Corporate bonus performance metrics continue to be based on company-wide results.

Compensation Profile

2018 COMPENSATION FRAMEWORK: PRIMARY ELEMENTS

	Salary	Bonus	PSUs	Options	RSUs	LTPAs
Who receives	All named executives				All named executives except CEO	
When granted	Reviewed every 24 months	Annually in February or March for prior year	Generally annually in the first quarter of each year			
Form of delivery	Cash		Equity			
Type of performance	Short-term emphasis		Long-term emphasis			
Performance period	Ongoing	1 year	3 years + 1 year additional holding period	Generally 3-year vesting period		
How payout is determined	Committee judgment	Formulaic & committee judgment	Formulaic; committee verifies performance before payout	Formulaic; depends on stock price on exercise/vest date		LTPA program terminated in 2018
Most recent performance measures	N/A	EPS and Free Cash Flow (Corporate execs) Earnings and Free Cash Flow (Business execs)	GE TSR v. S&P 500	Stock price appreciation		No payout for final performance period (2016-2018)

Compensation Changes Implemented in 2018

Salary Review Cycle

Increased for officers from 18 to 24-month intervals

Simpler Annual Bonus Plan

Metrics focus on earnings and cash generation

Bonus pool funding for businesses determined by business results … promoting accountability, rewarding performance

Equity Awards

Greater percentage of overall executive pay

Generally shifting toward RSUs (away from options) for broader executive population, with 3-year vesting period

2018 Performance Share Units

One metric: GE TSR v. S&P 500

Threshold	Target	Maximum
35th percentile	55th percentile	80th percentile
Earn 25%	Earn 100%	Earn 175%

3-year performance period

Use of relative metric promotes flexibility in ongoing portfolio review

One-year mandatory hold post-vesting

Long-Term Performance Awards

Terminating cash LTPA program after conclusion of the 2016-2018 performance cycle

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2018 Performance Award Results

2018 ANNUAL BONUSES (CASH)

2016 PERFORMANCE SHARE UNITS (EQUITY)

2016-2018 LONG-TERM PERFORMANCE AWARDS (CASH)

See "How Our Incentive Compensation Plans Paid Out for 2018" on page 32 for more information on how these plans work. Metrics denoted with a * are non-GAAP financial measures. For information on how we calculate the performance metrics, see "Explanation of Non-GAAP Financial Measures and Performance Metrics" on page 52.

** The company no longer reports Industrial Operating + Verticals EPS.

Compensation Decisions

2018 COMPENSATION FOR NEOs

- New hire equity PSU grant for Mr. Culp completely performance based (see right)
- New hire equity grants and hiring bonus for Mr. Holston
- Other than new hires and promotions, salary increases limited to 24-month cyclical increases
- Bonus at target for partial-year service for Mr. Culp, based upon Compensation Committee discretion
- Bonuses for Ms. Miller below target (80%) and Mr. Holston at full year target, based upon Compensation Committee discretion
- No bonus for former CEO Flannery based on performance metrics
- Bonus paid above target for Mr. Joyce and Mr. Murphy based on exceeding performance goals for the Aviation and Healthcare businesses, respectively
- 2016 PSUs cancelled due to failure to meet performance goals
- 2016-2018 LTPAs cancelled due to failure to meet performance goals

2018 NEW CEO COMPENSATION

Base Salary

$2.5 million, effective upon his employment ($625,000 paid in 2018)

- Salary based on prior CEO experience, track record in company transformation; inducement out of retirement

Annual Bonus

$3.75 million annual target ($937,500 paid for 2018, at 100%)

- Target bonus 150% of salary; consistent with prior CEO bonus targets

Inducement PSUs

$13.7 million grant date fair value

Based on stock price appreciation over 4-year period

- Equity inducement award reflects greater emphasis on equity for CEO role and reward for improving stock price
- PSUs equal to a number of GE shares ranging from 2.5 million to 7.5 million shares, based on GE stock price appreciation
- Performance period of October 1, 2018 to September 30, 2022
- No payout for stock price appreciation less than 50%
- Beginning in 2019, equity award will consist of $15 million in PSUs

2018 SUMMARY COMPENSATION

Name & Principal Position	Year	Salary	Bonus	PSUs & RSUs	Stock Options	LTPAs	Pension & Deferred Comp.	All Other Comp.	SEC Tot
Larry Culp*	2018	$ 625,000	$ 937,500	$13,740,000	N/A	$0	$ 86,662	$ 9,665	$15,398
Chairman & CEO									
Jamie Miller*	2018	$1,450,000	$1,160,000	$ 4,334,060	N/A	$0	$ 0	$ 457,618	$ 7,401
SVP & CFO	2017	$1,335,417	$ 0	$ 1,810,930	$ 519,000	$0	$1,154,778	$ 237,736	$ 5,057
John Flannery*	2018	$1,500,000	$ 0	$13,800,104**	N/A	$0	$ 62,127	$1,281,059	$16,643
Former Chairman & CEO	2017	$1,737,500	$ 0	N/A	$2,076,000	$0	$3,255,222	$1,931,881	$ 9,000
Michael Holston*	2018	$1,095,000	$3,000,000	$ 6,731,334	$2,400,000	$0	$ 224,393	$ 64,989	$13,515
SVP & General Counsel									
David Joyce	2018	$1,550,000	$2,415,000	$ 3,382,585	N/A	$0	$ 0	$ 175,146	$ 7,522
Vice Chair &	2017	$1,450,000	$1,385,000	$ 695,240	$ 692,000	$0	$ 673,996	$ 264,930	$ 5,161
CEO Aviation	2016	$1,333,333	$1,524,000	$ 6,212,431	$ 750,000	$0	$2,523,853	$ 239,240	$12,582
Kieran Murphy*†	2018	$1,135,814	$1,703,721	$ 2,608,677	$1,670,000	$0	$ 118,580	$ 53,373	$ 7,290
SVP & CEO Healthcare									

[*] Under applicable SEC rules, we have excluded Mr. Murphy's compensation for 2016 and 2017 and Ms. Miller and Mr. Flannery's compensation for 2016 as they were not named executives during those years. Mr. Culp and Mr. Holston were first employed by the company in 2018.

[**] For Mr. Flannery, PSU amounts include $11.5 million attributable to the grant date fair value of his 2018 PSU awards, most of which were cancelled upon his separation. The value of the PSU awards for which he remained eligible, as of the date of his separation agreement, was $2.3 million.

[†] For Mr. Murphy, all cash amounts (including salary and bonus) were originally paid in British pounds and converted for purposes of this presentation at an exchange rate of $1.3363 per £1.00, the 2018 average noon buying rate certified for custom purposes by the U.S. Federal Reserve Bank of New York set forth in the H.10 statistical release of the Federal Reserve Board.

Reduce Minimum Number of Directors

Your vote is needed on Management Proposal #2:

Approve an amendment to the company's Certificate of Incorporation to reduce the minimum required number of directors for our Board from ten to seven.

REDUCING THE MINIMUM REQUIRED NUMBER OF DIRECTORS UNDER GE'S CERTIFICATE OF INCORPORATION FROM TEN TO SEVEN DIRECTORS

Consistent with the Board's decision in 2017 to reduce the size of the Board to a lower number of directors, the Board recommends also amending the Certificate of Incorporation to reflect this objective

The Board expects to continue to target a size of approximately 12 directors

Lowering the minimum required number of directors to seven will assure that the Board continues to have a sufficient number of directors to provide strategic oversight, while ensuring that the company remains in compliance with its Certificate of Incorporation, particularly during times of transition

Audit

Your vote is needed on Management Proposal #3:

Ratification of our selection of KPMG as independent auditor for 2019.

See "Audit" on page 57 for more information.

AUDIT COMMITTEE RESPONSE TO 2018 RATIFICATION VOTE

Actions the Audit Committee has overseen and directed since the 2018 ratification vote have included:

1 **PRIORITIZING DISCUSSION OF ALTERNATIVES AT COMMITTEE MEETINGS.** The Audit Committee considered a variety of potential actions, including an audit tender process, audit partner rotations and an audit firm rotation, at meetings throughout the past year.

2 **ENGAGING WITH GE SHAREOWNER BASE.** Shareowners expressed a full range of views about the continued engagement of KPMG as our independent auditor, which the Audit Committee has considered. Our lead director also participated directly in two of the meetings.

3 **ADOPTING NEW PROCEDURES TO SUPPORT READINESS FOR POTENTIAL AUDITOR ROTATION.** The procedures require pre-approval for certain types of non-audit engagements with audit firms (other than KPMG) that would need to establish independence to serve as GE's independent auditor in the future.

4 **BALANCING POTENTIAL BENEFITS OF AUDITOR ROTATION WITH TIMING CONSIDERATIONS.** The Audit Committee believes that there are significant benefits in terms of audit quality, the efficient use of resources and our timely execution of planned portfolio actions from retaining an audit firm that knows the company well during this time of transition.

5 **PLANNING TO MOVE FORWARD WITH AUDIT TENDER PROCESS.** The Audit Committee is preparing for a formal tender process following completion of the 2019 audit. The ultimate timing will be based on progress toward completing portfolio actions and circumstances at the time.

IN ENGAGING KPMG FOR 2019, WE ALSO CONSIDERED:

KPMG PERFORMANCE, AUDIT QUALITY, RISKS AND FEES:

KPMG's performance on GE audit, including results of internal, worldwide survey

KPMG's capability & expertise in handling the breadth and complexity of our worldwide operations

External data on audit quality & performance, including the number of audit restatements compared to other Big 4 firms

KPMG's known legal and regulatory risks, including an interview with KPMG's chairman and discussion of current PCAOB oversight matters

Appropriateness of KPMG's fees on an absolute basis and relative to peer firms

KPMG'S INDEPENDENCE, INCLUDING THE FOLLOWING CONTROLS:

Thorough Audit Committee oversight … regular private meetings with KPMG, committee evaluation of lead audit partner performance

Rigorous limits on non-audit services … Audit Committee pre-approval required, certain types of services prohibited

Strong internal KPMG independence processes … internal quality reviews, large number of KPMG partners (~400)

Robust regulatory framework … KPMG subject to PCAOB inspections, Big 4 peer reviews and PCAOB/SEC oversight

KPMG FEES

(in millions)	Audit(1)	Audit-related(2)	Tax(3)	All Other	Total
2018	$92.2	$40.3	$0.8	$0.0	$133.3
2017	$95.8	$45.4	$1.7	$0.0	$142.9

(1) Audit and review of financial statements for GE and BHGE 10-Ks/10-Qs, internal control over financial reporting audit, statutory audits; year-over-year decrease primarily driven by lower expense in 2018 associated with carve-out audits, although carve-out audit expenses remained high in 2018 relative to historical baseline.

(2) Assurance services, M&A due diligence and audit services; year-over-year decrease primarily driven by lower costs for carve-out audits in 2018, which included GE Healthcare ($16.0 million) and GE Transportation ($8.6 million), compared to the costs for carve-out audits in 2017, which included GE Oil & Gas ($30.0 million), the Water business ($4.3 million), and Industrial Solutions ($8.1 million).

(3) Tax compliance and tax advice/planning.

FEES INCLUDE:

Two public company audits (GE and BHGE)

Significant expense for carve-out audits driven by portfolio actions, including audits for GE Healthcare, GE Transportation and other businesses

1,400+
statutory
audits globally

~400
partners

2019 Shareowner Proposals

Your vote is needed on two proposals

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Governance

Election of Directors

What are you voting on?

At the 2019 annual meeting, ten directors are to be elected to hold office until the 2020 annual meeting and until their successors have been elected and qualified.

All nominees are current GE Board members who were elected by shareowners at the 2018 annual meeting except for Paula Rosput Reynolds, who was appointed to the Board in December 2018, and Catherine Lesjak, who was appointed to the Board in March 2019.

Sébastien Bazin

DIRECTOR SINCE: 2016

AGE: 57

BIRTHPLACE: FRANCE

INDEPENDENT

Qualifications Acquired

Chairman and CEO, AccorHotels, a global hotel company, Paris, France (since 2013)

PRIOR BUSINESS EXPERIENCE

CEO, Europe Colony Capital, a private investment firm (1997–2013)

Group Managing Director, CEO and General Manager, Immobilière Hôtelière (1992–1997)

Began career in 1985 in U.S. finance sector, becoming Vice President, M&A, PaineWebber

CURRENT PUBLIC COMPANY BOARDS

General Electric

AccorHotels

Huazhu Group (formerly known as China Lodging Group)*

PAST PUBLIC COMPANY BOARDS

Vice Chairman, Carrefour, a multinational French retailer

OTHER POSITIONS

Vice Chairman, Supervisory Board, Gustave Roussy Foundation, cancer research funding

Chairman, Théâtre du Châtelet

EDUCATION

Sorbonne University

MA (Economics), Sorbonne University

*Directorship held in his capacity as CEO of AccorHotels. See "Limits on Director Service on Other Public Boards" on page 25 for more information.

H. Lawrence Culp, Jr.

DIRECTOR SINCE: 2018

AGE: 55

BIRTHPLACE: UNITED STATES

Qualifications Acquired

Chairman and CEO, General Electric, Boston, MA (since September 2018)

PRIOR BUSINESS EXPERIENCE

Senior Advisor, Bain Capital Private Equity, a global private equity firm (2017-2018)

Senior Lecturer, Harvard Business School (2015-2018)

Senior Advisor, Danaher, designer, manufacturer and marketer of industrial and consumer products (2014–2016)

Former CEO and President, Danaher (2000–2014); joined Danaher subsidiary Veeder-Root in 1990, serving in a number of leadership positions within Danaher, including COO

CURRENT PUBLIC COMPANY BOARDS

General Electric

PAST PUBLIC COMPANY BOARDS

GlaxoSmithKline

Danaher

T. Rowe Price Group

OTHER POSITIONS

Member and former Chairman, Board of Visitors & Governors, Washington College

Member, Board of Trustees, Wake Forest University

EDUCATION

Washington College

MBA, Harvard

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Francisco D’Souza

DIRECTOR SINCE: 2013

AGE: 50

BIRTHPLACE: KENYA

INDEPENDENT

Qualifications Acquired

CEO and Vice Chairman, Cognizant Technology Solutions Corporation, a multinational IT company, Teaneck, NJ (since 2007, retiring as CEO in April 2019)

PRIOR BUSINESS EXPERIENCE

President, Cognizant (2007–2012)

COO, Cognizant (2003–2006)

Co-founded Cognizant (1994)

Previously held various roles at Dun & Bradstreet

CURRENT PUBLIC COMPANY BOARDS

General Electric

Cognizant

OTHER POSITIONS

Chairman, IT and Electronics Governors community, World Economic Forum

Board Co-Chair, New York Hall of Science

Trustee, Carnegie Mellon University

International Advisory Panel Member, Banco Santander

EDUCATION

University of Macau

MBA, Carnegie Mellon University

Edward P. Garden

DIRECTOR SINCE: 2017

AGE: 57

BIRTHPLACE: UNITED STATES

INDEPENDENT

Qualifications Acquired

Chief Investment Officer and Founding Partner, Trian Fund Management, L.P., an investment management firm, New York, NY (since 2005)

PRIOR BUSINESS EXPERIENCE

Vice Chairman and Director, Triarc Companies (subsequently The Wendy’s Company and previously Wendy’s/Arby’s Group) (2004–2007) and Executive Vice President (2003–2004)

Managing Director, Credit Suisse First Boston (1999–2003)

Managing Director, BT Alex Brown (1994–1999)

CURRENT PUBLIC COMPANY BOARDS

General Electric

The Bank of New York Mellon (Chairman of Human Resources and Compensation Committee)

PAST PUBLIC COMPANY BOARDS

The Wendy’s Company

Family Dollar Stores

Pentair, an industrial manufacturing company

EDUCATION

Harvard College

Thomas W. Horton

DIRECTOR SINCE: 2018

AGE: 57

BIRTHPLACE: UNITED STATES

INDEPENDENT

Qualifications Acquired

Senior Advisor, Industrials and Business Services Group, Warburg Pincus LLC, a private equity firm focused on growth investing, New York, NY (since 2015)

PRIOR BUSINESS EXPERIENCE

Chairman, American Airlines Group, one of the largest global airlines (formed following the merger of AMR Corp and US Airways) (2013–2014)

Chairman and CEO, American Airlines (2011–2014)

Chairman and CEO, AMR (parent company of American Airlines) (2010–2013)

EVP and CFO, AMR (2006–2010)

Vice Chairman and CFO, AT&T (2002–2006)

SVP and CFO, AMR (2000–2002); joined AMR in 1985, serving in various finance and management roles

CURRENT PUBLIC COMPANY BOARDS

General Electric

Qualcomm

Walmart (lead director)

OTHER POSITIONS

Executive Board Member, Cox School of Business, Southern Methodist University

Board Member, National Air and Space Museum

EDUCATION

Baylor University

MBA, Southern Methodist University

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Risa Lavizzo-Mourey

DIRECTOR SINCE: 2017

AGE: 64

BIRTHPLACE: UNITED STATES

INDEPENDENT

Qualifications Acquired

Professor, University of Pennsylvania, Philadelphia, PA (since 2018) and Former President and CEO, Robert Wood Johnson Foundation, Princeton, NJ (2003–2017)

PRIOR BUSINESS EXPERIENCE

SVP, Robert Wood Johnson Foundation, largest U.S. philanthropic organization dedicated to healthcare (2001–2003)

PRIOR ACADEMIC EXPERIENCE

Sylvan Eisman Professor of Medicine and Health Care Systems (1995–2001), Director, Institute on Aging (1994–2002), Chief of Geriatric Medicine (1986–1992), University of Pennsylvania Medical School

PRIOR GOVERNMENT EXPERIENCE

Advisory Committee Member, President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry (1997–1998)

Deputy Administrator, Agency for Health Care Research and Quality (1992–1994)

Co-Chair, White House Health Care Reform Task Force, Working Group on Quality of Care (1993–1994)

Advisory Committee Member, Task Force on Aging Research (1985–1992)

Advisory Committee Member, National Committee for Vital and Health Statistics (1988–1992)

CURRENT PUBLIC COMPANY BOARDS

General Electric

Hess, a global, independent energy company

Intel, a semiconductor manufacturing company

Catherine Lesjak

DIRECTOR SINCE: 2019

AGE: 60

BIRTHPLACE: CANADA

INDEPENDENT

Qualifications Acquired

Former Chief Financial Officer, HP, a global technology company, and its predecessor, Hewlett-Packard, Palo Alto, CA (2007-2018)

PRIOR BUSINESS EXPERIENCE

Interim Chief Operating Officer, HP (2018-2019)

Interim CEO, Hewlett Packard (2010)

Senior Vice President and Treasurer, HP (2003-2007)

Previously served in various leadership positions within the financial organization at HP and Hewlett Packard, including as Global Controller, Software Solutions; Controller and Credit Manager for Commercial Customers; and as Manager, Financial Operations, Enterprise Marketing and Solutions (joined Hewlett Packard in 1986)

CURRENT PUBLIC COMPANY BOARDS

General Electric

SunPower, a vertically integrated solar power company

OTHER POSITIONS

Board, Haas School of Business, University of California, Berkeley

Board of Advisors, Resource Area for Teaching (RAFT), a teaching non-profit

EDUCATION

Stanford University

MBA, University of California, Berkeley

Paula Rosput Reynolds

DIRECTOR SINCE: 2018

AGE: 62

BIRTHPLACE: UNITED STATES

INDEPENDENT

Qualifications Acquired

President and CEO, PreferWest LLC, a business advisory firm, Seattle, WA (since 2009)

PRIOR BUSINESS EXPERIENCE

Vice Chairman and Chief Restructuring Officer, American International Group (2008-2009)

Chairman, President and CEO, Safeco Insurance Company of America (2005-2008)

Chairman and CEO, AGL Resources (1998-2005)

CEO, Duke Energy Power Services, Duke Energy (1995-1998)

Previously served in various leadership positions at Associated Power Services, Pacific Gas Transmission Co. and Pacific Gas and Electric Company

CURRENT PUBLIC COMPANY BOARDS*

General Electric

CBRE Group, a commercial real estate and investment company

BAE Systems, an aerospace and defense technology company

BP, a global oil and gas company

TransCanada, an energy infrastructure company

PAST PUBLIC COMPANY BOARDS

Air Products & Chemicals

Anadarko Petroleum

Circuit City Stores

Coca-Cola Enterprises

PAST PUBLIC COMPANY BOARDS

Genworth Financial

Beckman Coulter

OTHER POSITIONS

Trustee, Smithsonian Institution Board of Regents

Board of Fellows, Harvard Medical School

Member, National Academy of Medicine

EDUCATION

U. of Washington & SUNY Stony Brook

MD, Harvard Medical School

MBA, University of Pennsylvania

Delta Air Lines

OTHER POSITIONS

Trustee, Seattle Cancer Care Alliance

EDUCATION

Wellesley College

*For discussion of Ms. Reynold’s board commitments following the annual meeting, see “How We Applied to Reynolds” on page 25.

Leslie Seidman

DIRECTOR SINCE: 2018

AGE: 56

BIRTHPLACE: UNITED STATES

INDEPENDENT

Qualifications Acquired

Former Chairman, Financial Accounting Standards Board (FASB), independent organization responsible for financial accounting and reporting standards, Norwalk, CT (2010–2013)

PRIOR BUSINESS EXPERIENCE

Board Member, FASB (2003–2013)

Financial reporting consultant (1999–2003)

Staff Member, FASB (1994–1999)

Vice President, Accounting Policy, JP Morgan (1987–1994)

Auditor, Arthur Young (1984–1987)

CURRENT PUBLIC COMPANY BOARDS

General Electric

Moody's, provider of credit ratings, research and analytical tools (chairman, Audit Committee)

OTHER POSITIONS

Founding Director, Pace University Center for Excellence in Financial Reporting (since 2014)

Board of Governors, Financial Industry Regulatory Authority (FINRA), financial services industry regulator

Advisor, Idaciti, developer of financial reporting and analysis software

Certified Public Accountant (inactive)

EDUCATION

Colgate University

MS (Accounting), New York University

James Tisch

DIRECTOR SINCE: 2010

AGE: 66

BIRTHPLACE: UNITED STATES

INDEPENDENT

Qualifications Acquired

President and CEO, Loews Corp., a diversified holding company with subsidiaries involved in energy, insurance, packaging and hospitality, New York, NY (since 1998)

CURRENT PUBLIC COMPANY BOARDS

General Electric

Loews, and two of its subsidiaries, CNA Financial, a property and casualty insurance company, and Diamond Offshore Drilling (chairman), an offshore drilling contractor*

OTHER POSITIONS

Director, Mount Sinai Medical Center, a leading U.S. hospital

Former director, Federal Reserve Bank of New York, a government-organized financial and monetary policy organization

Director, WNET (nonprofit)

Director, New York Public Library

Director, Partnership for New York City

Member, Council on Foreign Relations

Member, American Academy of Arts & Sciences

EDUCATION

Cornell University

MBA, University of Pennsylvania

* Directorships held in his capacity as President and CEO of Loews. See "Limits on Director Service on Other Public Boards" on page 25 for more information.

Our director nominees' primary experiences, qualifications and attributes are highlighted in the following matrix. The matrix is intended as a high-level summary and not an exhaustive list of each director's skills or contributions to the Board.

	Bazin	Culp	D'Souza	Garden	Horton	Lavizzo-Mourey	Lesjak	Reynolds	Seidman	Tisch
Industry & Operations Experience										
Finance & Accounting Experience										
Investor Experience										
Technology Experience										
Risk Management Experience										
Government & Regulatory Experience										
Global Experience										
Ethnic/Gender Diversity										

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Board Composition

How We Are Changing the Board

The Governance & Public Affairs Committee (the Governance Committee) is charged with reviewing the composition of the Board and refreshing it as appropriate. With this in mind, the committee continuously reviews potential candidates and recommends nominees to the Board for approval.

Over the past two years, the Board has undertaken significant refreshment efforts to better align the Board to the company's long-term strategy and to bring new perspectives to the Board. As a result, of the ten nominees proposed for election, seven are new to the Board in the last two years. We expect to continue to target a Board size of approximately 12 directors, and will continue to seek director candidates whose experiences support the company’s future strategy and industry focus.

DIRECTOR RECRUITMENT PROCESS

CANDIDATE RECOMMENDATIONS

From shareowners, management, directors & search firms

GOVERNANCE COMMITTEE

- Reviews qualifications & expertise, tenure, regulatory requirements & cognitive diversity
- Reviews independence & potential conflicts
- Discusses & together with other directors such as the Lead Director, interviews candidates
- Recommends nominees to the Board

BOARD OF DIRECTORS

Discusses, analyzes independence & selects nominees

SHAREOWNERS

Vote on nominees at annual meeting

DIRECTOR “MUST-HAVES”

- Leadership experience
- Highest personal & professional ethics
- Integrity & values
- A passion for learning
- Inquisitive & objective perspective
- A sense of priorities & balance
- Talent development experience

RECRUITMENT PRIORITIES GOING FORWARD

- Industry expertise
- Capital allocation expertise
- Technology expertise
- Cognitive diversity

HOW YOU CAN RECOMMEND A CANDIDATE

Write to the Governance Committee, c/o Corporate Secretary, GE, at the address listed on the inside front cover of this proxy statement, and include all information that our by-laws require for director nominations.

HOW WE REFRESH THE BOARD

- **Board evaluation.** Each year, the Board assesses its effectiveness through a process led by its lead director. See “How We Evaluate the Board’s Effectiveness” on page 22.
- **Term limits.** The Board has a 15-year term limit for independent directors.
- **Age limits.** With limited exceptions, directors may not be renominated to the Board after their 75th birthday.

See the Board’s Governance Principles (see “Helpful Resources” on page 67) for more information on these policies.

IMPORTANT FACTORS IN ASSESSING BOARD COMPOSITION

The Governance Committee strives to maintain an independent Board with broad and diverse experience and judgment that is committed to representing the long-term interests of our shareowners. The committee considers a wide range of factors when selecting and recruiting director candidates, including:

- **Ensuring an experienced, qualified Board with high personal integrity and character, diversity of thought and expertise in areas relevant to GE.** The committee seeks directors who possess extraordinary leadership qualities and demonstrate a practical understanding of organizations, processes, strategy, risk management and how to drive change and growth. Additionally, we believe directors should have experience in identifying and developing talent, given the Board’s role in succession planning. In addition to these threshold qualities, we seek directors who bring to the Board specific types of experience relevant to GE.
- **Enhancing the Board’s diversity of background.** GE has been committed for decades to building a cognitively diverse Board comprising individuals from different backgrounds and with a range of experiences and viewpoints. Specifically, under the Board’s diversity policy, the Governance Committee considers attributes such as race, ethnicity, gender, cultural background and professional experience when reviewing candidates for the Board and in assessing the Board’s overall composition. The Board is committed to using refreshment opportunities to strengthen its cognitive diversity. To accomplish this, the Governance Committee will continue to require that search firms engaged by GE include a robust selection of women and ethnically diverse candidates in all prospective director candidate pools. In addition, the Governance Committee is committed to interviewing women and ethnically diverse candidates for all future vacancies on the Board. The committee reviews its effectiveness in balancing these considerations when assessing the composition of the Board.

Complying with regulatory requirements and the Board's independence guidelines. The committee considers regulatory requirements affecting directors, including potential competitive restrictions. It also looks at other positions the director has held or holds (including other board memberships), and the Board reviews director independence.

BOARD SKILLS AND EXPERIENCE

Industry & Operations Experience

We have sought directors with management and operational experience in the industries in which we compete. For example, in the last two years we have added directors with power, aviation, insurance and healthcare expertise.

Investor Experience

To promote strong alignment with our investors, we have added directors who have experience overseeing investments and investment decisions. We believe that these directors can help focus management and the Board on the most critical value drivers for the company, including with respect to setting executive compensation targets and objectives.

Finance & Accounting Experience

GE uses a broad set of financial metrics to measure its performance, and accurate financial reporting and robust auditing are critical to our success. We have added a number of directors who qualify as audit committee financial experts, and we expect all of our directors to have an understanding of finance and financial reporting processes.

Technology Experience

As a digital industrial company and leading innovator, we seek to add additional directors with technology backgrounds because our success depends on developing and investing in new technologies and ideas. Technology experience has become increasingly important as our products become more reliant on digital applications.

Global Experience

We seek directors with global business experience because GE's continued success depends on continuing to grow our businesses outside the U.S. For example, in 2018, 62% of our revenue was attributable to activities outside the United States.

Risk Management Experience

In light of the Board's role in overseeing risk management and understanding the most significant risks facing the company, including cybersecurity risk, we continue to require directors with experience in risk management and oversight.

Government & Regulatory Experience

We have added directors with experience in governmental and regulatory organizations because many of GE's businesses are heavily regulated and are directly affected by governmental and regulatory actions and socioeconomic trends.

DIRECTOR RECRUITMENT PROCESS. Our Governance Committee, together with the full Board is responsible for establishing criteria, screening candidates and evaluating the qualifications of persons who may be considered for service on our Board. The Governance Committee considers all shareowner recommendations for director candidates. We evaluate them in the same manner as candidates suggested by other directors and candidates suggested by third-party search firms, which the company retains from time to time to identify potential candidates. Ms. Reynolds was recommended for the Board by a third-party search firm, and Ms. Lesjak was recommended by a member of management.

The following describes the Board's selection process:

Succession planning: the Governance Committee prioritizes experiences and attributes to support the current and long-term needs of the company, within the context of the current Board structure, diversity, and mix of skills and experience.

Identification of candidates: the Governance Committee engages in a search process to identify qualified director candidates, which process may include the use of an independent search firm, and assesses candidates' skills, experience and background and their alignment with the company's portfolio and strategy.

Interviewing candidates: director candidates are typically interviewed by the Chairman and CEO, Governance Committee Chair and other members of the Governance Committee, as well as other members of the Board and management, as necessary.

Decision and Nomination: after determining that the director candidate meets the priorities established by the Governance Committee and will serve in the best interests of the company and its shareowners, the Governance Committee recommends, and the full Board approves director candidates for appointment to the Board and election by shareowners.

Election: the shareowners consider the nominees and elect directors by majority vote to serve one-year terms.

During 2018 and continuing into 2019, the Governance Committee engaged a third-party search firm to identify qualified director candidates. In light of the broader GE portfolio review and Board self-evaluation, the Governance Committee asked the search firm to focus on candidates with relevant industry experience and finance and accounting expertise, with additional focus on female and otherwise diverse candidates.

How We Assess Board Size

The Governance Committee takes a fresh look at Board size each year, consistent with the Board's Governance Principles (see "Helpful Resources" on page 67). As discussed in last year's proxy statement, following the Board's self-evaluation and in light of the broader GE portfolio review, assessment of trends with peer companies, and taking into account investor feedback, the Board, upon the recommendation of the committee, reduced its size from 18 to 12 directors for the 2018 proxy slate. We anticipate that we will continue to target a Board size of approximately 12 directors, though this number may fluctuate from time to time during director transitions and as we continue to assess the company's strategic priorities. Consistent with this objective, we are also asking shareowners to approve an amendment to our Certificate of Incorporation that would lower the minimum required number of directors on the Board (see "Reduction of Minimum Number of Directors" on page 56).

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How We Assess Director Independence

BOARD MEMBERS. The Board's Governance Principles require all non-management directors to be independent. All of our director nominees (listed under "Election of Directors" on page 12) other than Mr. Culp are independent. Messrs. Beattie and Mulva, who are not standing for reelection, are also independent. Former directors Messrs. Brennan, Dekkers, Henry, Mollenkopf and Rohr and Mses. Hockfield, Jung, Lazarus and Schapiro were independent throughout the period they served on our Board. Mr. Flannery, as our former CEO and chairman, was not independent.

The Board's guidelines. For a director to be considered independent, the Board must determine that he or she does not have any material relationship with GE. The Board's guidelines for director independence conform to the independence requirements in the New York Stock Exchange's (NYSE) listing standards. In addition to applying these guidelines, which you can find in the Board's Governance Principles (see "Helpful Resources" on page 67), the Board considers all relevant facts and circumstances when making an independence determination.

Applying the guidelines in 2018. In assessing director independence for 2018, the Board considered relevant transactions, relationships and arrangements, including relationships among Board members, their family members and the company. For details, see "Relationships and Transactions Considered for Director Independence" below.

COMMITTEE MEMBERS. All members of the Audit Committee, Management Development and Compensation Committee (the Compensation Committee), and Governance Committee must be independent, as defined by the Board's Governance Principles. Some committee members must also meet additional standards:

Heightened standards for Audit Committee members. Under a separate SEC independence requirement, Audit Committee members may not accept any consulting, advisory or other fees from GE or any of its subsidiaries, except compensation for Board service.

Heightened standards for members of the Compensation and Governance Committees. As a policy matter, the Board also applies a separate, heightened independence standard to members of the Compensation and Governance Committees: 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 a subsidiary. In addition, in determining that Compensation Committee members are independent, NYSE rules require the Board to consider their sources of compensation, including any consulting, advisory or other compensation paid by GE or a subsidiary.

The Board has determined that all members of the Audit, Compensation and Governance Committees, as well as the Finance and Capital Allocation Committee (the Finance Committee), are independent and also satisfy applicable committee-specific independence requirements.

RELATIONSHIPS AND TRANSACTIONS CONSIDERED FOR DIRECTOR INDEPENDENCE

			GE Transaction & 2018 Magnitude		
Director/nominee	**Organization**	**Relationship**	**Sales to GE** *<1% of other company's revenues or <$1 million (whichever is greater)*	**Purchases from *GE*** *<1% of other company's revenues*	**Indebtedness to GE** *<1% of GE's assets*
Bazin	AccorHotels	Chair & CEO		N/A	N/A
D'Souza	Cognizant	CEO & director			N/A
Garden	Triland Partners LP	Brother is executive & owner		N/A	N/A
Tisch	Loews (and its consolidated subsidiaries)	President & CEO			
All directors	Various charitable organizations	Executive, director or trustee	***Charitable contributions from GE*** *<1% of the organization's revenues*		

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Board Leadership Structure

An Introduction to How Our Board Operates

The Board is elected by shareowners to oversee management and assure that shareowners' long-term interests are being served. In 2018, there were eight regularly scheduled Board meetings. Beginning in 2019, we expect that the Board will hold six regularly scheduled in-person meetings per year, with regularly scheduled calls between meetings. A significant portion of the Board's oversight responsibilities is carried out through its independent committees.

Board Leadership Structure

GE believes that independent board oversight is an essential component of strong corporate performance. We also believe that the decision as to whether the positions of Chairman and CEO should be combined or separated, and whether an executive or an independent director should serve as the Chairman should be based upon the circumstances facing the company. Maintaining flexibility on this policy allows the Board to choose the leadership structure that will best serve the interests of the company and its shareowners at any particular time.

WHY OUR BOARD LEADERSHIP STRUCTURE IS APPROPRIATE FOR GE AT THIS TIME. Our CEO serves as the Chairman of the Board. An independent director serves as the Board's lead director, with broad authority and responsibility over Board governance and operations. The Board regularly reviews its leadership structure, and during the company's recent CEO transition in September 2018, the Board discussed whether to continue to combine or to split the Chairman and CEO roles (as it did leading up to the CEO transition in June 2017). After considering various stakeholder perspectives, the Board determined that appointing Mr. Culp as Chairman and CEO and appointing Mr. Horton as lead director was in the best interests of the company and its shareowners. In the Board's view, this structure allows Mr. Culp to drive strategy and agenda setting at the Board level, while maintaining responsibility for executing on that strategy as CEO. At the same time, our lead director Mr. Horton works with Mr. Culp to set the agenda for the Board and also exercises additional oversight on behalf of the independent directors. The Board will continue to monitor the appropriateness of this structure.

HOW WE SELECT THE LEAD DIRECTOR. The Governance Committee considers feedback from the current lead director, our Board members and the chairman, and then makes a recommendation to the Board's independent directors. The independent directors elect the lead director, taking into account the recommendation of the committee. Tom Horton, former chairman and CEO of American Airlines, was elected as the lead director in September 2018. Under the Board's Governance Principles, Mr. Horton also serves as chair of the Compensation Committee. In the event of Mr. Horton's incapacity, the chair of the Governance Committee would serve as the lead director until the independent directors selected a new lead director.

The Lead Director's Role

The lead director focuses on overseeing the Board's processes and prioritizing the right matters. Specifically, the lead director has the following responsibilities (and may also perform other functions at the Board's request), as detailed in the Board's Governance Principles:

Board leadership — provides leadership to the Board in any situation where the chairman's role may be perceived to be in conflict, and chairs meetings when the chairman is absent

Leadership of independent director meetings — leads independent director meetings, which are scheduled at least three times per year (in addition to the numerous informal sessions that occur throughout the year) without any management directors or GE employees present

Additional meetings — calls additional Board or independent director meetings as needed

Chairman-independent director liaison — regularly meets with the chairman and serves as liaison between the chairman and the independent directors

Shareowner communications — makes himself/herself available for direct communication with our major shareowners

Board priorities — works with the chairman to propose an annual schedule of major Board discussion items

Board agenda, schedule & information — approves the agenda, schedule and information sent to directors

Board governance processes — works with the Governance Committee to guide the Board's governance processes, including succession planning and the annual Board self-evaluation

Board leadership structure review — oversees the Board's periodic review and evaluation of its leadership structure

Chairman evaluation — leads annual chairman evaluation

Committee chair selection — advises the Governance Committee in choosing committee chairs

Chairman of the Board & CEO

Lead Director elected solely by Independent Directors

Lead Director
also serves as: Compensation Committee Chair

The chairs of our Audit, Finance and Governance Committees are also independent

CONSIDERATIONS IN SELECTING CURRENT LEAD DIRECTOR

Tom Horton

Mr. Horton was elected to our Board at the 2018 annual meeting. During his tenure on our Board, he has established strong working relationships with his fellow directors and garnered their trust and respect. As a relatively new director, he brings a fresh perspective to the Board. Furthermore, he has demonstrated strong leadership skills, independent thinking and a deep understanding of our businesses and their industries.

The Board's decision to select Mr. Horton as lead director took into account the tenures and capabilities of each independent director along with a potential candidate's willingness and ability to serve as lead director, understanding that the position entails significant responsibility and time commitment. The Board considered that Mr. Horton also serves as lead independent director for Walmart. However, the fact that Walmart also has a separate board chairman mitigated concerns about Mr. Horton's ability to dedicate sufficient time to the role as GE's lead director.

Board Operations

Full Board

Chairman	**Lead Director**
Larry Culp	Tom Horton

Members

Bazin
Beattie
Culp
D'Souza
Garden
Horton
Lavizzo-Mourey
Lesjak
Mulva
Reynolds
Seidman
Tisch

15 meetings in 2018
(including 4 independent director meetings)

In 2018 and the first few months of 2019, the Board focused on:

- Leadership transitions, particularly for the CEO
- Reviewing GE's portfolio and future company strategy
- Capital structure and liquidity, particularly reducing leverage and de-risking the balance sheet
- Business performance reviews, particularly in Power
- GE Capital and Insurance
- Sale of BioPharma business
- Separation of Transportation, BHGE and Healthcare
- Cybersecurity

Board Members Are Encouraged to Visit at Least Two GE Businesses Per Year

GE PRACTICE. We encourage our directors to meet with GE senior managers throughout the company. To facilitate this contact, directors are encouraged to make at least two visits to GE businesses each year, typically unaccompanied by corporate management. Priority goes to those businesses identified as strategically important during the company's annual financial and strategic planning sessions as well as any that were recently acquired or are a particular focus of risk oversight. These visits also serve as an important tool in the Board's succession planning process for the CEO and the rest of the senior leadership team.

7 BUSINESS VISITS IN 2018

UNITED STATES

Additive, Cincinnati, Ohio
Aviation, Cincinnati, Ohio
GE Capital, Norwalk, Connecticut
Healthcare, Milwaukee, Wisconsin
Power, Greenville, South Carolina
Power, Atlanta, Georgia

ASIA

Healthcare, Beijing, China

A Typical GE Board Meeting

During 2018, the Board held 8 regularly scheduled, in-person meetings, with 7 special meetings. Beginning in 2019, we expect the Board to hold 6 in-person meetings per year.

BEFORE THE MEETING

Board committee chairs: prep meetings with management, auditors and outside advisors

Management: internal prep meetings

THURSDAY (DAY 1)

Daytime: Board committee meetings

Evening: Business presentations & dinner (Board interacts directly with senior business managers)

FRIDAY (DAY 2)

Early morning:
independent directors’ breakfast session

Late morning:
full Board meeting (including reports from each committee chair) followed by an executive session

AFTER THE MEETING

Management: follow-up sessions to discuss & respond to Board requests

Board Committees

COMMITTEE COMPOSITION

Listed below are the current members of each committee. We anticipate that after the annual meeting, the Finance Committee will be dissolved and its responsibilities will be reallocated to the Board and Audit Committee. This decision was made in light of the smaller Board size and the desire to involve the entire Board early on in key discussions on capital allocation and strategic priorities.

Independence. All committee members satisfy the NYSE's and GE's definitions of independence.

Financial acumen. Mses. Reynolds and Seidman and Messrs. Beattie and Mulva are "audit committee financial experts" (per SEC rules), and each of these directors are "financially literate" (per NYSE rules). After the annual meeting, we expect that Ms. Seidman will become the Audit Committee Chair. We expect that Ms. Lesjak will join the Audit Committee at its next meeting. The Board has determined that Ms. Lesjak is also an "audit committee financial expert" and that she is "financially literate."

COMMITTEE OPERATIONS

Each committee meets periodically throughout the year, reports its actions to the Board, receives reports from senior management, annually evaluates its performance and can retain outside advisors. Formal meetings are typically supplemented with additional calls and sessions.

COMMITTEE RESPONSIBILITIES

The primary responsibilities of each committee are listed below. For more detail, see the Governance Principles and committee charters (see "Helpful Resources" on page 67).

Audit

Chair:
Geoff Beattie

Members
Mulva
Reynolds*
Seidman
12 meetings in 2018

*Ms. Reynolds joined the Audit Committee in February 2019.

Key Priorities for 2018

- New revenue recognition standard
- Goodwill recoverability
- Insurance
- Long-term service agreement accounting
- Financial reporting changes
- Oversight of significant litigation and investigations

Key Oversight Responsibilities

- Independent auditor engagement
- Financial reporting and accounting standards
- Internal audit functions
- Disclosure and internal controls
- Enterprise risk management
- Compliance and integrity programs

Finance & Capital Allocation

Chair:
Jim Mulva

Members
Bazin
Garden
Seidman
Tisch
14 meetings in 2018

Key Priorities for 2018

- Portfolio assessment and M&A activity
- GE Capital portfolio and risk
- Funding options for Insurance
- Investments and uses of cash

Key Oversight Responsibilities

- Capital allocation and liquidity
- Dispositions and M&A activity
- Financial and capital structure risks
- Organic investments
- Dividends and buybacks
- Pension liabilities

Governance & Public Affairs

Chair:
Risa Lavizzo-Mourey

Members
Bazin
D'Souza
Horton
Tisch
9 meetings in 2018

Key Priorities for 2018

- Reviewing GE's leadership structure
- Identifying new directors for GE and in connection with portfolio transactions
- Board governance processes
- Political/lobbying strategy
- Environmental, human rights and supply chain practices

Key Oversight Responsibilities

- Director recruitment
- Board committee structure and membership

Management Development & Compensation

Chair:
Tom Horton

Members
Beattie
D'Souza
Garden
Lavizzo-Mourey
14 meetings in 2018

Key Priorities for 2018

- Overseeing the CEO succession process
- Succession for other senior management
- Recruitment and retention of critical talent
- Ongoing review of employee benefit programs

Key Oversight Responsibilities

- CEO and senior executive performance evaluations

- Annual Board self-evaluation
- Conflict-of-interest reviews
- Director compensation
- Environmental, social and governance issues
- Political spending and lobbying disclosure

- CEO and senior executive compensation
- Executive succession planning
- Development and selection of senior management
- Incentive compensation programs

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Board Governance Practices

Our Board seeks to operate with the highest degree of effectiveness, supporting a dynamic boardroom culture of independent thought and intelligent debate on critical matters. We take a comprehensive, year-round view of corporate governance and our adoption of best practices impacts our leadership structure, Board composition and recruitment, director engagement, and accountability to shareowners. Our Board and committee evaluation process allows for annual assessment of our Board practices and the opportunity to identify areas for improvement.

How We Evaluate the Board's Effectiveness

ANNUAL EVALUATION PROCESS

The Governance Committee oversees and approves the annual formal Board evaluation process and determines whether it is appropriate for the evaluations to be conducted by the lead director or an independent consultant each year. In 2018, the evaluation process was conducted by Mr. Culp while he was lead director.

EVALUATION QUESTIONNAIRES

Directors completed written questionnaires focusing on the performance of the Board and each of its committees.

INDIVIDUAL INTERVIEWS

The lead director conducted a one-on-one interview with each member of the Board focused on:

- reviewing the Board's and its committees' performance over the prior year; and
- identifying areas for potential enhancements of the Board's and its committees' processes going forward.

DISCUSSION OF RESULTS

The lead director reviewed the questionnaire and interview responses with the full Board.

USE OF FEEDBACK

The Board and each of its committees developed plans to take actions based on the results, as appropriate.

CHANGES IMPLEMENTED

Based on the 2018 evaluation process, the Board has changed its practices in the following ways:

- Reducing the number of scheduled in-person meetings, adding supplementary, periodic Board calls
- Changing the format of information presented at meetings
- Dissolving the Finance Committee and reallocating its responsibilities to the full Board and Audit Committee

The 2018 evaluation process also informed our Board and committee composition, which includes prioritization of the director skills and experience criteria to meet the anticipated needs of GE's portfolio.

Key Board Responsibilities

Oversight of Risk

A disciplined approach to risk is important in a diversified organization like ours to ensure that we are executing according to our strategic objectives and that as a company we only accept risk for which we are adequately compensated.

Board of Directors

The Board has oversight for risk management at GE with a focus on the most significant risks facing the company, including strategic, operational, financial, legal and compliance, and cybersecurity risks. 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.

AUDIT COMMITTEE

Oversees risks related to:

- policies and processes relating to the financial statements, financial reporting processes, regulatory, compliance and litigation risks and auditing
- the company's enterprise risk management program and risk assessment
- the annual audit plan for the company's internal audit function, prioritizing audit focus areas based on their potential risk

FINANCE COMMITTEE

Oversees risks related to:

- the company's capital allocation framework, including sources and uses of cash and capital generation and allocation versus targets and plans
- capital structure
- the competitive landscape for GE's products and services
- significant exposures related to customers, counterparties or projects

GOVERNANCE COMMITTEE

Oversees risks related to:

- the company's governance structure and processes
- related-person transactions
- public policy activities and positions on corporate social responsibilities
- the company's environmental, health and safety compliance and related risks, including climate change
- reputational and other risks to the GE brand

COMPENSATION COMMITTEE

Oversees risks related to:

- management resources and structure, including retention, recruitment and succession planning
- executive compensation to confirm that pay arrangements do not encourage excessive risk taking
- the relationship between risk management policies and practices, corporate strategy and senior executive compensation

With the dissolution of the Finance Committee in April 2019, we expect the risk areas overseen by that committee to transition to the full Board and the Audit Committee.

Management

The Board's risk oversight process builds upon management's risk assessment and mitigation processes, which include reviews of strategic and operational planning; executive development and evaluation; compliance under the company's code of conduct, The Spirit & The Letter, laws and regulations; the company's integrity programs; health, safety and environmental compliance;

financial reporting and controllership; and information technology and cybersecurity programs.

Oversight of Corporate Strategy

The Board has oversight responsibility for management's establishment and execution of corporate strategy. During 2018, the Board conducted several in-depth reviews of the company's overall strategy. As GE continues to transform its portfolio and operations, the Board works with management to respond to a dynamically changing environment. Elements of strategy are addressed in every regularly-scheduled Board meeting and embedded in the focused expertise of the Board committee meetings. At all of these reviews, the Board engages with senior management regarding operational objectives, the competitive landscape, market challenges, economic trends and regulatory developments. At meetings occurring throughout the year, the Board also assesses the company's budget and financial allocation plan, mergers and acquisitions, and performance for alignment to our strategic plan.

Oversight of Succession Planning and Human Capital Management

The Board believes that human capital management and succession planning, including diversity and inclusion initiatives are important to the company's success. Our Board's involvement in leadership development and succession planning is ongoing, and the Board provides input on important decisions in each of these areas. The Board has primary responsibility for succession planning for the CEO and oversight of other senior management positions. The Compensation Committee oversees the development of the process, and the Board meets regularly with high-potential executives.

Oversight of Environmental, Social and Governance (ESG) Matters

The Board and its committees oversee the execution of GE's sustainability strategy and initiatives as part of their oversight of the company's business strategy and risk management. In particular, the Governance Committee assists the Board in its oversight of corporate social responsibilities, significant public policy issues, climate change-related trends, environmental, health & safety (EHS) matters and political contributions.

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How We Get Feedback from Investors

Our Investor Engagement Program

We conduct extensive governance reviews and investor outreach throughout the year involving our directors, senior management, investor relations and legal departments. This helps management and the Board understand and focus on the issues that matter most to our shareowners so GE can address them effectively.

How the Board Receives Direct Feedback from Major Institutional Investors

STRATEGY AND BUSINESS MATTERS. From time to time, the company invites major institutional investors to meet with GE's independent directors. This complements management's investor outreach program and allows directors to directly solicit and receive investors' views on GE's strategy and performance.

GOVERNANCE AND COMPENSATION MATTERS. Our lead director regularly accompanies management on its governance-focused roadshow with a number of significant investors. In 2018, our lead director participated in discussions with a number of our largest investors to discuss the recent CEO transition and to solicit feedback on the Board's composition, executive compensation programs and the Board's role in overseeing the company's strategy and portfolio transformation.

How We Incorporated Investor Feedback Over the Past Year

In 2018, we sought feedback from investors on a number of issues, and the Board decided to:

- Critically review the company's strategy and portfolio, narrowing our focus to strengthen our businesses to improve top-line and bottom-line performance;
- Take action to reduce the company's leverage and debt outstanding;
- Continue our ongoing Board refreshment, adding directors with relevant industry experience and skill sets;
- Simplify our executive compensation programs to increase focus on fewer key performance metrics; and
- Lay the groundwork for going to bid for our independent auditor.

Investor Outreach and Our 2018 Say-On-Pay Vote

At our 2018 annual meeting, 92% of shareowners expressed support for the compensation of our named executives. Following the meeting, we met with our largest investors to review compensation actions for the past year and discuss our say-on-pay vote. This feedback indicated that investors were supportive of the following actions by the Compensation Committee:

- Declining to pay bonuses to senior Corporate leaders in 2017;
- Shifting our pay programs to deliver a greater percentage of executive compensation in the form of equity rather than cash;
- Eliminating the cash-based long-term performance awards program; and
- Simplifying the performance metrics used across our compensation programs.

As part of its assessment of GE's executive compensation programs, the Compensation Committee reviewed these voting results, evaluated investor feedback and considered other factors discussed in this proxy statement, including the alignment of our compensation program with the long-term interests of our shareowners and the relationship between risk-taking and the incentive compensation we provide to our named executives.

After considering these factors, and based on additional feedback from our investors, the committee decided to take the following actions to increase management accountability and more closely align management's interests with shareowners:

- Continuing to deliver a greater percentage of executive compensation in the form of equity rather than cash;
- Tying annual bonuses for leaders within the businesses to their results, rather than company-wide performance;
- Continuing to grant Performance Share Units (PSUs) across our senior executive ranks; and
- Tying Mr. Culp's inducement grant of PSUs to a recovery of GE's share price over a four-year period.

HOW YOU CAN COMMUNICATE WITH YOUR BOARD

The Audit Committee and the independent directors have established procedures to enable anyone who has a comment or concern about GE's conduct — including any employee who has a concern about our accounting, internal accounting controls or auditing matters — to communicate that comment or concern directly to the lead director or to the Audit Committee. Information on how to submit these comments or concerns can be found on GE's website (see "Helpful Resources" on page 67).

Other Governance Policies & Practices

Director Attendance at Meetings

The Board expects directors to attend all meetings of the Board and the committees on which the director serves as well as the annual shareowners meeting.

BOARD/COMMITTEE MEETINGS. In 2018, each of our current directors attended at least 75% of the meetings held by the Board and committees on which the member served during the period the member was on the Board or committee.

ANNUAL SHAREOWNERS MEETING. All 12 of our director nominees for 2018 attended the 2018 annual meeting.

Board Integrity Policies

CODE OF CONDUCT. All directors, officers and employees of GE must act ethically at all times and in accordance with GE's code of conduct (contained in the company's integrity policy, The Spirit & The Letter). Under the Board's Governance Principles, the Board does not permit any waiver of any ethics policy for any director or executive officer. The Spirit & The Letter, and any amendments to the code that we are required to disclose under SEC rules, are posted on GE's website (see "Helpful Resources" on page 67).

CONFLICTS OF INTEREST. All directors are required to recuse themselves from any discussion or decision affecting their personal, business or professional interests. If an actual or potential conflict of interest arises, the director is required to promptly inform the CEO and the lead director. The Governance Committee reviews any such conflict of interest. If any significant conflict cannot be resolved, the director involved is expected to resign.

Limits on Director Service on Other Public Boards

GE POLICY. As discussed in detail in the Board's governance documents, and summarized in the table below, the Board has adopted policies to ensure that all of our directors have sufficient time to devote to GE matters.

	Permitted # of public company boards (including GE)
Public company CEOs	3
Other directors	5

	Permitted # of public company audit committees (including GE)
Audit Committee Chair	2
Audit Committee member	3

	Other restrictions
Lead director	Absent special circumstances should not serve as lead director, chairman or CEO of another public company

HOW WE APPLIED TO BAZIN. Mr. Bazin is in compliance with GE's policy on public board service as he serves on three public company boards, including GE. In assessing the time commitment for these boards, we note that Mr. Bazin serves on two of those boards in connection with his role as Chairman and CEO of AccorHotels. In addition to serving as the Chairman of Accor, he serves on the board of Huazhu Group Limited (formerly known as China Lodging Group), in which Accor owns a stake. Accor and Huazhu Group have also entered into a strategic alliance pursuant to which Huazhu Group is the master franchiser for Accor's economy hotel business in China.

HOW WE APPLIED TO REYNOLDS. Ms. Reynolds is in compliance with GE's policy on public board service as she serves on five public company boards as of the date of this proxy, including GE. However, we currently expect that she will not stand for reelection to two of those boards this spring to ensure she is able to dedicate ample time to the GE Board. Following a brief transition period, we expect that she will only serve on two public company boards in addition to GE and as a result will serve on no more than three audit committees (she currently serves on three audit committees in addition to GE).

HOW WE APPLIED TO TISCH. The Board determined to waive the first limitation for Mr. Tisch, who is CEO of Loews, because the three other public company boards on which he serves are all within Loews's consolidated group of companies. Loews is a diversified holding company whose business operations are entirely conducted through its subsidiaries. Two of these subsidiaries, CNA Financial (89% owned) and Diamond Offshore Drilling (53% owned), accounted for approximately 80% of Loews's revenues over the past three years. Mr. Tisch serves on the boards of these subsidiaries and on the holding company's board. Since Mr. Tisch's responsibilities as a board member of these companies are integrally related to and subsumed within his role as CEO of Loews, the Board believes that this board service does not meaningfully increase his time commitments or fiduciary duties, as would be the case with service on unaffiliated public company boards.

HOW WE APPLIED TO HORTON. In appointing Mr. Horton as lead director, the Board considered the fact that Mr. Horton is also the lead director for Walmart, and for a brief period during 2018, was also the lead director at Qualcomm (a position in which he no longer serves). In reviewing Mr. Horton's time commitment at Walmart, the Board noted that Walmart separates the roles of Chairman and CEO, mitigating the potential time commitment of the lead director. The Board determined that Mr. Horton could serve in both roles under the circumstances.

Independent Oversight of Political Spending

The Governance Committee, composed solely of independent directors, oversees the company's political spending and lobbying. This includes political and campaign contributions as well as any contributions to trade associations and other tax-exempt and similar organizations that may engage in political activity. As part of its oversight role in public policy and corporate social responsibility, the committee is responsible for the following:

Policy oversight. A yearly review of GE's political spending policies and lobbying practices.

Budget oversight. Approval of GE's annual budget for political activities.

Reporting. Issuance of a yearly report on the company's political spending, which is updated bi-annually and made available on our ESG website (see "Helpful Resources" on page 67).

INCREASED TRANSPARENCY. In 2018, the Governance Committee decided to further enhance the company's political spending disclosures by disclosing the names of all trade associations receiving more than $50,000 from the company, including the portion of the company's payment used for lobbying or political expenditures, as well as any contributions to 501(c)(4)s, beginning with contributions made in 2018. Political spending by the company has declined in recent years, and in 2018 no corporate funds were contributed to political campaigns, committees or candidates for public office.

HOW YOU CAN FIND MORE INFORMATION ABOUT OUR GOVERNANCE PRACTICES

Each year we review GE's governance documents and modify them as appropriate. These documents include the Board's Governance Principles — which include our director qualifications and director independence guidelines — as well as Board committee charters. The web links for these materials can be found under "Helpful Resources" on page 67.

Related Person Transactions

HOW WE REVIEW AND APPROVE TRANSACTIONS. We review all relationships and transactions in which the company and our directors and executive officers or their immediate family members participate if the amount involved exceeds $120,000. The purpose of this review is to determine whether they have a material interest in the transaction, including an indirect interest. The company's legal staff is primarily responsible for making these determinations based on the facts and circumstances, and for developing and implementing processes and controls for obtaining information about these transactions from directors and executive officers. As SEC rules require, we disclose in this proxy statement all such transactions that are determined to be directly or indirectly material to a related person. In addition, the Governance Committee reviews and approves or ratifies any such related person transaction. As described in the Governance Principles, which are available on GE's website (see "Helpful Resources" on page 67), in the course of reviewing and approving or ratifying a disclosable related person transaction, the committee considers the factors in the box below.

FACTORS USED IN ASSESSING RELATED PERSON TRANSACTIONS

Nature of related person's interest in transaction

Material transaction terms, including amount involved and type of transaction

Importance of transaction to related person and GE

Whether transaction would impair a director or executive officer's judgment to act in GE's best interest

Any other matters the committee deems appropriate, including any third-party fairness opinions or other expert reviews obtained in connection with the transaction

TRANSACTIONS FOR 2018. During 2016, Triland Partners Limited Partnership, a company in which Mr. Garden's brother, Thomas Garden, is the managing general partner and sole owner, entered into transactions with a GE affiliate for the development and acquisition of certain renewable energy projects. These transactions were entered into before Mr. Garden joined the Board, and payments to Triland Partners by the GE affiliate during 2018 for reimbursable expenses, overhead, and profit were $358,000.

Stock Ownership Information

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (Exchange Act) requires GE's directors and executive officers, and persons who beneficially own more than 10% of our common or preferred stock, to file reports with the SEC regarding their initial stock ownership and changes in their ownership.

GE PRACTICES. As a practical matter, GE assists its executive officers and directors (other than Mr. Garden whose filings are made on his behalf by personnel at Trian Fund Management, L.P. (Trian)) by monitoring transactions and completing and filing Section 16 reports on their behalf.

TIMELINESS OF 2018 REPORTS. Based solely on a review of the reports filed for fiscal 2018 and related written representations, we believe that all of our executive officers and directors filed the required reports on a timely basis under Section 16(a).

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Common Stock & Total Stock-Based Holdings Table

The following table includes all GE stock-based holdings, as of December 31, 2018, of our directors and nominees, named executives, current directors and executive officers as a group, and beneficial owners of more than 5% of our common stock.

Directors & Nominees	**Common Stock**	**Total**
Sébastien Bazin	0	48,962
W. Geoffrey Beattie	885,062	1,051,492
Francisco D'Souza	151,500	235,757
Edward Garden	70,851,055	70,872,144
Thomas Horton	0	15,558
Risa Lavizzo-Mourey	15,000	44,719
Catherine Lesjak	0	0
James Mulva	4,105	192,484
Paula Rosput Reynolds	15,800	18,645
Leslie Seidman	0	25,675
James Tisch	3,540,000	3,662,843
Total	**75,462,522**	**76,167,919**

	Common Stock		
Named Executives	**Stock**	**Options**	**Total**
Larry Culp	598,392	0	5,612,280
Jamie Miller	303,647	1,175,000	2,251,114
John Flannery	688,641	2,920,000	3,968,974
Michael Holston	0	0	1,253,800
David Joyce	678,902	3,684,000	4,678,350
Kieran Murphy	96,674	424,999	1,628,474
Total	**2,366,256**	**8,203,999**	**19,392,992**

Current Directors & Executives	**Common Stock**	**Total**
As a group (20 people)	86,720,023	98,782,878

5% Beneficial Owners	**Common Stock**
BlackRock, Inc.	534,092,757
The Vanguard Group	652,363,722
Total	**1,186,456,479**

PERCENTAGE OWNERSHIP

No director or named executive owns more than one-tenth of 1% of the total outstanding shares of GE common stock, other than Mr. Garden, who may be deemed to indirectly beneficially own 0.8% of our outstanding shares as a result of his affiliation with Trian (see note 1 below).

BlackRock and Vanguard own 6.1% and 7.5%, respectively, of our total outstanding shares.

COMMON STOCK. This column shows beneficial ownership of our common stock as calculated under SEC rules. Except to the extent noted below, everyone included in the table has sole voting and investment power over the shares reported. None of the shares are pledged as security by the named person, although standard brokerage accounts may include non-negotiable provisions regarding set-offs or similar rights.(1) For the named executives, this column also includes shares that may be acquired under stock options that are currently exercisable or will become exercisable within 60 days (see the Options sub column).

TOTAL. This column shows the individual's total GE stock-based holdings, including voting securities shown in the Common Stock column (as described above), plus non-voting interests that cannot be converted into shares of GE common stock within 60 days, including, as appropriate, PSUs, RSUs, DSUs, deferred compensation accounted for as units of GE stock, and stock options. PSUs include awards granted in 2016 that were ultimately cancelled in February 2019. As described under "Director Compensation" on page 54, directors must hold the DSUs included in this column until one year after leaving the Board.

COMMON STOCK & TOTAL. Both columns include the following shares over which the named individual has shared voting and investment power through family trusts or other accounts: Beattie (885,062),(2) Culp (598,392), Garden (70,851,055),(3) Mulva (4,105), Reynolds (4,300) and Tisch (3,540,000).(4)

CURRENT DIRECTORS & EXECUTIVES. These columns show ownership by our current directors and executive officers (therefore excluding any shares owned by Mr. Flannery). This row includes: (1) 8,866,699 shares that may be acquired under stock options that are or will become exercisable within 60 days, (2) 445,145 RSUs that vest within 60 days, and (3) 75,882,914 shares over which there is shared voting and investment power. Current directors and executive officers as a group own approximately 1.0% of GE's total outstanding shares, including those shares owned by the Trian Entities (as defined below).

5% BENEFICIAL OWNERS. This column shows shares beneficially owned by BlackRock, Inc., 55 East 52nd Street, New York, NY 10055, and The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355, as follows:

(# of shares)	**BlackRock**	**Vanguard**
Sole voting power	463,419,559	10,057,066
Shared voting power	0	1,948,789
Sole investment power	534,092,757	640,522,717
Shared investment power	0	11,841,005

The foregoing information is based solely on a Schedule 13G/A filed by BlackRock with the SEC on February 5, 2019, and a Schedule 13G/A filed by Vanguard with the SEC on February 11, 2019, as applicable.

(1) For Mr. Garden, this column refers to the 70,851,055 shares owned by the Trian Entities (as defined below). Trian, an institutional investment manager, serves as the management company for Trian Partners, L.P., Trian Partners Master Fund, L.P., Trian Partners Master Fund (ERISA), L.P., Trian Partners Parallel Fund I, L.P., Trian Partners Strategic Investment Fund II, L.P., Trian Partners Strategic Investment Fund-A, L.P., Trian Partners Strategic Investment Fund-N, L.P., Trian Partners Strategic Investment Fund-D, L.P., Trian Partners Strategic Fund-G II, L.P., Trian Partners Strategic Fund G-III, L.P., Trian Partners Co-Investment Opportunities Fund, Ltd., Trian SPV (Sub) X, L.P., Trian Partners Strategic Fund-K, L.P. and Trian Partners Strategic Fund-C, Ltd. (collectively, the Trian Entities) and as such determines the investment and voting decisions of the Trian Entities with respect to the shares of the company held by them. None of such shares are held directly by Mr. Garden. Of such shares, 38,719,539 shares are currently held in the ordinary course of business with other investment securities owned by the Trian Entities in co-mingled margin accounts with a prime broker, which prime broker may, from time to time, extend margin credit to certain Trian Entities, subject to applicable federal margin regulations, stock exchange rules and credit policies. Mr. Garden is a member of Trian Fund Management GP, LLC, which is the general partner of Trian, and therefore is in a position to determine the investment and voting decisions made by Trian on behalf of the Trian Entities. Accordingly, Mr. Garden may be deemed to indirectly beneficially own (as that term is defined in Rule 13d-3 under the Exchange Act) the shares owned by the Trian Entities. Mr. Garden disclaims beneficial ownership of such shares for all other purposes.

(2) For Mr. Beattie, this refers to 16,390 shares owned by family trusts, 68,672 shares held through a holding company and 800,000 shares held through an investment company. Mr. Beattie disclaims beneficial ownership of those shares held through the investment company.

(3) As described in note 1 above, these shares are owned by the Trian Entities.

(4) For Mr. Tisch, this refers to 540,000 shares owned by a Tisch family trust and 3,000,000 shares owned by Loews Corporation, of which Mr. Tisch is the CEO, President, a director and shareholder. Mr. Tisch disclaims beneficial ownership of the shares owned by Loews Corporation except to the extent of his pecuniary interest, if any, in those shares.

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Environment, Social and Governance (ESG)

How We Work

GE delivers innovative solutions and services to provide essential infrastructure for the world. We work with the highest integrity, a compliance culture and respect for human rights while also improving the impact of our technology and environmental footprint. Our advanced technology improves lives and offers our customers world class, efficient solutions to power communities, improve the healthcare ecosystem, and transport people across the globe.

ESG Framework

GOVERNANCE

The Governance Committee oversees GE's ESG program.

CLIMATE

We believe that GE is uniquely positioned to contribute to efforts to reduce greenhouse gas emissions. As the company that has led the way in innovation for over a century, GE can deliver technology for the world to meet the emissions reduction targets called for by the 2015 Paris Agreement and achieve the long-term goal of sustainable development. With a global installed base of almost 70,000 aircraft engines, more than 7,000 gas turbines, more than 40,000 onshore wind turbines and more than 4 million healthcare systems, GE products and services improve lives, protect the environment, and give our customers world class and efficient solutions. We also lead by example—reducing our greenhouse emissions by 27% and water use by 25% since 2011—as part of our longstanding commitment to environmental stewardship, human rights, and a culture of integrity and compliance.

Our innovative solutions help countries achieve their carbon reduction goals:

GE9x Engine

The GE9X jet engine will power Boeing's long-range 777X and be the largest aircraft engine ever produced. It is designed to generate 10% less CO2 greenhouse gas emissions and 45% less smog-causing emissions than the GE90–115B engine it replaces.

Reservoir Energy Storage

GE's Reservoir is a flexible, compact energy storage platform for the grid. As clean but variable power sources like wind and solar start to become a larger part of the energy matrix, energy storage can help keep the grid in balance and increase power availability. The fundamental building block for the platform is the 1.2-megawatt, 4 megawatt-hour Reservoir storage unit, which enables up to 15% longer battery lifecycle than previous systems and holds enough energy to provide power to a community of 120 homes for an entire day.

Haliade-X Offshore Wind Turbine

The Haliade-X 12-megawatt turbine will be capable of powering 16,000 homes and producing 67 gigawatt-hours per year, based on wind conditions of a typical German North Sea site. That represents 45% more energy than any other offshore wind turbine available today.

ENVIRONMENT, HEALTH & SAFETY (EHS)

EHS excellence is fundamental to who we are, and we are committed to protecting our people, our communities and the GE brand. We hold ourselves to the same high expectations and standards everywhere we work, and we assess the EHS impacts of our businesses globally before, during and after operations. We will report our 2018 greenhouse gas and water reduction progress in the second quarter of 2019 on GE's ESG webpages (see "Helpful Resources" on page 67).

KEY INDICATORS

INJURY & ILLNESS INCIDENT RATE[a]	REPORTABLE ENVIRONMENTAL EVENTS[b]

[a] Based on 100 employees working 200,000 hours annually.

[b] All reportable environmental events, including spills, releases, air and wastewater exceedances.

COMPLIANCE & INTEGRITY

Effective compliance depends on culture and leadership. We view our reputation for integrity and compliance as a competitive and recruiting advantage, and we expect our leaders from the top down to create a culture of compliance. We are committed to an open reporting environment in which employees are encouraged to promptly raise concerns without fear of retaliation. Our integrity policy, The Spirit & The Letter, details the expectations of everyone who works for or represents GE, in specific areas such as improper payments, working with governments, competition law, international trade compliance, cybersecurity and privacy and fair employment practices.

KEY INDICATORS

OPEN REPORTING POLICY CONCERNS REPORTED

DISCIPLINARY ACTIONS IN RESPONSE(a)

(a) Actions in response to closed matters through January 2019. Actions correspond to year in which concern was reported, not necessarily year action was taken.

We view the number of concerns reported through our internal open reporting program (including, in some circumstances, increases in the number of concerns reported) as one of the best indicators of the GE culture of integrity. When employees report integrity concerns, they make GE stronger and help prevent small issues from becoming problems.

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HUMAN CAPITAL MANAGEMENT

Human capital management and succession planning, including diversity and inclusion initiatives, are key to GE's success. We need great ideas, innovation and leadership to stay current and relevant. GE is an equal opportunity employer, and we are committed to making employment decisions without regard to race, color, religion, national or ethnic origin, sex, sexual orientation, gender identity or expression, age, disability, protected veteran status or other characteristics protected by law. We seek to retain our employees through competitive compensation, benefits and challenging work experiences with increasing levels of responsibility.

In June 2018, we announced our plan to make our businesses the center of our operations and reduce corporate headquarters to focus on strategy and execution, capital allocation, talent development and governance. As part of that transition, we are seeking to find the right balance of skills and manpower both inside the company and sourced from third-parties.

Attracting and retaining key talent is a high priority for our Board. These efforts include assessing the allocation of talent across the company, better accountability, and better alignment of compensation. This period of transition presents challenges, but we believe these changes will empower our people, reduce complexity and increase employee satisfaction.

HUMAN RIGHTS & SUPPLY CHAIN

GE is proud to be a leader in promoting respect and support for human rights across our operations—from our supply chain to our products. We were among the first global brands to publish a Statement of Principles on Human Rights. We have been an active member of the UN Global Compact, the world’s leading corporate sustainability initiative, for over a decade. GE also co-founded the Global Business Initiative on Human Rights, a forum for multinationals to openly discuss human rights challenges and leverage best practices. At GE, we collaborate in search of practical ways to address some of the world’s most complex human rights challenges. We drive better outcomes through our partnership with suppliers, peers, and other stakeholders. In particular, we are committed to efforts to prevent forced labor where we operate, including through an extensive global supply chain audit program and collaboration with global associations. Suppliers are critical partners in GE’s value chain. As a global company, our supply chain includes locations where environmental, health, safety, labor, human rights, and other practices could be problematic. Our Supplier Integrity Guide governs all facets of our relationships with suppliers and includes specific prohibitions against forced, prison or indentured labor and against subjecting workers to any form of compulsion, coercion or human trafficking.

PHILANTHROPY – GE FOUNDATION

The GE Foundation, the philanthropic organization of GE, is committed to transforming our communities and shaping the diverse workforce of tomorrow by leveraging the power of GE. The GE Foundation created the concept of a corporate matching gift program in 1954 to empower employees in their personal philanthropy and charitable giving. The program supports giving by employees by providing a 1:1 match, up to $5,000 per employee. Today, the GE Foundation Matching Gifts Program continues to serve as an important element of the Foundation’s portfolio, with gifts matched in 2018 totaling $59 million.

FOCUS AREAS

The GE Foundation is developing skills by bringing innovative learning in community health globally and science, technology, engineering and mathematics (STEM) education, scaling what works, and building sustainable solutions. For example, a $25 million commitment to Safe Surgery 2020 aims to improve surgical capacity, leadership and innovation in developing countries in Africa and Southeast Asia. In addition, the GE Foundation made a $25 million commitment to drive STEM education in Boston Public Schools to prepare students for the jobs of the future.

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Compensation

Management Proposal No. 1

Advisory Approval of Our Named Executives' Pay

What are you voting on?

In accordance with Section 14A of the Exchange Act, we are asking shareowners to vote on an advisory basis to approve the compensation paid to our named executives, as described in this proxy statement.

Impact of the say-on-pay vote. This advisory proposal, commonly referred to as a "say-on-pay" proposal, is not binding on the Board. However, the Board and the Compensation Committee will review and consider the voting results when evaluating our executive compensation program.

We hold say-on-pay votes annually. Under the Board's policy of providing for annual say-on-pay votes, the next say-on-pay vote will occur at our 2020 annual meeting.

Overview of Our Executive Compensation Program

Although the executive compensation discussion in this proxy statement focuses on the compensation decisions for our named executives — Larry Culp (Chair & CEO), Jamie Miller (SVP & CFO), John Flannery (Former Chair & CEO), Michael Holston (SVP & General Counsel), David Joyce (Vice Chair, GE & CEO of Aviation), and Kieran Murphy (SVP, GE and CEO of Healthcare) — our executive compensation programs apply broadly across GE's employee ranks. For 2018, approximately 3,600 executives received equity incentives and participated in our annual cash bonus plan, and a subset of our senior executives participated in our long-term performance award program, which concluded at the end of 2018. We strive to pay fair and competitive wages to all of our employees, considering the specific job markets in which they work and peer compensation.

Key Considerations in Setting Pay

This section describes the key considerations the Compensation Committee takes into account when designing pay programs and making compensation decisions. 2018 was a year of extraordinary change as we addressed a variety of operational challenges and continued the transformational activities that commenced in 2017. In conjunction with these efforts, a change in leadership occurred under which our former Chairman and CEO, John Flannery, was replaced by Larry Culp, who at the time was serving as an independent member of our Board and lead director. This leadership transition required some extraordinary compensation decisions, each of which is described in detail in the discussion that follows. The Compensation Committee believes that these decisions appropriately supported shareowner interests by treating the exiting CEO fairly in light of his 31-year career with GE, and by ensuring that our new CEO's compensation is strongly tied to restoration of shareowner value.

In hiring Mr. Culp, the Board brought in the first external CEO in GE's history. During Mr. Culp's 14-year tenure as CEO of Danaher, the company delivered a total shareholder return of 545%, which compares to 119% for the S&P 500 over the same period. In the last year, GE has also brought in other senior executives with proven experience and strong track records, including a new general counsel from Merck, Michael Holston, and a new head of human resources from American Express, Kevin Cox. Attracting top talent during a period of significant change was a key priority for GE, aimed at providing stability and restoring the market's confidence in the company's leadership. The committee believes that attracting the right executives during this time was paramount, that the pay packages are commensurate with the quality of the individuals and the level of compensation required to attract such talent, and that the compensation is appropriately performance-based to ensure alignment between management and shareowner interests over the long term.

While certain of our businesses performed very well, including Aviation and Healthcare, our overall results fell short of our expectations in 2018 due to poor performance in our Power business. David Joyce and Kieran Murphy received above-target bonuses for 2018, based on our new bonus structure that was put in place at the beginning of 2018 and the strong performance of the businesses that they lead. The performance metrics for the Corporate bonus pool were not met for 2018. As a result, no bonus was paid to Mr. Flannery. For our other Corporate named executives, the Compensation Committee exercised its discretion in granting a target or partial bonus, as further described below. Neither of our long-term performance programs that were based on the three-year performance period from 2016 to 2018 met the conditions for a payout and these awards were therefore forfeited in their entirety. These programs consisted of the 2016 PSUs, which would have paid out in stock, and the 2016-2018 long-term performance awards (LTPAs), which would have paid out in cash.

FOCUSED ALIGNMENT BETWEEN INVESTORS AND EXECUTIVES

The Compensation Committee believes that our executive compensation programs should focus our leadership team on the key metrics that are meaningful for investors and that are key contributors to the creation of sustainable shareowner value, rather than an exhaustive list of metrics across various different programs. We also foster shareowner alignment and a strong pay-for-performance culture by setting the metrics in our incentive compensation plans to create balance between our short- and long-term operating frameworks. We set target performance levels that are challenging but reasonably achievable if we meet our business objectives, and aligned with guidance provided to investors and our longer-term financial outlook. We set commensurately more challenging goals in association with above-target payouts.

EMPHASIS ON FUTURE PAY OPPORTUNITY VERSUS CURRENT PAY

The Compensation Committee strives to provide an appropriate mix of compensation elements, including finding a balance between current and long-term compensation and between cash and equity incentive compensation. Cash payments primarily are aligned with and reward more recent performance, while equity awards encourage our named executives to deliver sustained strong results over a multi-year performance periods, thereby encouraging both strong performance and supporting our talent retention objectives. The committee believes that most of our named executives' compensation should be contingent on the company's long-term stock price performance. Consistent with this belief, the committee terminated the cash-based LTPA program. Going forward, we expect to deliver a greater percentage of our executive compensation in the form of equity.

BALANCE BETWEEN OVERALL COMPANY AND BUSINESS UNIT RESULTS

The committee believes that our named executives, as key members of the company's leadership team, share the responsibility to support GE's overall goals and performance. This compensation philosophy is most clearly reflected in our annual equity incentive grants, which tie our executives' pay to overall company performance. The committee believes that there should also be clear accountability for the performance of each executive's business. As a result, beginning in 2018, the committee decided to tie the annual cash bonus program for each top-tier business, as well as for each business's leader, to the individual business's results. Equity awards continue to incentivize our leaders to enhance GE's overall performance, regardless of whether they are at Corporate or in one of the businesses.

COMPENSATION COMMITTEE JUDGMENT

Our compensation programs primarily focus on payouts that are tied to specific quantitative performance objectives. However, the committee retains the authority to exercise discretion, whether positive or negative, over our compensation programs. In 2018, the committee exercised its discretion by determining to pay bonuses to certain Corporate employees, notwithstanding the failure to meet the performance criteria set forth under the bonus plan. In making this decision, the committee took into account the considerable progress that had been made in executing on the company's strategic plan, the fact that many of these employees had been asked to take on additional responsibilities, and the fact that most of the businesses other than Power performed well. By contrast, in 2017, the committee exercised its discretion by determining not to pay a bonus to most of our named executives and by cancelling the 2015 PSU awards, despite the fact that in each case partial achievement of the performance conditions would have entitled the recipients to a payout in the absence of the permitted discretion.

CONSIDERATION OF RISK

Our compensation programs are balanced and focused on the long term so that our named executives can achieve appropriate compensation through consistent superior performance over sustained periods of time. In addition, large amounts of compensation are usually deferred or realizable only upon retirement, providing strong incentives to manage for the long term while avoiding excessive risk-taking in the short term. Compensation is also balanced among current cash payments, deferred cash and equity awards. In addition, our equity awards have specific holding requirements for senior executives, which discourages excessive risk taking by ensuring that pay remains subject to our share price performance even after it is earned. The Compensation Committee retains discretion to adjust compensation pursuant to our clawback policy as well as for quality of performance and adherence to company values. See "Clawbacks and Other Remedies for Potential Misconduct" on page 51 for more information.

Primary Compensation Elements for 2018

The table below sets forth the primary elements of our executive compensation programs. In 2017, the Compensation Committee decided to terminate the LTPA program, which concluded at the end of 2018.

Compensation Profile

2018 COMPENSATION FRAMEWORK: PRIMARY ELEMENTS

	Salary	Bonus	PSUs	Options	RSUs	LTPAs
Who receives	All named executives				All named executives except CEO	LTPA program terminated in 2018
When granted	Reviewed every 24 months	Annually in February or March for prior year	Generally annually in the first quarter of each year			
Form of delivery	Cash		Equity			No payout for final performance
Type of performance	Short-term emphasis		Long-term emphasis			
Performance period	Ongoing	1 year		Generally 3-year vesting period		

			3 years + 1 year additional holding period		period (2016-2018)
How payout is determined	Committee judgment	Formulaic & committee judgment	Formulaic; committee verifies performance before payout	Formulaic; depends on stock price on exercise/vest date	
Most recent performance measures	N/A	EPS and Free Cash Flow (Corporate execs) Earnings and Free Cash Flow (Business execs)	GE TSR v. S&P 500	Stock price appreciation	

How Our Incentive Compensation Plans Paid Out for 2018

This section provides an overview of how GE performed against the goals established under its 2018 annual bonus program, the 2016 PSUs, and the 2016-2018 Long-Term Performance Awards (LTPAs). The performance period for each of these programs concluded in 2018. See "Compensation Actions for 2018" on page 35 for amounts paid to the named executives as well as how we assessed their individual performance.

2018 Annual Bonuses

CORPORATE. Due to ongoing challenges in the Power business, neither of the performance metrics for the funding of the Corporate bonus pool were met for 2018, despite strong performance by several of our businesses, most notably Aviation and Healthcare. As a result, no bonus was paid to our former Chairman and CEO, Mr. Flannery. The Compensation Committee applied its discretion to pay partial or target bonuses to Mr. Culp, Ms. Miller and Mr. Holston, based upon their significant efforts during the year, as further described below.

AVIATION AND HEALTHCARE. The bonus pools for Mr. Joyce and Mr. Murphy, our named executives in the Aviation and Healthcare businesses, respectively, were funded above target due to strong performance in each of those businesses, as described below. For each of these businesses, the bonus pool was based upon exceeding performance targets for earnings and free cash flow.

* Non-GAAP financial measures. For information on how these metrics are calculated, see "Explanation of Non-GAAP Financial Measures and Performance Metrics" on page 52.

FUNDING METRICS FOR THE ANNUAL BONUS POOL. In 2018, the Compensation Committee determined that it would simplify the metrics for the annual bonus program, which were previously determined across the company based on five financial goals and a series of strategic goals. Under this new program, bonuses were determined for each business unit based primarily on two financial goals (generally free cash flow and earnings per share or earnings) that were tailored to the business unit. For certain business units, additional metrics or funding criteria were also applied to individuals at different levels of seniority to help incentivize particular performance, such as cost cutting. For our Corporate named executive officers, the bonus pool performance metrics for 2018 continued to be based upon company-wide results.

HOW THE BONUS PROGRAM WORKS. We pay cash bonuses to our named executives each February or March for the prior year, if earned. At the beginning of each year or the time of hire, the company determines who is eligible to participate in the bonus plan and each individual's target bonus as a percent of salary. Approximately 3,600 employees at the executive-band level and above are eligible to participate. For our named executives, target bonuses are typically set at 100-150% of salary. At the beginning of the year, the Compensation Committee also sets the performance goals for each bonus pool. Separate bonus pools are set up for employees at Corporate (using company-wide metrics) and for each of the businesses (using metrics specific to that business that collectively roll up to the Corporate targets). The committee may set additional metrics or funding criteria for individuals at different levels of seniority.

In January or February following the completion of the performance period, the Compensation Committee assesses performance against the metrics for the prior year to determine the level of funding for each business's bonus pool, including whether positive or negative discretion should be applied. Once the bonus pool is determined, payments are made at the individual level, with adjustments made as warranted by managers within the businesses based upon the eligible individual's performance.

ADJUSTMENTS TO BONUS PROGRAM. The Compensation Committee maintains authority to adjust performance metrics under the bonus program. In April 2018, the committee provided an incremental incentive for each of the tier one businesses to meet additional free cash flow goals. This incremental incentive did not have any impact on the bonuses for the named executives.

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HOW WE EVALUATED BUSINESS PERFORMANCE AND ALLOCATED THE BONUS POOL

CORPORATE. For our Corporate named executives, Mr. Culp, Ms. Miller, Mr. Flannery and Mr. Holston, bonuses were evaluated based upon the achievement of performance goals for the company. Due to the failure to meet the company's earnings per share and free cash flow targets for the year, the Compensation Committee did not pay a bonus to Mr. Flannery for 2018. However, the committee exercised its discretion in paying bonuses at target for Mr. Culp (pro rata, based on the portion of the year worked) and Mr. Holston (based on a full year), and a bonus at 80% of target for Ms. Miller. In exercising its discretion, the committee noted that the failure to meet the performance criteria was largely due to ongoing challenges in the Power business, notwithstanding strong performance across the rest of the businesses. The committee also took into account the considerable efforts of the team in redefining the company's strategy and executing on a number of important initiatives. The committee noted that the issues relating to the failure to meet the performance criteria pre-dated the arrival of Mr. Culp and Mr. Holston at the company, and Mr. Holston had forfeited a bonus with his prior employer by agreeing to join GE. The committee exercised discretion in granting a bonus to Ms. Miller in recognition of her considerable efforts during the year in developing and supporting the change in the company's strategy and other initiatives.

AVIATION. Mr. Joyce's performance was based upon the Aviation business, for which he is the CEO. The Aviation business performed strongly in 2018, and the business's bonus pool was funded at 138% of target. The Aviation business exceeded its annual targets for both earnings and free cash flow.

HEALTHCARE. Mr. Murphy's performance was based upon the Healthcare business, for which he is the CEO. The Healthcare business also performed strongly in 2018, and the business's bonus pool was funded at 150% of target. The Healthcare business exceeded its annual targets for both earnings and free cash flow.

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2016 PSU Grants

2016 PSUs CANCELLED. PSUs typically have a three-year performance period and pay out in stock, based upon the achievement of certain performance metrics. In February 2019, the Compensation Committee determined that the company did not meet the total cash or the industrial profit margin targets for the PSUs, which were set in 2016 at the beginning of the three-year performance period. As a result, the awards were forfeited. The value forfeited by the named executives was $0.7 million, based on the closing price of GE stock of $10.04 on February 14, 2019, the date the committee made its determination.

2016-2018 Long-Term Performance Awards (LTPAs)

NO PAYOUT FOR 2016-2018 LTPAs. The LTPAs are a cash-based program that historically were granted once every three years, with payouts based on the achievement of five different performance goals over a three-year performance period. In February 2019, the Compensation Committee assessed the company's performance against the five goals under the 2016-2018 LTPAs that were granted in March 2016, and determined that none of the goals were met. As a result, the 2016-2018 LTPAs were forfeited. In 2017, the Compensation Committee decided to terminate the LTPA program following the conclusion of the 2018 performance cycle. Below is a summary of the company's performance against the LTPA goals.

HOW THE COMPENSATION COMMITTEE WOULD HAVE CALCULATED PAYOUTS. If the awards had paid out for the named executives, they would have paid as a multiple of the named executive's final salary at the end of the performance period, plus average bonus over the three years of the performance period, with multiples set at 0.50X, 1.00X and 2.00X for threshold, target and maximum performance respectively. Payout multiples for other participants started at significantly lower levels. There were no payouts under the program for performance below the threshold level, and amounts would have been prorated for performance between the established levels.

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(1) For information on how these metrics are calculated, see "Explanation of Non-GAAP Financial Measures and Performance Metrics" on page 52.

(2) Includes GE CFOA (Industrial CFOA plus dividends from GE Capital) plus proceeds from Industrial dispositions (after taxes), with BHGE on a dividend basis.

(3) Includes Industrial segment profit plus adjusted Corporate operating costs (excludes non-operating pension costs, restructuring and other charges & gains).

(4) This metric is no longer reported by the company.

(5) Industrial return on total capital.

(6) Includes dividends plus share repurchases.

Compensation Actions for 2018

Aligning CEO Pay with Investors

Larry Culp

CHAIRMAN & CEO (SINCE SEPTEMBER 30, 2018)

AGE: 55

EDUCATION: WASHINGTON COLLEGE; MBA, HARVARD

GE TENURE: <1 YEAR

PERFORMANCE ASSESSMENT. As the Chairman & CEO, Mr. Culp plays a central role in shaping the company's strategy, establishing the framework against which performance is measured, and delivering on that performance. The Compensation Committee determined that although Mr. Culp was only in the CEO role for the last three months of 2018, he worked quickly and effectively during that time to execute on the company's strategy. The committee decided not to use the formulaic criteria under the bonus program in determining Mr. Culp's performance-based pay, in light of the fact that the criteria were established before Mr. Culp joined the company. By the time Mr. Culp was appointed as CEO, it had become clear that achieving the pre-determined criteria would be very difficult. Instead, the committee determined to pay Mr. Culp a pro-rated bonus at target, in recognition of his success in delivering on several key initiatives during a short timeframe since stepping in as CEO.

2018 EARNED COMPENSATION

Base salary	$625,000 paid in 2018 (for partial year service, based on $2.5 million annual salary)
Annual bonus	$937,500 paid for 2018 (equal to 100% of target, based on $3.75 million annual target)

2018 GRANTED COMPENSATION

Inducement PSUs	$13.7 million grant date fair value

Earn out, if any, based on stock price appreciation through 2022, as described below

CEO TRANSITION

PAY STRUCTURE. Upon his appointment as CEO, Mr. Culp s salary was set at $2,500,000 under his employment agreement. In setting his salary, the Compensation Committee took into consideration the fact that Mr. Culp had 14 years of experience as a highly successful public company CEO and the importance of attracting Mr. Culp to the role, particularly in light of the challenges facing the company. At the time of his appointment, Mr. Culp had been serving as a director since April 2018 and our lead director since June 2018, and was very familiar with the company and its strategy. His bonus target, which was set at 150% of salary, was consistent with the bonus target for Mr. Culp s predecessor, and reflected the committee s belief that the majority of Mr. Culp s cash-based compensation should be contingent on performance. Under the terms of his employment agreement, Mr. Culp was also guaranteed an annual equity grant, solely in the form of PSUs, with a grant date fair value of $15 million, beginning in 2019, and to be awarded on the same terms as the PSUs granted to the company's other senior executives. For additional detail on Mr. Culp s employment agreement, see Employment Agreement with Mr. Culp on page 47.

INDUCEMENT GRANT. As an inducement to Mr. Culp to accept the role as Chairman and CEO, he was granted a one-time award of PSUs that will pay out as a number of GE shares if the company's stock price appreciates significantly during the four-year performance period between October 1, 2018 and September 30, 2022. Achievement of the performance goal will be measured against a baseline price of $12.40 (the average closing price of the company's stock for the 30 consecutive trading days prior to Mr. Culp's appointment) as set forth in the table below. In setting these targets, the committee intended to set rigorous performance criteria for all of Mr. Culp s equity compensation to further align him with shareowners.

No shares will be awarded if the threshold 50% appreciation level is not met, and if the 30 consecutive trading day average GE closing price is between the threshold, target and maximum levels, a proportionate number of shares between those levels will be earned. In the event of a spin-off of a business to GE shareowners (such as the spin-off of Wabtec shares in the Transportation merger), achievement of the performance goal will also factor in the performance of those securities from the spin date, and Mr. Culp's PSU award will also be adjusted to pay out in shares of the spun-off entity (or, where infeasible, the company may adjust the PSU award or the performance targets to prevent the enlargement or diminution of the award) at the end of the performance period. The inducement award will be adjusted for any extraordinary dividends. Mr. Culp is also entitled to payment of the inducement award if (i) the company undergoes a change of control, (ii) he is terminated other than for cause, or (iii) he leaves the company for a good reason. For a discussion of these circumstances and the potential payout, see "Potential Termination Payments" on page 47.

Compensation for Our Other Named Executives

Jamie Miller

AGE: 50

EDUCATION: MIAMI UNIVERSITY

GE TENURE: 13 YEARS

CURRENT AND PRIOR ROLES

Senior Vice President & CFO (since November 2017); former President & CEO, GE Transportation; former Chief Information Officer, GE; former Controller, GE

PERFORMANCE ASSESSMENT

The committee exercised its discretion to grant Ms. Miller a bonus at 80% of target. In making this determination, the committee took into account her key role in developing and supporting the company's strategic plan to reshape its portfolio structure, as well as her significant contributions toward: supporting the Board and CEO during the recent CEO transition, executing on the company's strategy of mitigating financial risk and reducing its leverage, simplifying the company's disclosures, reducing the size of the company's Corporate operations, shifting resources back to the businesses, and the performance by divisions reporting to Ms. Miller, including GE Capital.

2018 EARNED COMPENSATION

Base salary	$1.45 million (remained flat; last increase effective upon promotion to CFO in November 2017)
Annual bonus	$1.16 million paid (equal to 80% of target of $1.45 million)
2016 PSUs	$0 paid ($200,800 value cancelled)
2016-2018 LTPA	$0 paid

2018 GRANTED COMPENSATION

Equity grant	$4.3 million grant date fair value, approximately two-thirds as PSUs, and one-third as RSUs

John Flannery

AGE: 57

EDUCATION: FAIRFIELD UNIVERSITY; MBA, WHARTON

GE TENURE: 31 YEARS

CURRENT AND PRIOR ROLES

Former Chairman (October 2017-September 2018) & CEO (August 2017-September 2018); former President & CEO GE Healthcare

PERFORMANCE ASSESSMENT

The committee did not pay Mr. Flannery a bonus in light of his separation from the company and the failure to meet the company's financial goals for the year.

SEVERANCE ARRANGEMENTS

In determining the amount of Mr. Flannery's severance, his ongoing eligibility for certain equity awards, and his eligibility for the GE Supplementary Pension Plan upon reaching age 60, the committee took into account his 31 years of service to GE in a number of significant leadership roles, including substantially improving the performance of GE Healthcare. The committee determined that these arrangements were fair to Mr. Flannery, consistent with market practice and within the scope of historic GE practice.

2018 EARNED COMPENSATION

Base salary	$1.5 million paid (based on partial year service; remained flat at $2 million, with his last salary increase effective upon his promotion to CEO in August 2017)
Annual bonus	$0 paid (equal to 0% of target of $3 million)
2016 PSUs	$0 paid ($271,080 value cancelled)
2016-2018 LTPA	$0 paid

2018 GRANTED COMPENSATION

Equity grant	$13.8 million: $11.5 million grant date fair value, delivered as PSUs; $2.3 million grant date fair value attributable to the modification of existing PSU awards to maintain partial eligibility post-separation
Severance payment	$4.25 million payable over 12-month period, subject to compliance with non-compete and other obligations

Michael Holston

AGE: 56
EDUCATION: NOTRE DAME; JD, VILLANOVA
GE TENURE: <1 YEAR

CURRENT AND PRIOR ROLES

Senior Vice President, General Counsel & Secretary (since April 2018); former Executive Vice President and General Counsel, and Chief Ethics and Compliance Officer, Merck & Co. (2012-2018); former Executive Vice President, General Counsel and Secretary, Hewlett-Packard (2007-2011)

PERFORMANCE ASSESSMENT

The committee exercised its discretion to pay Mr. Holston a full year's bonus at target, in light of the fact that he forfeited a bonus opportunity with his prior employer by joining GE mid-year. In addition, the committee recognized Mr. Holston's significant contributions toward the company and the execution of the strategic plan, as well as supporting the Board and CEO during the recent CEO transition, and restructuring Corporate resources.

2018 EARNED COMPENSATION

Base salary	$1.5 million, effective upon the commencement of his employment
Annual bonus	$1.5 million paid (equal to 100% of $1.5 million target for full year)
New hire bonus	$1.5 million

2018 GRANTED COMPENSATION

New hire equity grant	$6.1 million: $2.4 million grant date fair value stock option grant, and $3.7 million grant date fair value RSU grant
Equity grant	$3.1 million grant date fair value, delivered equally between PSUs and RSUs

David Joyce

AGE: 62
EDUCATION: MICHIGAN STATE; M.A. FINANCE, XAVIER
GE TENURE: 38 YEARS

CURRENT AND PRIOR ROLES

Vice Chair, GE and President & CEO, Aviation (since 2008), leader for GE Additive; previously vice president and general manager of commercial engines and held other GM positions within Aviation

PERFORMANCE ASSESSMENT

The committee recognized Mr. Joyce's contribution toward the strong performance of the Aviation business in exceeding its financial goals for the year, particularly for earnings and free cash flow, while also delivering on the business's strategic goals for the year, including shipping over 1,100 LEAP engines. In assessing Mr. Joyce's salary, the committee took into account his significant responsibilities as head of the Aviation business and oversight for other initiatives as Vice Chairman, including the company's Additive efforts.

2018 EARNED COMPENSATION

Base salary	$1.75 million (increased 21% in September 2018 after a 24-month interval since his last salary increase)
Annual bonus	$2.415 million paid (equal to 138% funding for the Aviation business and a personal bonus target at 100% of base salary)
2016 PSUs	$0 paid ($271,080 value cancelled)
2016-2018 LTPA	$0 paid

2018 GRANTED COMPENSATION

Equity grant	$3.4 million grant date fair value, delivered equally between PSUs and RSUs

Kieran Murphy

CURRENT AND PRIOR ROLES

Senior Vice President, GE and President & CEO, GE Healthcare (since 2017); former President and CEO, GE Life Sciences (2011-2017); former CEO and Executive Director, Whatman plc (2007-2008)

PERFORMANCE ASSESSMENT

The committee recognized Mr. Murphy's contribution toward the strong

2018 EARNED COMPENSATION

Base salary	$1.1 million (£850,000)
Annual bonus	

AGE: 56
EDUCATION: UNIVERSITY COLLEGE DUBLIN; M.A. MARKETING, UNIVERSITY OF MANCHESTER INSTITUTE OF SCIENCE AND TECHNOLOGY
GE TENURE: 11 YEARS

performance of the Healthcare business in exceeding its financial goals for the year, particularly for earnings and free cash flow, while also leading GE Healthcare as it undertook significant efforts toward preparing for separation as a standalone company.

	$1.7 million paid (£1.275 million) (equal to 150% funding for the Healthcare business and a personal bonus target at 100% of base salary)
2016-2018 LTPA	$0 paid

2018 GRANTED COMPENSATION

Equity grant	$2.6 million grant date fair value, delivered equally between PSUs and RSUs
Special retention grant	$1.7 million grant date fair value, delivered as stock options, awarded in January 2018

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Summary Compensation

Summary Compensation Table

Name & Principal Position	Year	Salary	Bonus	PSUs & RSUs	Stock Options	LTPAs	Pension & Deferred Comp.	All Other Comp.	SEC Total
Larry Culp*	2018	$ 625,000	$ 937,500	$13,740,000	N/A	$0	$ 86,662	$ 9,665	$15,398,827
Chairman & CEO									
Jamie Miller*	2018	$1,450,000	$1,160,000	$ 4,334,060	N/A	$0	$ 0	$ 457,618	$ 7,401,678
SVP & CFO	2017	$1,335,417	$ 0	$ 1,810,930	$ 519,000	$0	$1,154,778	$ 237,736	$ 5,057,861
John Flannery*	2018	$1,500,000	$ 0	$13,800,104**	N/A	$0	$ 62,127	$1,281,059	$16,643,290
Former Chairman & CEO	2017	$1,737,500	$ 0	N/A	$2,076,000	$0	$3,255,222	$1,931,881	$ 9,000,603
Michael Holston*	2018	$1,095,000	$3,000,000	$ 6,731,334	$2,400,000	$0	$ 224,393	$ 64,989	$13,515,716
SVP & General Counsel									