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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under §240.14a-12

General Electric Company

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

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

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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IMPORTANT VOTING INFORMATION

Your broker is not permitted to vote on your behalf on the election of directors and other matters to be considered at the shareowners meeting (except on ratification of the selection of KPMG as auditors for 2012), unless you provide specific instructions by completing and returning the voting instruction form or following the instructions provided to you to vote your shares via telephone or the Internet. For your vote to be counted, you will need to communicate your voting decisions to your broker, bank or other financial institution before the date of the shareowners meeting.

Your Participation in Voting the Shares You Own Is Important

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

More Information Is Available

If you have any questions about the proxy voting process, please contact the broker, bank or other financial institution where you hold your shares. The Securities and Exchange Commission (SEC) also has a website (*www.sec.gov/spotlight/proxymatters.shtml*) with more information about your rights as a shareowner. Additionally, you may contact our Investor Relations Department by following the instructions on our Investor Relations website at *www.ge.com/investors/index.html*.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE SHAREOWNERS MEETING TO BE HELD ON APRIL 25, 2012

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

INFORMATION REGARDING ADMISSION TO THE 2012 ANNUAL MEETING

In accordance with our security procedures, all persons attending the annual meeting must present an admission card and picture identification. Please follow the advance registration instructions beginning on page 53 of the accompanying proxy statement to obtain an admission card.

INFORMATION REGARDING LIVE WEBCAST OF THE ANNUAL MEETING

We will provide a live webcast of the annual meeting from our Investor Relations website at *www.ge.com/investors/index.html*.

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¢ To be voted on at the meeting

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

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2012 Proxy Summary

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

Annual Meeting of Shareowners

Time and Date	10:00 a.m. Eastern Daylight Time, April 25, 2012
Place	Detroit Marriott at the Renaissance Center 400 Renaissance Drive Detroit, Michigan 48243
Record date	February 27, 2012
Voting	Shareowners as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.
Admission	An admission card is required to enter GE s annual meeting. Please follow the advance registration instructions beginning on page 53.
Webcast	We will provide a live webcast of the annual meeting from our Investor Relations website at *www.ge.com/investors/index.html*.

Meeting Agenda and Voting Matters

	Board Vote Recommendation	Page Reference (for more detail)
Election of 16 Directors	FOR EACH DIRECTOR NOMINEE	2
Other Management Proposals		
Ratification of KPMG as auditor for 2012	FOR	40
Advisory resolution to approve executive compensation	FOR	40
Approve amendment to GE 2007 Long-Term Incentive Plan to increase the number of authorized shares	FOR	41
Approve material terms of senior officer performance goals	FOR	45
Shareowner Proposals		
Cumulative voting	AGAINST	47
Nuclear activities	AGAINST	47
Independent board chairman	AGAINST	49
Shareowner action by written consent	AGAINST	50

Transact other business that properly comes before the meeting

Board Nominees

Name	Age	Director Since	Principal Occupation	Experience/ Qualifications	Independent	Committee Memberships AC	MDCC	NCGC	RC	PRC	Other Public Company Boards
W. Geoffrey Beattie	51	2009	President, Woodbridge Company	Leadership Finance Industry Global	X	F			C		Maple Leaf Foods Royal Bank of Canada Thomson Reuters
James I. Cash, Jr.	64	1997	Emeritus James E. Robison Professor of Business Administration, Harvard Graduate School of Business	Leadership Finance Technology Education Global	X	X	X			X	Chubb Wal-Mart
Ann M. Fudge	60	1999	Former Chairman & CEO, Young & Rubicam	Leadership Industry Marketing Global Government	X					X	Infosys Novartis Unilever
Susan Hockfield	60	2006	President, Massachusetts Institute of Technology	Leadership Industry Technology Education	X			X		X	

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Name	Age	Director Since	Principal Occupation	Experience/ Qualifications	Independent	Committee Memberships AC	MDCC	NCGC	RC	PRC	Other Public Company Boards
Jeffrey R. Immelt	56	2000	Chairman & CEO, General Electric Company	Leadership Industry Global Government						X	
Andrea Jung	53	1998	Chairman & CEO, Avon	Leadership Industry Marketing Technology Global	X		X	X			Apple Avon
Alan G. (A.G.) Lafley	64	2002	Former Chairman & CEO, Procter & Gamble	Leadership Industry Marketing Technology Global	X			X	X		
Robert W. Lane	62	2005	Former Chairman & CEO, Deere	Leadership Finance Industry Global	X	F	X				BMW Northern Trust Verizon Communications
Ralph S. Larsen	73	2002	Former Chairman & CEO, Johnson & Johnson	Leadership Industry Global	X		C	X			
Rochelle B. Lazarus	64	2000	Chairman & former CEO, Ogilvy & Mather	Leadership Industry Marketing Global	X			C		X	Merck
James J. Mulva	65	2008	Chairman & CEO, ConocoPhillips	Leadership Finance Industry Global	X	F				X	ConocoPhillips
Sam Nunn	73	1997	Co-Chairman & CEO,	Leadership Industry	X		X			C	Coca-Cola

			Nuclear Threat Initiative	Technology Education Global Government							
Roger S. Penske	75	1994	Chairman, Penske and Penske Truck Leasing, Chairman & CEO, Penske Automotive	Leadership Industry Global						X	Penske Automotive Universal Technical Institute
Robert J. Swieringa	69	2002	Professor of Accounting and former Dean, Johnson Graduate School of Management, Cornell University	Leadership Finance Industry Education	X	F					
James S. Tisch	59	2010	President & CEO, Loews	Leadership Finance Industry Global Government	X				X		Loews and its consolidated subsidiaries (CNA Financial, Diamond Offshore Drilling)
Douglas A. Warner III	65	1992	Former Chairman, JPMorgan Chase	Leadership Finance Industry Global	X	C, F	X	X			

AC	Audit Committee	NCGC	Nominating and Corporate Governance Committee
C	Chair	PRC	Public Responsibilities Committee
F	Financial expert	RC	Risk Committee
MDCC	Management Development and Compensation Committee		

Attendance In 2011, each of our director nominees attended at least 75% of the Board and committee meetings on which he or she sits.

Director Elections Each director nominee is elected annually by a majority of votes cast.

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Management Proposals

1. Ratification of Selection of Independent Registered Public Accounting Firm. As a matter of good governance, we are asking shareowners to ratify the selection of KPMG as our independent auditors for 2012.

2. Advisory Resolution to Approve Executive Compensation. We are asking shareowners to approve on an advisory basis our named executive officer compensation. The Board recommends a FOR vote because it believes that our compensation policies and practices are effective in achieving the company s goals of rewarding sustained financial and operating performance and leadership excellence, aligning the executives long-term interests with those of our shareowners and motivating the executives to remain with the company for long and productive careers.

3. Approval of an Amendment to the GE 2007 Long-Term Incentive Plan to Increase the Number of Authorized Shares. We are asking shareowners to approve an amendment to the 2007 Long-Term Incentive Plan to replenish the shares available for awards under the plan by 425 million shares.

4. Approval of the Material Terms of Senior Officer Performance Goals. We are asking shareowners to approve the material terms of senior officer performance goals for purposes of the tax deductibility rules for performance-based compensation.

2011 Compensation Actions

GE Outperforms. In 2011, the company strengthened its core Industrial businesses by redeploying capital from NBC Universal (NBCU) to support $11 billion of Energy acquisitions, accelerating growth in emerging markets, and making significant investments in research and development (R&D). Also, GE Capital is now a smaller, more focused specialty finance company, with particular focus in mid-market segments. As a result, GE has its strongest portfolio in recent history, which is reflected in its 2011 financial performance, with operating earnings up 20% from 2010 and revenues up 7% from 2010 (excluding the impact of NBCU) as well as a record year-end backlog of $200 billion. In addition, senior management s actions in 2011 have put the company into a position of financial strength, with $85 billion of consolidated cash at 2011 year-end, strong risk management and a year-end 10% Tier 1 Common Ratio at GE Capital. This strength has allowed the company to execute on its balanced capital allocation strategy by increasing its quarterly dividend twice in 2011 for a total of four increases in the past two years, repurchasing $5.4 billion of stock during the year, including $3.3 billion for the preferred stock held by Berkshire Hathaway, and investing in adjacencies. GE outperformed the S&P 500 Industrials and Financials sectors on an earnings, stock price and total shareholder return (TSR) basis in 2011.

CEO Pay (Excluding Change in Pension) Decreases from Prior Year. In light of the company s position and performance, Mr. Immelt received a bonus of $4 million for 2011, the same bonus he received for 2010 when the company also performed well. He also received a grant of 250,000 performance share units (PSUs). Mr. Immelt s 2011 base salary, which was last increased in April 2005, was unchanged. As a result of these actions, Mr. Immelt s total compensation for 2011 was essentially unchanged from 2010 and would have been lower but for a $10.1 million increase in pension value (compared to $6.2 million in 2010), which was predominately the result of the change in the discount rate reflecting historic low interest rates generally, and unrelated to any compensation decision on the part of the MDCC. Excluding the effect of the change in pension value, Mr. Immelt s compensation for 2011 was $11.4 million, compared to $15.2 million in 2010, a decline of 25%. This decrease was primarily due to a lower accounting value for Mr. Immelt s 2011 equity grant compared to his 2010 equity grant.

In addition, based on feedback from shareowners, in April 2011 the MDCC, with Mr. Immelt s full support, modified his 2010 stock option award to also include performance-based conditions to vesting tied to Industrial cash from operating activities (Industrial CFOA) and TSR.

Other Named Executive Pay. Compensation actions for Messrs. Sherin, Neal and Rice reflect their strong contributions to the company s overall performance and that of their respective businesses or functions. Incentive cash compensation actions for Mr. Krenicki reflect a challenging environment in the energy sector that affected Energy Infrastructure profits. Total compensation for these named executives was also significantly affected by the year-over-year increase in pension value.

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Executive Compensation Elements

Type	Form	Terms
Equity	Stock options	Options generally vest 20% per year while employed 1-year holding period for net shares received upon exercising options 2010 CEO stock options vest over 5 years and include 4-year performance period with 2 objective performance measures
	Restricted stock units (RSUs)	RSUs generally vest 20% per year while employed
	PSUs - CEO only	PSUs have 5-year performance period with 2 objective performance measures
Cash	Salary	Generally eligible for increase at intervals of 18 months or longer
	Annual incentive compensation	Based on MDCC assessment of achievement of quantitative and qualitative goals
	Long-term performance awards (LTPAs)	LTPAs have 3-year performance period with 4 objective performance measures
Retirement	Pension	5-year vesting, payable at or after age 60, no lump sum payment
	Supplementary pension	Vests at age 60, no lump sum payment
Other	Perquisites	Life insurance, transportation, financial counseling, home security, GE products, annual physical

Other Key Compensation Features

No individual severance/employment or change in control agreements

Clawback of incentive compensation

No excise tax gross-ups

Shareowner approval of death benefits

Significant executive share ownership requirements, including holding period for option shares, and anti-hedging policy

2011 Named Executive Officer Compensation

Realized Pay Differs from Reported Total Compensation. The SEC s calculation of total compensation includes several items that are driven by accounting and actuarial assumptions, which are not necessarily reflective of compensation actually realized by the named executives in 2011. To supplement the SEC-required disclosure, we have included an additional table that shows compensation actually realized by each of the named executives in 2011. Set forth below we have provided two tables showing for each named executive: (1) 2011 compensation actually realized by the named executive, as reported on each named executive s W-2 form (2011 Realized Compensation Table), and (2) 2011 compensation as determined under SEC rules (2011 Summary Compensation Table). For more information regarding amounts reported in the 2011 Realized Compensation Table, see 2011 Realized Compensation on page 25. The amounts reported in this table differ substantially from the amounts reported as total compensation in the 2011 Summary Compensation Table and are not a substitute for those amounts. For a reconciliation of amounts reported as realized compensation and amounts reported as total compensation, see page 52. For more information on total compensation as calculated under SEC rules, see the narrative and notes accompanying the 2011 Summary Compensation Table set forth on page 26.

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2011 Realized Compensation Table

Name and Principal Position	Realized Compensation
Jeffrey R. Immelt Chairman of the Board and CEO	$7,822,378
Keith S. Sherin Vice Chairman and CFO	$6,760,856
John Krenicki Vice Chairman	$6,795,069
Michael A. Neal Vice Chairman	$6,893,639
John G. Rice Vice Chairman	$6,884,336

2011 Summary Compensation Table

Name and Principal Position	Salary	Bonus	Stock Awards	Option Awards	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total Without Change in Pension Value	Total
Jeffrey R. Immelt Chairman of the Board and CEO	$3,300,000	$4,000,000	$3,579,250	$0	$10,254,787	$447,191	$11,449,617	$21,581,228
Keith S. Sherin Vice Chairman and CFO	$1,765,000	$3,150,000	$0	$3,391,500	$7,654,982	$249,461	$8,645,537	$16,210,942
John Krenicki Vice Chairman	$1,600,000	$2,800,000	$0	$3,391,500	$6,623,303	$135,625	$7,993,536	$14,550,428
Michael A. Neal Vice Chairman	$1,900,000	$3,440,000	$0	$3,391,500	$8,199,310	$375,045	$9,210,135	$17,305,855
John G. Rice	$2,100,000	$3,400,000	$0	$3,391,500	$9,787,500	$1,900,141	$10,931,830	$20,579,141

Vice Chairman

2013 Annual Meeting

Deadline for shareowner proposals	November 14, 2012

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Notice of 2012 Annual Meeting of Shareowners

10:00 a.m. Eastern Daylight Time, April 25, 2012

Detroit Marriott at the Renaissance Center

400 Renaissance Drive

Detroit, Michigan 48243

March 14, 2012

Dear Shareowners:

You are invited to attend General Electric Company s 2012 Annual Meeting of Shareowners to be held at the Detroit Marriott at the Renaissance Center, 400 Renaissance Drive, Detroit, Michigan 48243, on April 25, 2012, at 10:00 a.m. Eastern Daylight Time, to address all matters that may properly come before the meeting. Following a report on GE s business operations, shareowners will:

- vote on election of the directors named in the proxy statement for the ensuing year;
- vote on ratification of the selection of the independent registered public accounting firm for 2012;
- vote on an advisory resolution to approve executive compensation;
- vote on an amendment to the GE 2007 Long-Term Incentive Plan to increase the number of authorized shares;
- vote on the material terms of senior officer performance goals;
- vote on shareowner proposals set forth at pages 47 through 50 in the accompanying proxy statement, if properly presented at the meeting; and
- transact other business that may properly come before the meeting.

Shareowners of record at the close of business on February 27, 2012 will be entitled to vote at the meeting and any adjournments thereof.

If you plan to attend the meeting, please follow the advance registration instructions beginning on page 53 of the accompanying proxy statement. An admission card, which is required for admission to the meeting, will be mailed to you prior to the meeting.

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

We will provide a live webcast of the annual meeting from our Investor Relations website at *www.ge.com/investors/index.html*.

Cordially,

Jeffrey R. Immelt	Brackett B. Denniston III
Chairman of the Board	Secretary

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Proxy Statement

General Electric Company

3135 Easton Turnpike

Fairfield, Connecticut 06828

This proxy statement is furnished in connection with the solicitation of proxies by General Electric Company on behalf of the Board of Directors for the 2012 Annual Meeting of Shareowners. Distribution of this proxy statement and a proxy form to shareowners is scheduled to begin on or about March 14, 2012.

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

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Board of Directors

Election of Directors

At the 2012 Annual Meeting, 16 directors are to be elected to hold office until the 2013 Annual Meeting and until their successors have been elected and qualified. The 16 nominees for election at the 2012 Annual Meeting are listed on pages 3 to 8, with brief biographies. They are all presently GE directors who were elected by shareowners at the 2011 Annual Meeting. The Board of Directors has determined that the following 14 nominees satisfy the New York Stock Exchange s (NYSE) definition of independent director: W. Geoffrey Beattie, James I. Cash, Jr., Ann M. Fudge, Susan Hockfield, Andrea Jung, Alan G. (A.G.) Lafley, Robert W. Lane, Ralph S. Larsen, Rochelle B. Lazarus, James J. Mulva, Sam Nunn, Robert J. Swieringa, James S. Tisch and Douglas A. Warner III. We do not know of any reason why any nominee would be unable to serve as a director. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may nominate or the size of the Board may be reduced.

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

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

Leadership experience. We believe that directors with experience in significant leadership positions, especially CEO positions, over an extended period, provide the company with special insights. These people generally possess extraordinary leadership qualities and the ability to identify and develop those qualities in others. They demonstrate a practical understanding of organizations, processes, strategy, risk management and the methods to drive change and growth.

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

Global experience. GE s future success depends, in part, on its success in growing its businesses outside the United States. For example, in 2011, approximately 53% of GE s revenues came from outside the United States. This highlights the importance of having directors with a global business perspective.

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

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

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

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

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W. Geoffrey Beattie, 51, President, The Woodbridge Company Limited, Toronto, Canada. Director since 2009.

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

Director Qualifications:

- Leadership and Global experience current president of multinational Canadian company (Woodbridge)
- Industry and Finance experience current deputy chairman of large information and technology company (Thomson Reuters); director of leading global financial services company (Royal Bank of Canada); trustee of leading healthcare provider (University Health Network)

James I. Cash, Jr., 64, Emeritus James E. Robison Professor of Business Administration, Harvard Graduate School of Business, Boston, Massachusetts. Director since 1997.

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

Director Qualifications:

- Education and Finance experience professor emeritus in business (Harvard); director of leading insurance company (Chubb)
- Leadership, Global and Technology experience former chairman of publishing subsidiary of leading research institution (Harvard); director of leading multinational retail company (Wal-Mart); former director of leading technology company (Microsoft)

Ann M. Fudge, 60, Former Chairman of the Board and Chief Executive Officer, Young & Rubicam Brands, global marketing communications network, New York, New York. Director since 1999.

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

Director Qualifications:

- Leadership, Government and Marketing experience former CEO of marketing communications company (Young & Rubicam); former president of leading consumer products business units (General Mills and General Foods); member of advisory body to U.S. State Department (Foreign Affairs Policy Board); former member of presidential commission (National Commission on Fiscal Responsibility and Reform)
- Global and Industry experience former CEO of large multinational company (Young & Rubicam); director of global healthcare products company (Novartis); director of global consumer products company (Unilever); director of global technology company (Infosys)

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Susan Hockfield, 60, President, Massachusetts Institute of Technology, Cambridge, Massachusetts. Director since 2006.

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

Director Qualifications:

Leadership, Education and Technology experience president of leading research university (MIT); former provost of leading university (Yale)
Industry experience president of leading research university with prominent renewable energy program (MIT); leader in health sciences field; leading research neuroscientist; co-chair of a White House-based manufacturing initiative (Advanced Manufacturing Partnership)

Jeffrey R. Immelt, 56, Chairman of the Board and Chief Executive Officer, General Electric Company, Fairfield, Connecticut. Director since 2000.

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

Director Qualifications:

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

Andrea Jung, 53, Chairman of the Board and Chief Executive Officer, Avon Products, Inc., beauty products, New York, New York. Director since 1998.

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

Director Qualifications:

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

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Alan G. (A.G.) Lafley, 64, Former Chairman of the Board and Chief Executive Officer, Procter & Gamble Company, personal and household products, Cincinnati, Ohio. Director since 2002.

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

Director Qualifications:

- Leadership and Global experience former CEO of large public multinational company (Procter & Gamble)
- Marketing, Industry and Technology experience former CEO of large consumer products company recognized for its marketing expertise (Procter & Gamble); former director of leading technology company (Dell)

Robert W. Lane, 62, Former Chairman of the Board and Chief Executive Officer, Deere & Company, agricultural, construction and forestry equipment, Moline, Illinois. Director since 2005.

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

Director Qualifications:

- Leadership, Finance and Global experience former CEO and CFO of large public multinational company (Deere); supervisory board member of global European automaker (BMW); director of global communications company (Verizon Communications)
- Industry experience former CEO of equipment manufacturing company (Deere); director of global financial services company (Northern Trust); supervisory board member of global European automaker (BMW)

Ralph S. Larsen, 73, Former Chairman of the Board and Chief Executive Officer, Johnson & Johnson, pharmaceutical, medical and consumer products, New Brunswick, New Jersey. Director since 2002.

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

Director Qualifications:

- Leadership and Global experience former CEO of large public multinational company (Johnson & Johnson); former director of global technology company (Xerox)
- Industry experience former CEO of company with large medical products business (Johnson & Johnson); trustee of leading health and healthcare foundation (Robert Wood Johnson Foundation)

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Rochelle B. Lazarus, 64, Chairman of the Board and former Chief Executive Officer, Ogilvy & Mather Worldwide, global marketing communications company, New York, New York. Director since 2000.

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

Director Qualifications:

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

James J. Mulva, 65, Chairman of the Board and Chief Executive Officer, ConocoPhillips, international, integrated energy company, Houston, Texas. Director since 2008.

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

Director Qualifications:

- Leadership, Finance and Global experience current CEO and former CFO of large public multinational company (ConocoPhillips, Phillips Petroleum)
- Industry experience current CEO of integrated global energy company (ConocoPhillips); member of the board of visitors of leading cancer center (M.D. Anderson)

Sam Nunn, 73, Co-Chairman and Chief Executive Officer, Nuclear Threat Initiative, Washington, D.C. Director since 1997.

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

Director Qualifications:

- Leadership, Government, Industry and Technology experience served as U.S. senator for 25 years and as chair of a key committee; co-chairman and CEO of global security organization (Nuclear Threat Initiative); director or former director of global energy, technology and consumer product companies (Chevron, Dell, Coca-Cola)
- Education and Global experience chairman of the board of nonpartisan public policy research institution (Center for Strategic and International Studies); professor of international affairs at leading university (Georgia Tech)

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Roger S. Penske, 75, Chairman of the Board, Penske Corporation, diversified transportation company, and Penske Truck Leasing Corporation, Chairman of the Board and Chief Executive Officer, Penske Automotive Group, Inc., automotive retailer, Detroit, Michigan. Director since 1994.

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

Director Qualifications:

- Leadership and Global experience current CEO of large public multinational company (Penske Automotive); civic leader (Downtown Detroit Partnership)
- Industry experience built and manages one of the leading transportation companies in the United States (Penske Corporation); former trustee of medical center (Detroit Medical Center)

Robert J. Swieringa, 69, Professor of Accounting and former Anne and Elmer Lindseth Dean, Johnson Graduate School of Management, Cornell University, Ithaca, New York. Director since 2002.

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

Director Qualifications:

- Finance and Industry experience professor of accounting (Cornell, Stanford, Yale); former member of accounting standards board (FASB); member of board of managers of private equity fund (Partners Group Private Equity Fund)
- Leadership and Education experience former dean at leading university (Cornell s Johnson Graduate School of Management); professor teaching corporate financial reporting and corporate governance (Cornell, Stanford, Yale)

James S. Tisch, 59, President and Chief Executive Officer, Loews Corporation, diversified holding company, New York, New York. Director since 2010.

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

Director Qualifications:

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

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Douglas A. Warner III, 65, Former Chairman of the Board, J.P. Morgan Chase & Co., The Chase Manhattan Bank, and Morgan Guaranty Trust Company, investment banking, New York, New York. Director since 1992.

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

Director Qualifications:

Finance and Industry experience former CEO of large financial services company (JPMorgan Chase); chairman of leading cancer center (Sloan-Kettering)
Leadership and Global experience former CEO of large public multinational company (JPMorgan Chase); chairman of leading university investment committee (Yale)

Corporate Governance

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

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

Our Governance Principles also provide that directors should not be nominated for election to the Board after their 75th birthday, although the Board may nominate candidates over age 75 in special circumstances. Mr. Penske is being nominated for election to the Board at the 2012 Annual Meeting, although he is 75. The Board decided to nominate him for an additional term as a GE director because Mr. Penske, a GE director since 1994, is a key Board member with strong management and industry experience and a successful entrepreneurial background. The Board believes that Mr. Penske s expertise in assessing risks related to new ventures, managing leasing and transportation businesses and executing on strategic growth opportunities continues to be very valuable to the Board.

Board Leadership Structure. Our CEO also serves as the chairman of the Board and we have an independent presiding director with broad authority and responsibility. The presiding director, Mr. Larsen, the former chairman of the board and CEO of Johnson & Johnson, has the following responsibilities: (1) to lead meetings of the non-management directors, which are scheduled at least three times a year, and to call additional meetings of the non-management directors as he deems appropriate, (2) to serve as liaison on Board-related issues between the Chairman and the non-management directors, (3) to advise the NCGC on the selection of committee chairs, (4) to approve the agenda, schedule and information sent to directors for Board meetings, (5) to work with the chairman to propose an annual schedule of major discussion items for the Board s approval, (6) to provide leadership to the Board if circumstances arise in which the role of the chairman may be, or may be perceived to be, in conflict, and otherwise act as chairman of Board meetings when the chairman is not in attendance, (7) to make himself available for consultation and direct communication with our major shareowners, and (8) to perform such other functions as the Board may direct. We believe that this structure is appropriate for the company because it allows one person to speak for and lead the company and the Board, while also providing for effective oversight by an independent board through an independent presiding director. For a company as large and diverse as GE, we believe the CEO is in the best position to focus the independent directors attention on the issues of greatest importance to the company and its shareowners. In our view, splitting the roles would potentially have the consequence of making our management and governance processes less effective than they are today through undesirable duplication of work and, in the worst case, lead to a blurring of clear lines of accountability and responsibility, without any clear offsetting benefits.

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

In 2011, the Board established a Risk Committee. This Committee oversees GE s risk management of key risks, including strategic, operational (including product risk), financial (including credit, liquidity and exposure to broad market risk) and reputational risks, and the guidelines, policies and processes for monitoring and mitigating such risks. Starting in 2011, as part of its overall risk oversight responsibilities for GE, the Risk Committee also began overseeing risks related to GE Capital, which previously was subject to direct Audit Committee oversight.

The Audit Committee oversees GE s and GE Capital s policies and processes relating to the financial statements, the financial reporting process, compliance and auditing. The Audit Committee monitors ongoing compliance issues and matters, and also annually conducts an assessment of compliance issues and programs.

The Public Responsibilities Committee oversees risks related to GE s public policy initiatives, the environment and similar matters, and monitors the company s environmental, health and safety compliance.

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

The NCGC oversees risk related to the company s governance structure and processes and risks arising from related person transactions.

The Board s risk oversight process builds upon management s risk assessment and mitigation processes, which include standardized reviews of long-term strategic and operational planning; executive development and evaluation; code of conduct compliance under the company s *The Spirit & The Letter*; regulatory compliance; health, safety and environmental compliance; financial reporting and controllership; and information technology and security. The company s CRO is responsible for overseeing and coordinating risk assessment and mitigation on an enterprise-wide basis. The CRO leads the Corporate Risk Function and is responsible for the identification of key business risks, providing for appropriate management of these risks within GE Board guidelines, and enforcement through policies and procedures. Management has two committees to further assist it in assessing and mitigating risk. The Corporate Risk Committee meets periodically, is chaired by the CRO and comprises the chairman and CEO, vice chairmen, general counsel and other senior level business and functional leaders. It has principal responsibility for evaluating and addressing risks escalated to the CRO and Corporate Risk Function. The Policy Compliance Review Board met 15 times in 2011, is chaired by the company s general counsel and includes the CFO and other senior level functional leaders. It has principal responsibility for monitoring compliance matters across the company.

Director Independence. The company currently has 14 independent directors out of 16. During the period he served as a GE director in 2011, Sir William Castell (who did not stand for reelection at the 2011 Annual Meeting of Shareowners) also was an independent director. The Board has satisfied, and expects to continue to satisfy, its objective that at least two-thirds of the Board should consist of independent directors. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with GE. The Board has established guidelines to assist it in determining director independence, which conform to, or are more exacting than, the independence requirements in the NYSE listing standards. In addition to applying these guidelines, which are set forth in Section 4 of our Governance Principles and are published on GE s website at *www.ge.com/company/governance*, the Board will consider all relevant facts and circumstances in making an independence determination. The independent directors and nominees for director are named above under Election of Directors. In the course of the Board s determination regarding independence, it considered relevant transactions, relationships and arrangements as required by the company s independence guidelines. In particular, with respect to each of the three most recently completed fiscal years, as applicable, the Board evaluated for:

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

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

director Lazarus, (1) the annual amount of sales to GE by the company where she served as an executive officer, and determined that the amount of sales in each fiscal year was not more than the greater of two percent of the annual revenues of that company or $1 million, and (2) the total amount of that company s indebtedness to GE, and determined that the amount of indebtedness was not greater than two percent of that company s total consolidated assets; and

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

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

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

Messrs. Immelt and Penske are not independent directors due to their employment (in the case of Mr. Immelt) and business relationships (in the case of Mr. Penske) with the company.

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

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

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Board of Directors and Committees

The Board held 15 meetings during 2011, including three meetings of the non-management directors of the Board. All of our directors attended at least 75% of the Board and committee meetings on which the member sits. Information about director attendance at the 2011 Annual Meeting and the Board s policy with regard to director attendance at annual meetings of shareowners is available at *www.ge.com/company/governance/board/index.html*.

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

Audit Committee. The members of the Audit Committee are directors Warner, who chairs the committee, Beattie, Cash, Lane, Mulva and Swieringa. The Board has determined that Messrs. Beattie, Lane, Mulva, Swieringa and Warner are audit committee financial experts, as defined under SEC rules. The Audit Committee is primarily concerned with the integrity of the company s financial statements, the company s compliance with legal and regulatory requirements, the independence and qualifications of the independent auditor and the performance of the company s internal audit function and independent auditor. Its duties include: (1) selecting and overseeing the independent auditor, (2) reviewing the scope of the audit to be conducted by them, as well as the results of their audit, (3) overseeing our financial reporting activities, including our annual report, and the accounting standards and principles followed, (4) discussing with management the company s risk assessment and risk management practices, including risk relating to the company s and GE Capital s financial statements, financial reporting processes, compliance and auditing, and allowance for loan lease losses and the guidelines, policies and processes for monitoring and managing these risks, (5) approving audit and non-audit services provided to the company by the independent auditor, (6) reviewing the organization and scope of our internal audit function and our disclosure and internal controls, and (7) on behalf of the Board overseeing the company s legal and regulatory compliance. The committee met ten times during 2011. The committee s report is on page 39.

Management Development and Compensation Committee. The members of the MDCC are directors Larsen, who chairs the committee, Cash , Jung, Lane, Nunn and Warner. The committee s primary responsibilities include: (1) establishing, reviewing and approving CEO compensation, and reviewing and approving other senior executive compensation, (2) monitoring our management resources, structure, succession planning, development and selection process as well as the performance of key executives, (3) reviewing incentive compensation arrangements to assure that incentive pay does not encourage unnecessary risk taking, and (4) reviewing and discussing, at least annually, the relationship between risk management policies and practices, corporate strategy and senior executive compensation. It also oversees the GE 2007 Long-Term Incentive Plan and the incentive compensation program and any other equity-based compensation plans. The committee met eight times during 2011. The committee s report is on page 24. Additional information on the committee s processes and procedures for consideration of executive compensation are addressed under Compensation Discussion and Analysis below.

Nominating and Corporate Governance Committee. The members of the NCGC are directors Lazarus, who chairs the committee, Hockfield , Jung, Lafley, Larsen and Warner. The committee s responsibilities include the selection of director nominees for the Board and the development and annual review of our Governance Principles. The committee also: (1) reviews director compensation and benefits, (2) oversees the annual self-evaluation of the Board and its committees, (3) makes recommendations to the Board concerning the structure and membership of the Board committees, (4) reviews, approves and ratifies transactions with related persons required to be disclosed under SEC rules, (5) resolves any conflict of interest involving directors or executive officers, and (6) oversees risks related to corporate governance. The committee met four times during 2011.

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

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

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

Public Responsibilities Committee. The members of the Public Responsibilities Committee are directors Nunn, who chairs the committee, Cash, Fudge, Hockfield, Immelt , Lazarus, Mulva and Penske. The purpose of the committee is to review and oversee GE positions on corporate social responsibilities and public issues of significance that affect investors and other key GE stakeholders, including charitable donations, political contributions, lobbying activities and related issues. In addition, the committee reviews the status of any significant governmental inquiry or investigation that is not related to any financial statements, identifies and discusses with management risks relating to our public policy initiatives, the environment and similar matters, monitors the company s environmental, health and safety compliance and reviews the company s policies and practices related to political and campaign contributions and contributions to trade associations and other tax-exempt and similar organizations that may engage in political activity. The committee met four times during 2011.

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

2011 Non-management Directors Compensation

The current compensation and benefit program for non-management directors has been in effect since 2003 and is designed to achieve the following goals: (1) compensation should fairly pay directors for work required for a company of GE s size and scope; (2) compensation should align directors interests with the long-term interests of shareowners; and (3) the structure of the compensation should be simple, transparent and easy for shareowners to understand. The company reviews director compensation every year. The table below on non-management directors compensation includes the following compensation elements.

Annual Compensation. In 2011, annual compensation of $250,000 was paid to each non-management director in four installments following the end of each quarter of service, 40% (or $100,000) in cash and 60% (or $150,000) in deferred stock units (DSUs). There are no meeting fees. Non-management directors have the option of deferring some or all of their cash compensation in DSUs. Each DSU is equal in value to a share of GE stock and is fully vested upon grant, but does not have voting rights. DSUs accumulate quarterly dividend equivalent payments, which are reinvested into additional DSUs. The DSUs will be paid out in cash to non-management directors beginning one year after they leave the Board. Directors may elect to take their DSU payments as a lump sum or in payments spread out for up to ten years.

Audit Committee Compensation and MDCC Compensation. Additional compensation, equal to 10% of the $250,000 annual compensation, was paid to directors serving on the Audit Committee and the MDCC due to the workload and broad-based responsibilities of these two committees. Directors serving on both committees received additional compensation equal to 20% of their annual compensation. This additional compensation was paid in the same 40%/60% proportion between cash and DSUs, respectively, and was payable in the same manner as the annual compensation.

All Other Compensation. The column below showing All Other Compensation includes the following items:

1. Executive Products and Lighting Program. Non-management directors participate in our Executive Products and Lighting Program on the same basis as our named executives. Under this program, upon their request, directors can receive GE appliances or other products. Incremental cost is calculated based on the fair market value of the products received.

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2. Matching Gifts Program. Non-management directors may participate in the GE Foundation s Matching Gifts Program on the same terms as GE s executive officers. Under the GE Foundation s regular Matching Gifts Program, the GE Foundation matches up to $50,000 a year in contributions by any employee, retiree or director to approved charitable organizations. In addition, for 2011 the GE Foundation offered a ceiling increase of $25,000 for any employee, retiree or director donating to eligible food and shelter organizations in 2011. The matching gift program amounts shown in note 3 of the table below represent all company matches registered by the director with the company in 2011.

3. Charitable Award Program. GE maintains a plan that permits each director to designate up to five charitable organizations (excluding a director s private foundation) to share in a $1 million contribution to be made by the company upon the director s termination of service. The company will fund the contribution from corporate assets upon such termination. The award vests upon the commencement of Board service.

Directors who are company employees do not receive any compensation for their services as directors.

Name of Director	Fees Earned or Paid in Cash[1]	Stock Awards[2]	All Other Compensation[3]	Total
W. Geoffrey Beattie	$0	$278,643	$34,500	$313,143
James I. Cash, Jr.	$120,000	$182,385	$50,000	$352,385
William M. Castell[4]	$62,500	$56,962	$1,000,000	$1,119,462
Ann M. Fudge	$100,000	$151,987	$39,233	$291,220
Susan Hockfield	$100,000	$151,987	$5,250	$257,237
Andrea Jung	$110,000	$167,186	$27,199	$304,385
Alan G. Lafley	$100,000	$151,987	$50,000	$301,987
Robert W. Lane	$120,000	$182,385	$0	$302,385
Ralph S. Larsen	$0	$278,643	$60,022	$338,665
Rochelle B. Lazarus	$0	$253,312	$50,046	$303,358
James J. Mulva	$0	$278,643	$75,000	$353,643
Sam Nunn	$0	$278,643	$34,150	$312,793
Roger S. Penske	$0	$253,312	$56,344	$309,655
Robert J. Swieringa	$44,000	$234,060	$48,500	$326,560
James A. Tisch	$50,000	$228,087	$50,000	$328,087
Douglas A. Warner III	$120,000	$182,385	$53,054	$355,439

1 This column reports the amount of cash compensation received for 2011 Board and committee service.

2 This column represents the dollar amounts of the aggregate grant date fair value of DSUs granted in 2011 in accordance with SEC rules. This column includes amounts that the following directors deferred into DSUs in lieu of all or a part of their cash compensation in 2011: Mr. Beattie $110,000, Mr. Larsen $110,000, Ms. Lazarus $100,000, Mr. Mulva $110,000, Mr. Nunn $110,000, Mr. Penske $100,000, Dr. Swieringa $66,000 and Mr. Tisch $75,000. The grants of DSUs are made following each quarter of service, and the grant date fair value at the time of grant is the number of DSUs multiplied by the closing price of GE stock on the date of grant, which was $20.05, $18.86, $15.24 and $17.91 on March 31, 2011, June 30, 2011, September 30, 2011 and December 30, 2011, respectively. The directors had the following aggregate number of DSUs outstanding at 2011 fiscal year-end: Mr. Beattie 43,607, Dr. Cash 83,126, Ms. Fudge 99,071, Dr. Hockfield 41,929, Ms. Jung 88,725, Mr. Lafley 103,427, Mr. Lane 84,433, Mr. Larsen 124,317, Ms. Lazarus 126,085, Mr. Mulva 62,492, Mr. Nunn 159,878, Mr. Penske 178,664, Dr. Swieringa 106,165, Mr. Tisch 17,562, and Mr. Warner 87,569. The following directors had the following aggregate number of options outstanding at 2011 fiscal year-end: Dr. Cash 18,000, Ms. Fudge 18,000, Ms. Jung 18,000, Ms. Lazarus 18,000, Mr. Nunn 18,000, Mr. Penske 18,000 and Mr. Warner 18,000. We ceased granting stock options to directors in 2002. At 2011 fiscal year-end, former director Castell had 200,000 stock options outstanding, which were previously granted to him as an executive of the company.

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3 The following table provides more information on the type and amount of items included in All Other Compensation.

Name of Director	Executive Products and Lighting Program	Matching Gifts Program	Charitable Award Program	Total
W. Geoffrey Beattie	$0	$34,500	$0	$34,500
James I. Cash, Jr.	$0	$50,000	$0	$50,000
William M. Castell	$0	$0	$1,000,000	$1,000,000
Ann M. Fudge	$2,283	$36,950	$0	$39,233
Susan Hockfield	$0	$5,250	$0	$5,250
Andrea Jung	$12,125	$15,074	$0	$27,199
Alan G. Lafley	$0	$50,000	$0	$50,000
Robert W. Lane	$0	$0	$0	$0
Ralph S. Larsen	$22	$60,000	$0	$60,022
Rochelle B. Lazarus	$246	$49,800	$0	$50,046
James J. Mulva	$0	$75,000	$0	$75,000
Sam Nunn	$0	$34,150	$0	$34,150
Roger S. Penske	$6,344	$50,000	$0	$56,344
Robert J. Swieringa	$0	$48,500	$0	$48,500
James A. Tisch	$0	$50,000	$0	$50,000
Douglas A. Warner III	$3,054	$50,000	$0	$53,054

4 Former director Castell did not stand for reelection at the 2011 Annual Meeting of Shareowners.

No Other Compensation. Non-management directors do not receive any non-equity incentive compensation, hold deferred compensation balances or receive pension benefits. Since 2003, DSUs have been the only equity incentive compensation awarded to the non-management directors.

Share Ownership and Holding Period Requirements. All non-management directors are required to hold at least $500,000 worth of GE stock and/or DSUs while serving as directors of GE. Directors have five years to attain this ownership threshold. All directors are in compliance with this requirement. In addition, like the named executives, the non-management directors are required to hold for at least one year the net shares obtained from exercising stock options after selling sufficient shares to cover the exercise price, taxes and broker commissions.

Insurance. GE has provided liability insurance for its directors and officers since 1968. Ace Bermuda Insurance Ltd., XL Insurance and Alterra Insurance Ltd. are the principal underwriters of the current coverage, which extends until June 11, 2012. The annual cost of this coverage is approximately $10.4 million.

Executive Compensation

Compensation Discussion and Analysis

The MDCC has broad discretion to determine the amount and mix of our named executives compensation, evaluating a broad range of quantitative and qualitative factors. The MDCC determined compensation for 2011 by applying the compensation policies and considerations described under Our Compensation Framework beginning on page 19, and based on its review and evaluation of the accomplishments discussed below.

How We Determine Incentive Compensation

Annual Cash Bonuses. We pay annual cash bonuses to our named executives. These bonuses are based on specific goals for each executive, and the bonus amount is driven by the executive s success in achieving these goals, as determined by the MDCC. The MDCC puts strong emphasis on evaluating the named executives contributions to the company s overall performance in addition to their individual business or function. Therefore, the specific company financial goals listed below for Mr. Immelt are also the key shared financial goals for Messrs. Sherin, Krenicki, Neal and Rice, even though they also have additional performance goals for the businesses or functions they lead. The bonus amounts are not formulaically set at the time the goals are established but instead are determined using MDCC judgment after the completion of the performance period based on the MDCC s assessment of a number of quantitative and qualitative factors. This allows the MDCC to consider all aspects of an executive s performance throughout the year, which typically cannot be accounted for under a rigid, formulaic model. Our annual cash bonuses are determined with the prior year s award serving as an initial basis for consideration. After an assessment of a named executive s ongoing performance and current-year contributions to the company s results, as well as the performance of any business or function he leads, the MDCC uses its judgment in determining the bonus amount, if any, and the resulting percentage

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change from the prior year. Because we emphasize consistent performance over time, the relative size of our named executives bonuses is driven by current-year, past and sustainable performance, and percentage increases or decreases in the amount of annual compensation therefore tend to be more gradual than in a framework that is focused solely or largely on current-year performance.

Annual Equity Incentive Awards. We grant annual equity incentive awards to our named executives in the form of stock options, restricted stock units (RSU s) or, in the case of the CEO, performance share units (PSUs). Equity awards encourage our named executives to continue to deliver results over a longer period of time and serve as a retention tool. In making equity awards, the MDCC follows a similar approach as described above for annual cash bonuses, except that the MDCC s compensation philosophy that puts emphasis on evaluating named executives based on company, rather than business or functional performance, is even more pronounced on annual equity incentive awards and is more heavily influenced by expected future contributions to the company s long-term success. PSUs, which have formulaically determined payouts, convert into shares of GE stock only if the company achieves specified goals based on two equally weighted performance metrics.

Long-Term Performance Awards (LTPAs). We generally grant LTPAs, which have formulaically determined payouts, once every three years to our named executives. These awards are settled in cash, based on a multiple of the executive s salary, if the company achieves specified goals based on four equally weighted performance metrics.

Compensation Actions for 2011

Summary

GE Outperforms. In 2011, the company strengthened its core Industrial businesses by redeploying capital from NBC Universal (NBCU) to support $11 billion of Energy acquisitions, accelerating growth in emerging markets, and making significant investments in research and development (R&D). Also, GE Capital is now a smaller, more focused specialty finance company, with particular focus in mid-market segments. As a result, GE has its strongest portfolio in recent history, which is reflected in its 2011 financial performance, with operating earnings up 20% from 2010 and revenues up 7% from 2010 (excluding the impact of NBCU) as well as a record year-end backlog of $200 billion. In addition, senior management s actions in 2011 have put the company into a position of financial strength, with $85 billion of consolidated cash at 2011 year-end, strong risk management and a year-end 10% Tier 1 Common Ratio at GE Capital. This strength has allowed the company to execute on its balanced capital allocation strategy by increasing its quarterly dividend twice in 2011 for a total of four increases in the past two years, repurchasing $5.4 billion of stock during the year, including $3.3 billion for the preferred stock held by Berkshire Hathaway, and investing in adjacencies. GE outperformed the S&P 500 Industrials and Financials sectors on an earnings, stock price and total shareholder return (TSR) basis in 2011.

CEO Pay (Excluding Change in Pension) Decreases from Prior Year. In light of the company s position and performance, Mr. Immelt received a bonus of $4 million for 2011, the same bonus he received for 2010 when the company also performed well. He also received a grant of 250,000 PSUs. Mr. Immelt s 2011 base salary, which was last increased in April 2005, was unchanged. As a result of these actions, Mr. Immelt s total compensation for 2011 was essentially unchanged from 2010 and would have been lower but for a $10.1 million increase in pension value (compared to $6.2 million in 2010), which was predominately the result of the change in the discount rate reflecting historic low interest rates generally, and unrelated to any compensation decision on the part of the MDCC. Excluding the effect of the change in pension value, Mr. Immelt s compensation for 2011 was $11.4 million, compared to $15.2 million in 2010, a decline of 25%. This decrease was primarily due to a lower accounting value for Mr. Immelt s 2011 equity grant compared to his 2010 equity grant.

In addition, based on feedback from shareowners, in April 2011 the MDCC, with Mr. Immelt s full support, modified his 2010 stock option award to also include performance-based conditions to vesting tied to Industrial cash from operating activities (Industrial CFOA) and TSR.

Other Named Executive Pay. Compensation actions for Messrs. Sherin, Neal and Rice reflect their strong contributions to the company s overall performance and that of their respective businesses or functions. Incentive cash compensation actions for Mr. Krenicki reflect a challenging environment in the energy sector that affected Energy Infrastructure profits. Total compensation for these named executives was also significantly affected by the year-over-year increase in pension value.

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2011 Say-on-Pay Vote

We annually undertake a review of the company s corporate governance and as part of this review meet with our largest investors and solicit their feedback on a variety of topics, including our executive compensation practices. Prior to our 2011 Annual Meeting, we had a number of constructive conversations with our shareowners on stock options that were awarded to Mr. Immelt in March 2010. The MDCC had granted Mr. Immelt two million stock options to increase the equity-based portion of his compensation and to underscore the Board s confidence in his exceptional leadership. In these discussions with shareowners, some expressed the view that additional performance conditions should be applied to Mr. Immelt s 2010 stock option award. After taking into account these views, the MDCC, with Mr. Immelt s full support, modified that award to include the following performance conditions to vesting:

- 50% of the options will vest only if GE s cumulative Industrial CFOA, adjusted to exclude the effect of unusual events, is at least $55 billion over the four-year performance period beginning on January 1, 2011 and ending on December 31, 2014, and

- 50% will vest only if GE s TSR meets or exceeds that of the S&P 500 over the same period.

These performance conditions are consistent with goals that the MDCC had established for the 2009 PSU grant to Mr. Immelt. In 2011, the MDCC continued its practice of granting Mr. Immelt equity-based compensation consisting solely of PSUs with disclosed performance goals.

At our 2011 Annual Meeting, shareowners expressed substantial support for the compensation of our named executives, with approximately 80% of the votes cast for the say-on-pay advisory resolution approving our executive compensation. Following the shareowner meeting, we met again with our investors to review compensation actions for the past year, including the say-on-pay advisory vote. Feedback from these investor meetings was then evaluated by the MDCC along with the results of the say-on-pay advisory vote. After taking into account this feedback, the MDCC determined that it would disclose specific performance goals for our LTPAs and expand our disclosure regarding incentive compensation determinations.

The MDCC considered these performance goals and also considered other factors in evaluating GE s executive compensation programs as discussed in this Compensation Discussion and Analysis, including the MDCC assessment of the alignment of our compensation program with the long-term interests of our shareowners, the relationship between our risk management policies and practices and the incentive compensation we provide to our named executives, and, as a reference point in its assessment of the types and amount of compensation, executive compensation at each of the other component companies of the Dow Jones Industrial Average. Other than the changes discussed above, after considering the results of the 2011 say-on-pay advisory vote and the other factors discussed above, the MDCC reaffirmed the elements of our executive compensation program and policies.

CEO Compensation

In 2011, Mr. Immelt and the Board set the following performance framework for the company: (1) maintaining an attractive financial profile, (2) building world-class operating processes in capital allocation and enterprise risk management, (3) creating a more valuable GE Capital franchise and executing on its strategic plan, (4) achieving strong business execution, (5) investing in infrastructure growth, (6) achieving strong global growth, and (7) continuing to drive the GE leadership model. Under Mr. Immelt s leadership, management delivered the following results within this framework. For a discussion of the non-GAAP financial measures refer to page 52.

- Maintaining an Attractive Financial Profile. Full-year operating earnings were $14.8 billion, up 20% from $12.3 billion in 2010. Industrial CFOA totaled $12.1 billion for the year, and GE had consolidated cash and equivalents of $85 billion at year-end. Total revenues for 2011 were $147.3 billion, up 7% from 2010, excluding the impact of NBCU. Industrial segment emerging market revenues were up 25% for 2011 compared to 2010, driven by double-digit growth in Brazil, Russia, China, India and Southeast Asia.

- Building World-Class Operating Processes in Capital Allocation and Enterprise Risk Management. In 2011, GE increased its quarterly dividend twice for a total of four increases in the past two years. GE s strong cash position enabled the company to repurchase $5.4 billion of stock during the year, including $3.3 billion for the preferred stock held by Berkshire Hathaway. In addition, GE diversified and strengthened its core businesses by redeploying capital from NBCU to support $11 billion of Energy acquisitions. The company made investments in adjacencies such as Converteam, the Well Support division of the John Wood Group and MetLife s U.S. retail deposit business, and formed a healthcare information technology joint venture with Microsoft. GE further enhanced its enterprise risk management infrastructure at GE Capital and GE by making significant investments in resources, systems and controls.

Creating a More Valuable GE Capital Franchise and Executing on Its Strategic Plan. GE Capital full-year earnings were $6.5 billion in 2011, up 107% from 2010, reflecting strong results in four out of its five businesses and lower losses in Commercial Real Estate. GE Capital made significant strides in achieving its strategic objectives of generating attractive returns, diversifying its funding base and positioning the business for long-term growth. GE Capital s ending net investment (GECC ENI) reached $445 billion at year-end, almost one year ahead of plan. In addition, GE Capital s Tier 1 Common Ratio at the end of 2011 was 10%, up 200 basis points from the end of 2010. GE Capital also reduced its leverage significantly. As a result, the company is positioned to restart the dividend from GE Capital to GE this year, subject to Federal Reserve review.

Achieving Strong Business Execution. GE continued to make substantial investments in R&D, which enabled the company to successfully launch advanced new products such as the LEAP-X engine, which generated more than $4 billion in commitments at the Dubai Air Show. The company experienced a decreasing value gap between raw material cost and resale prices in 2011, reflecting price pressure and low deflation, but margins improved by 250 basis points in the fourth quarter to 16.2%, putting the company in a strong position compared to other companies. In addition, Industrial orders were up 17% over 2010, with Energy Infrastructure orders up 23% from 2010. The company also increased services earnings by 15% in 2011 from 2010, reflecting strong process controls.

Investing in Infrastructure Growth. GE s investment in R&D in 2011 was 16% higher than in 2010, positioning the company to launch more than 800 new products in 2012. GE s technological advances include its latest innovation in gas turbine technology, the FlexEfficiency 50 Combined Cycle Power Plant, which applies jet engine technology to a gas turbine, significantly reducing the amount of fuel needed to create power. Other new products include the Discovery IGS 730, a new mobile and robotic interventional X-Ray, and the Optima MR450W, a new full body scanner with innovative technology that delivers precise imaging with exceptional comfort. GE s success in infrastructure investment is reflected in the 17% order growth in 2011 and the year-end backlog of $200 billion, the largest in GE s history.

Achieving Strong Global Growth. Total Industrial global revenues were up 18% in 2011 from 2010, excluding the impact of NBCU, and Industrial segment emerging market revenues increased by 25%, driven by double-digit growth in key global markets, including Brazil, Russia, China, India and Southeast Asia. In addition, total Industrial global orders were up 21% from 2010.

Continuing to drive the GE Leadership Model. GE created a strong global leadership structure in its Global Growth & Operations organization by successfully expanding and empowering country/regional leadership teams to help localize decision-making. GE bolstered its executive leadership team in key Industrial growth markets in 2011 with the addition of approximately 100 new executive leaders, helping to localize leadership, build more operational capability and position the company to expand its sales force in 2012.

The MDCC believes that Mr. Immelt performed well in 2011 by executing on this performance framework, including against the following financial objectives, almost all of which were met or exceeded.

Financial Objectives (in billions except per share amounts)	**Goal**	**Performance**
Revenues	$ 143.0	$147.3
Industrial operating profits	15.1	14.0
GE Capital segment profits	5.5	6.5
Operating earnings per share[1]	1.31	1.37
Operating earnings	14.1	14.8
Cash from operating activities	12-13	12.1
GECC ending net investment[2]	460	445

1 Excluding the effects of the preferred stock redemption.

2 Assuming constant foreign exchange rates.

Mr. Immelt s base salary, which was last increased in April 2005, was unchanged for 2011. In light of the MDCC s assessment of Mr. Immelt s performance, he received a $4 million cash bonus, the same as in 2010, and was granted 250,000 PSUs. As a result of these actions, Mr. Immelt s total compensation for 2011 is essentially unchanged from 2010 and would have been lower but for a $10.1 million increase in pension value (compared to $6.2 million in 2010), which is predominately the result of the change in the discount rate reflecting historic low interest rates generally ($6.7 million or 66% of the increase in Mr. Immelt s pension value in 2011 was due solely to the reduction in the assumed discount rate),

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and unrelated to any compensation decision on the part of the MDCC. Excluding the effect of this change in pension value, Mr. Immelt s compensation for 2011 was $11.4 million, compared to $15.2 million in 2010, a decline of 25%. This decrease was primarily due to a lower accounting value for Mr. Immelt s 2011 equity grant compared to his 2010 equity grant.

In February 2012, all of the PSUs granted to Mr. Immelt in 2007 were cancelled pursuant to the terms of the grant because GE s CFOA did not grow an average of more than 10% per year over the performance period from 2007 to 2011, and GE s TSR had not met or exceeded that of the S&P 500 over that same performance period.

As an indication of Mr. Immelt s alignment with shareowners, Mr. Immelt has purchased over 875,000 shares in the open market since he became CEO in 2001. He has not sold any of the shares he has acquired upon the exercise of stock options or upon the vesting of RSUs or PSUs since he became CEO.

Compensation for Our Other Named Executives

Keith Sherin. Mr. Sherin has been our chief financial officer since 1998 and is also a vice chairman of the company. Since he joined GE in 1981, he has assumed roles with increasing responsibilities at many of our key businesses. As the leader of the company s finance organization, Mr. Sherin s financial objectives focused on the overall performance of the company and were the same as Mr. Immelt s. His strategic and operational goals included managing relationships with NBCU and Comcast to maximize returns, leveraging corporate audit staff to drive improved operating execution, supporting the company s global strategy, continuing to build operating rigor around contractual service agreements and improving the communication plan regarding capital allocation.

Mr. Sherin had a strong year in 2011. In addition to his contribution toward the financial goals discussed above, the MDCC specifically recognized that:

- GE achieved solid overall company operating results despite weaker operating margins;
- he strengthened the company s balance sheet, which had $85 billion in cash and equivalents at year-end, helping to keep the company safe and secure; and
- he forged strong external relationships with strategic partners and investors.

In light of the MDCC s assessment of Mr. Sherin s performance in 2011, he received a $3,150,000 cash bonus, a 5% increase from 2010, and was granted 850,000 stock options. His base salary also was increased by 10% to $1,850,000, effective July 1, 2011, after an 18-month interval since his last base salary increase, consistent with the company s standard practice. Mr. Sherin s salary is commensurate with his position as a vice chairman and the CFO of one of the world s most complex and largest multinational companies, and his experience, skills, judgment and sustained performance in executing his responsibilities.

John Krenicki. Mr. Krenicki has been the leader of our Energy Infrastructure business since its formation in 2008 and is also a vice chairman of the company. Previously, he was president and chief executive officer of GE Energy, and held several leadership positions at other businesses since he joined GE in 1984. In addition to the company s overall goals, Mr. Krenicki s financial objectives for his business included increasing revenues and segment profit as well as achieving strong CFOA. His strategic and operational goals included growing energy orders, improving the value gap between raw material cost and resale prices, executing on M&A and new product introductions and gaining market share in key growth markets.

Mr. Krenicki had a solid performance in 2011. In addition to his contribution toward the financial goals discussed above, the MDCC specifically recognized that:

- although Energy Infrastructure s revenues were up 16% over 2010, segment profit was down 9% compared to 2010 and below target. Lower segment profits were driven by excess capacity and pricing pressure as well as a slower recovery in the overall energy sector. CFOA was down 17% compared to 2010 and below target;

he achieved energy order growth of 23% for 2011, resulting in record product and service backlog for Energy Infrastructure of $72.7 billion as of the end of 2011 and contributing to record company backlog; and

he strengthened the competitive position of Energy Infrastructure by continuing to diversify and strengthen the business through an increasing number of new products and services offered in global markets, which has allowed the business to capitalize well on global trends.

In light of the MDCC s assessment of Mr. Krenicki s performance in 2011, he received a $2,800,000 cash bonus, a 7% decrease from 2010, and was granted 850,000 stock options. His base salary also was increased by 13% to $1,800,000, effective January 1, 2012, after an 18-month interval since his last base salary increase, consistent with the company s standard practice. Mr. Krenicki s salary is commensurate with his position as a vice chairman of the company and his experience, skills and judgment in leading Energy Infrastructure, a global business that generated nearly $44 billion in revenues in 2011 and has more than 100,000 employees.

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Mike Neal. Mr. Neal has been the leader of our GE Capital business since its formation in September 2008 and is also a vice chairman of the company. Previously, he was the president and CEO of GE Commercial Finance and has held several leadership positions at other businesses since he joined GE in 1979. In addition to the company s overall goals, Mr. Neal s financial objectives for the GE Capital segment included lowering GECC ENI, achieving revenue of at least $45 billion, and increasing lending volume, pre-tax and after-tax earnings and the Tier 1 Common Ratio. His strategic and operational goals included managing the financial services regulatory transition, improving Commercial Real Estate performance, generating business at attractive margins, developing options for global banking and positioning GE Capital for a 2012 dividend.

Under Mr. Neal s leadership, GE Capital had a very good year in 2011. In addition to his contribution toward the financial goals discussed above, the MDCC specifically recognized that:

- GE Capital achieved outstanding operating performance, with 2011 segment profits of $6.5 billion, up 107% from the prior year, reflecting strong results in four out of its five businesses and lower losses in Commercial Real Estate. Only discontinued operations with WMC and GE Money Japan continued to be challenging. Mr. Neal also met his pre-tax earnings and revenue goals, and lending volume of $171.3 billion for 2011 was up 11% from 2010;

- in 2011, GE Capital continued its progress to become a smaller, more focused specialty finance company, with a reduction in GECC ENI to $445 billion at 2011 year-end, almost one year ahead of plan, and a 200 basis point increase in the Tier 1 Common Ratio over 2010 to 10%;

- he actively managed the financial services regulatory transition, including the 2011 transition to Federal Reserve oversight; and

- GE Capital s funding sources were strengthened and diversified, including with the acquisition, pending regulatory approvals, of MetLife s U.S. retail deposit business.

In light of the MDCC s assessment of Mr. Neal s performance in 2011, he received a $3,440,000 cash bonus, a 6% increase from 2010, and was granted 850,000 stock options. His base salary also was increased by 11% to $2,100,000, effective January 1, 2012, after an 18-month interval since his last base salary increase, consistent with the company s standard practice. Mr. Neal s salary is commensurate with his position as a vice chairman of the company and his experience, skills and judgment in leading GE Capital, which earned $6.5 billion in segment profits in 2011, re-positioning it for future growth.

John Rice. Mr. Rice has been the leader of Global Growth & Operations since we consolidated our global operations into this organization in November 2010 and is also a vice chairman of the company. Previously, he was the leader of our Technology Infrastructure business, and since joining GE in 1978, he has served as president and CEO of GE Infrastructure, GE Industrial, GE Energy and GE Transportation Systems. In addition to the company s overall goals, Mr. Rice s financial, strategic and operational goals for Global Growth & Operations focused on increasing global revenues with a particular focus on resource rich countries and Asia and strengthening the global leadership team. Additional goals included localizing key operating processes by country and region, strategically allocating resources to target top global customers and establishing a winning strategy in key markets.

Mr. Rice led the Global Growth & Operations organization to a strong performance in 2011. In addition to his contribution toward the financial goals discussed above, the MDCC specifically recognized that:

- Industrial segment emerging market revenues increased by 25% in 2011 compared to 2010, driven by double-digit growth in key global markets, including Brazil, Russia, China, India and Southeast Asia;

- Global Growth & Operations had a strong first year as an organization and developed good external partnerships, despite the operational complexities of creating a competitive, global structure; and he created a strong global leadership structure by successfully expanding and empowering country/regional leadership teams to help localize decision-making.

In light of the MDCC s assessment of Mr. Rice s performance in 2011, he received a $3,400,000 cash bonus, a 7% increase from 2010, and was granted 850,000 stock options. His base salary also was increased by 11% to $2,100,000, effective January 1, 2011, in connection with his assignment leading Global Growth & Operations headquartered in Hong Kong.

Our Compensation Framework

Our Goal

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

Key Considerations in Setting Pay

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

Emphasis on Consistent, Sustainable and Relative Performance. Our compensation program provides the greatest pay opportunity for executives who demonstrate superior performance for sustained periods of time. It also rewards named executives for executing the company s strategy through business cycles, such as with consistent levels of R&D investment through economic cycles, so that the achievement of long-term strategic objectives is not compromised by short-term considerations. Each of our named executives has served the company for many years, during which time he has held diverse positions with increasing levels of responsibility. The amount of their pay reflects the fact that they have consistently contributed, and are expected to continue to contribute, to the company s long-term success. In evaluating consistent performance, we also weigh relative performance of each executive in his industry segment or function.

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

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

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

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

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

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

Limited Use of Compensation Consultants and Benchmarking Data. From time to time, the MDCC and the company s human resources function have sought the views of Frederic W. Cook & Co., Inc. about market intelligence on compensation trends, along with its views on particular compensation programs designed by our human resources function. For 2011, the MDCC did not consult with Frederic W. Cook & Co., Inc., although the company s human resources function consulted with Frederic W. Cook & Co., Inc. in 2011 to obtain its views and information on market practices relating to compensation and benefits for named executives. These services were obtained under hourly fee arrangements and not pursuant to a standing engagement. The MDCC and the company have adopted a policy that any compensation consultant used by the MDCC to advise on executive compensation will not at the same time advise the company on any other human resources matter. With respect to benchmark data, the MDCC considers executive compensation at each of the other component companies of the Dow Jones Industrial Average only as one among several factors in setting pay. The MDCC does not target a percentile within this Dow 30 peer group and instead uses the comparative data only as a reference point in its determination of the types and amount of compensation based on its own evaluation.

No Employment and Severance Agreements. Our named executives do not have individual employment, severance or change-of-control agreements. They serve at the will of the Board, which enables us to set the terms of any termination of employment. To preserve the MDCC s flexibility to consider the facts and circumstances of any particular situation, we provide limited guaranteed post-termination benefits, which are discussed in more detail beginning on page 35, including death and disability benefits. We have a policy to seek shareowner approval for any future agreement or policy to pay named executives unearned death benefits, which is discussed in more detail on page 24. Other than retirement benefits, which serve as a retention tool, post-employment benefits have little bearing on our annual compensation decisions.

Performance Objectives and Evaluations for Our Named Executives

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

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

Compensation Elements We Use to Achieve Our Goal

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

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

Stock Options and RSUs. The company s equity incentive compensation program is designed to recognize scope of responsibilities, reward demonstrated performance and leadership, align the interests of the named executive with those of our shareowners and retain them. We generally utilize grants of stock options and RSU s as a means to effectively focus our named executives on delivering long-term value to our shareowners because options only have value to the extent the price of GE stock on the date of exercise exceeds the stock price on the grant date, and RSUs reward and retain the named executives by offering them the opportunity to receive shares of GE stock on the date the restrictions lapse so long as they continue to be employed by the company. In 2011, the MDCC decided to continue its recent practice of shifting potential value to stock options from our historical mix that included RSUs due to the options excellent retentive characteristics and strong incentive alignment with our shareowners. Unvested stock options and RSUs are forfeited if the named executive voluntarily leaves GE, and are generally vested if he or she reaches age 60 and retires prior to the scheduled vesting. The RSUs pay dividend equivalents prior to the lapse of restrictions, equal to the quarterly dividends on GE stock.

PSUs. From 2003 through 2009, we compensated our CEO with PSUs in lieu of any other equity incentive compensation because the MDCC and the CEO believe that his equity awards should be based on key performance measures that are aligned with our shareowners interests and fully at risk based on these measures, and we continued this practice in 2011. Half of the PSUs granted in 2011 convert into shares of GE stock only if GE s cumulative Industrial CFOA, adjusted to exclude the effect of unusual events, is at least $71 billion over the performance period (January 1, 2011 to December 31, 2015). The remaining PSUs convert into shares of GE stock only if GE s TSR meets or exceeds the return of the S&P 500 over the same performance period. TSR means the cumulative total return on GE stock and the S&P 500 Index, respectively, over the performance period, calculated in the same manner as the performance graph shown in our Annual Report on Form 10-K. Dividend equivalents are paid out only on shares actually received.

LTPAs. Since 1994, we have granted LTPAs generally every three years to our named executives and other selected leaders, except that in 2009 the MDCC postponed the renewal of this program until 2010 and instead focused on equity compensation. These awards have been based on meeting or exceeding long-term performance metrics, which are set by the MDCC at the beginning of the performance period. The LTPA performance metrics in our last four LTPA programs have been largely consistent, with each program using earnings, cash generation and return on total capital metrics, and any change in metrics from program to program reflects the alignment of the company s long-term performance programs with the company s strategic focus (as is the case with the ENI metric in our current LTPA program). In February 2010, we granted contingent LTPAs to approximately 1,000 executives across the company that will only be payable if the company achieves on an overall basis for the three-year (2010 through 2012) period specified goals based on four equally weighted performance metrics. These performance metrics are: (1) cumulative earnings per share (EPS), (2) cumulative Industrial CFOA, (3) 2012 Industrial return on average total capital (Industrial ROTC), and (4) GECC ENI at December 31, 2012. The MDCC adopted these performance metrics because they directly align with the goals set at the company s annual financial and strategic planning session. In particular, (1) EPS targets are designed to reflect the company s attractive financial profile, (2) Industrial CFOA targets are designed to provide high-quality earnings that realize cash for capital allocation, including the capability to grow GE s dividend in line with earnings, (3) Industrial ROTC targets are designed to keep GE on a level at or above other highly valued companies and reflect effective capital allocation, and (4) GECC ENI targets are designed to be consistent with a smaller, more focused financial services business. The amount earned will be paid in cash (or, at the MDCC s discretion, in stock) based on achieving the threshold, target or maximum levels for any of the four performance metrics shown in the table below. Under the terms of the LTPA program, the MDCC may adjust these metrics for any extraordinary items.

Performance Levels for LTPAs Granted in 2010

Performance Metric	Threshold	Target	Maximum
Cumulative EPS	$3.40	$3.65	$3.90
Cumulative Industrial CFOA	$37 billion	$40 billion	$43 billion
2012 Industrial ROTC	15%	16%	17%
GECC ENI[1] at 12/31/12	$475 billion	$450 billion	$425 billion

1 As restated to reflect constant foreign exchange rates as of the first quarter of 2010 and the reorganization of the GE Capital segment.

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For each named executive, the award is based on a multiple (i.e., 0.75X at threshold, 1.50X at target and 2.00X at maximum multiples for other participants start at significantly lower levels) of the named executive s base salary in effect in February 2013 and the discretionary bonus awarded in February 2013 for the 2012 performance period, and will be subject to forfeiture if the executive s employment terminates for any reason other than disability, death or retirement before December 31, 2012.

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

Pension Plans. The company provides retirement benefits to the named executives under the same GE Pension Plan, GE Supplementary Pension Plan and GE Excess Benefits Plan in which other executives and employees participate. The GE Pension Plan is a broad-based tax-qualified plan under which employees are eligible to retire at age 60 or later. The company also offers to approximately 3,500 eligible employees in the executive-band and above the GE Supplementary Pension Plan to increase retirement benefits above amounts available under the GE Pension Plan. Unlike the GE Pension Plan, the Supplementary Pension Plan is an unfunded, unsecured obligation of the company and is not qualified for tax purposes. The Supplementary Pension Plan is one of the company s strongest retention tools because participants generally forfeit any benefits under the plan if they leave the company prior to reaching age 60. We therefore believe that this plan allows us to significantly reduce departures of high-performing executives and greatly enhances the caliber of the company s executive workforce. In addition, because the Supplementary Pension Plan is unfunded and benefit payments are satisfied from the company s general assets, it provides a strong incentive for the company s executives to minimize risks that could jeopardize the long-term financial health of the company. Salaried employees who commence service on or after January 1, 2011 and any employee who commences service on or after January 1, 2012 will not be eligible to participate in the GE Pension Plan or GE Excess Benefits Plan, but will participate in a defined contribution retirement program.

Other Compensation. We provide our named executives with other benefits, reflected in the All Other Compensation column in the 2011 Summary Compensation Table on page 26, that we believe are reasonable, competitive and consistent with the company s overall executive compensation program. In 2011, at the company s request, Mr. Rice and his family relocated on a non-permanent basis to Hong Kong in connection with his assignment leading Global Growth & Operations, which is headquartered in Hong Kong, and to be closer to major emerging markets. The company s expatriate assignment policy provides benefits for all employees working on non-permanent international assignments in jurisdictions other than their home country. The expatriate assignment benefits provided to Mr. Rice are the same as the benefits provided to all other employees under the policy, although the cost of the benefits varies from country to country and in Mr. Rice s case is affected primarily by the high cost of living in Hong Kong. Under the policy, the company will be responsible for any additional U.S. or foreign taxes due as a direct result of the employee s international assignment and Mr. Rice remains financially responsible for the amount of taxes he would have incurred if he had continued to live and work in the United States.

Other Compensation Practices

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

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Share Ownership and Holding Period Requirements. We require our named executives to own significant amounts of GE stock. These share ownership requirements are set forth in the MDCC s Key Practices, which are published on GE s website at *www.ge.com/pdf/company/governance/board/ge_management_dev_key_practices.pdf*. The number of shares of GE stock that must be held is set at a multiple of an executive s base salary. All named executives are in compliance with our stock ownership requirements. The named executives ownership is shown in the Common Stock and Total Stock-Based Holdings Table on page 37. In addition, they are required to hold for at least one year any net shares of GE stock that they receive through the exercise of their stock option awards. To prevent speculation or hedging of named executives interests in our equity, we prohibit short sales of GE stock, or the purchase or sale of options, puts, calls, straddles, equity swaps or other derivative securities that are directly linked to GE stock, by our named executives.

Equity Grant Practices. The exercise price of each stock option awarded under the 2007 Long-Term Incentive Plan is the closing price of GE stock on the date of grant, which is the date of the MDCC meeting at which equity awards for the named executives are determined. Board and committee meetings are generally scheduled at least a year in advance. Scheduling decisions are made without regard to anticipated earnings or other major announcements by the company. We prohibit the repricing of stock options.

Tax Deductibility of Compensation. Section 162(m) of the Internal Revenue Code of 1986, as amended, imposes a $1 million limit on the amount that a public company may deduct for compensation paid to the company s CEO or any of the company s three other most highly compensated executive officers (other than the CFO) who are employed as of the end of the year. This limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance-based compensation (i.e., compensation paid only if the individual s performance meets pre-established objective goals based on performance criteria approved by shareowners). For 2011, the grants of stock options and PSU s and the payments of annual cash bonuses were designed to satisfy the requirements for deductible compensation, but we may make awards that do not qualify as deductible compensation.

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

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

Compensation Committee Report

The Management Development and Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on its review and discussions with management, the committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in the company s Annual Report on Form 10-K for 2011 and the company s 2012 proxy statement. This report is provided by the following independent directors, who comprise the committee:

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

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2011 Realized Compensation

The SEC s calculation of total compensation, as shown in the 2011 Summary Compensation Table set forth on page 26, includes several items that are driven by accounting and actuarial assumptions, which are not necessarily reflective of compensation actually realized by the named executives in a particular year. To supplement the SEC-required disclosure, we have included the additional table below, which shows compensation actually realized by each named executive, as reported on the named executive s W-2 form for each of the years shown.

2011 Realized Compensation Table

Name and Principal Position	Year	Realized Compensation[1]
Jeffrey R. Immelt	2011	$7,822,378
Chairman of the Board and CEO	2010	5,666,142
	2009	5,522,403
Keith S. Sherin	2011	$6,760,856
Vice Chairman and CFO	2010	6,147,587
	2009	9,170,542
John Krenicki	2011	$6,795,069
Vice Chairman	2010	5,662,817
	2009	9,004,824
Michael A. Neal	2011	$6,893,639
Vice Chairman	2010	6,896,941
	2009	9,900,201
John G. Rice	2011	$6,884,336
Vice Chairman	2010	5,488,225
	2009	12,439,680

1 Amounts reported as realized compensation differ substantially from the amounts determined under SEC rules and reported as total compensation in the 2011 Summary Compensation Table. Realized compensation is not a substitute for total compensation. For a reconciliation of amounts reported as realized compensation and amounts reported as total compensation, see page 52. For more information on total compensation as calculated under SEC rules, see the narrative and notes accompanying the 2011 Summary Compensation Table set forth on page 26.

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2011 Summary Compensation

2011 Summary Compensation Table

Name and Principal Position	Year	Salary[1]	Bonus	Stock Awards[2]	Option Awards[3]	Change in Pension Value and Nonqualified Deferred Compensation Earnings[4]	All Other Compensation[5]	Total Without Change in Pension Value[6]	Total
Jeffrey R. Immelt	2011	$ 3,300,000	$ 4,000,000	$3,579,250	$0	$10,254,787	$447,191	$11,449,617	$21,581,228
Chairman of the	2010	3,300,000	4,000,000	0	7,400,000[7]	6,338,956	389,809	15,199,762	21,428,765
Board and CEO	2009	3,300,000	0	1,791,000	0	4,398,085	396,155	5,585,322	9,885,240
Keith S. Sherin	2011	$ 1,765,000	$ 3,150,000	$0	$ 3,391,500	$7,654,982	$249,461	$8,645,537	$16,210,942
Vice Chairman	2010	1,680,000	3,000,000	0	4,070,000	3,872,410	187,031	9,017,929	12,809,441
and CFO	2009	1,500,000	2,675,000	0	6,876,000	2,722,228	182,728	11,306,805	13,955,956
John Krenicki	2011	$ 1,600,000	$ 2,800,000	$0	$ 3,391,500	$6,623,303	$135,625	$7,993,536	$14,550,428
Vice Chairman	2010	1,400,000	3,000,000	0	4,070,000	4,544,538	192,238	8,722,441	13,206,776
	2009	1,200,000	2,500,000	0	6,470,000	2,816,366	116,485	10,341,070	13,102,851
Michael A. Neal	2011	$ 1,900,000	$ 3,440,000	$0	$ 3,391,500	$8,199,310	$375,045	$9,210,135	$17,305,855
Vice Chairman	2010	1,825,000	3,250,000	0	4,070,000	4,817,038	226,639	9,464,118	14,188,677
	2009	1,750,000	2,900,000	0	6,876,000	3,400,059	269,830	11,878,400	15,195,889
John G. Rice	2011	$ 2,100,000	$ 3,400,000	$0	$ 3,391,500	$9,787,500	$1,900,141	$10,931,830	$20,579,141
Vice Chairman	2010	1,825,000	3,175,000	0	4,070,000	5,006,883	248,259	9,444,779	14,325,142
	2009	1,750,000	2,835,000	0	6,876,000	3,729,160	195,595	11,770,811	15,385,755

1 Each of the named executives contributed a portion of his salary to the company s 401(k) savings plan.

2 This column represents the dollar amounts for the years shown of the aggregate grant date fair value of PSUs granted in those years in accordance with SEC rules. Generally, the aggregate grant date fair value is the amount that the company expects to expense in its financial statements over the award s vesting schedule. These amounts reflect the company s accounting expense and do not correspond to the actual value that will be realized by Mr. Immelt. The actual value of PSUs received is different from the accounting expense because it depends on performance: 50% of the PSUs granted in 2011 converts into GE stock only if GE s cumulative Industrial CFOA is at least $71 billion over the performance period (January 1, 2011 to December 31, 2015), and 50% converts into GE stock only if GE s TSR meets or exceeds that of the S&P 500 over the performance period (January 1, 2011 to December 31, 2015). Accordingly, Mr. Immelt may receive 0%, 50% or 100% of each PSU grant. For example, as described under Compensation Discussion and Analysis CEO Compensation, Mr. Immelt earned 0% of the PSUs granted to him in November 2007. Although any PSUs not earned by Mr. Immelt are cancelled, the company does not adjust the related amounts previously reported as compensation to Mr. Immelt in the year of the PSU award. See the 2011 Grants of Plan-Based Awards Table on page 28 for information, including the valuation assumptions, on PSUs awarded in 2011.

3 This column represents the dollar amounts for the years shown of the aggregate grant date fair value of stock options granted in those years in accordance with SEC rules. These amounts reflect the company s accounting expense and do not correspond to the actual value that will be realized by the named executives. For information on the valuation assumptions, refer to the note on Other Stock-Related Information in the GE financial statements filed with the Annual Report on Form 10-K for the respective year-end. See the 2011 Grants of Plan-Based Awards Table on page 28 for information on stock options awarded in 2011.

4 This column represents the sum of the change in pension value and nonqualified deferred compensation earnings for each of the named executives. The change in pension value in 2011 was $10,131,611, $7,565,405, $6,556,892, $8,095,720 and $9,647,311 for Messr