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EDITED TRANSCRIPT

GE - General Electric Co Annual Shareholders Meeting

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Colleen Athans *GE Aviation, Vice President, Global Supply Chain*

Michael Meguiar *GE Aviation, Executive - Plant Management*

Eric Matteson *GE Aviation, Executive - Plant Management*

Ronald A. Paulus *Mission Health System, Inc., President and CEO*

CONFERENCE CALL PARTICIPANTS

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Dennis Rocheleau

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Ron Flowers

Jack Richards

PRESENTATION

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Good morning. Welcome to GE's 2017 Annual Meeting.

Each year, we hold our Annual Meeting in a city that's important to GE and its shareholders. This year, it's Asheville, North Carolina. We're very happy that we have almost 5,000 employees here. Our employees are very generous in the community. You're sitting in one of our amazing factories with a great team. We've invested \$125 million to expand this factory. And it's the home of our LEAP engine that you can see over there. What an amazing product.

I'm advised that this meeting is properly convened, we have a quorum and that the proposed resolutions presented in the proxy statement are filed as part of these proceedings. We received proxies representing a substantial majority of the outstanding votes, and the management proxy committee has voted those in accordance with shareowner wishes.

It's now my privilege to introduce the members of your Board of Directors who are with us today. I'm going to ask the directors to stand briefly as I introduce them so you can see who they are.

Andrea Jung, President and Chief Executive Officer, Grameen.



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Shelly Lazarus, Chairman Emeritus of Ogilvy & Mather, a director since 2000. Shelly is Chair of our Governance Committee.

Bob Lane, former Chairman and Chief Executive Officer of Deere.

Susan Hockfield, President Emerita of MIT. Susan is Chair of our Industrial Risk Committee.

Jim Mulva, former Chairman and Chief Executive Officer, ConocoPhillips.

Geoff Beattie, Chief Executive Officer of Generation Capital.

Jack Brennan, Chairman Emeritus of Vanguard. Jack's our Lead Director and Chair of the MDCC Committee.

Frank D'Souza, CEO of Cognizant technology, a director since '13.

Mary Schapiro, former Chairman of the SEC. Mary is Chair of our Audit Committee.

Jim Rohr, Executive Chair and former CEO of PNC financial.

Sebastien Bazin, Chairman and CEO of Accor, a director since '16.

Lowell McAdam, Chairman and CEO of Verizon, a director since 2016.

Peter Henry, Dean of the NYU Stern School, a director since '16.

And Steve Mollenkopf, Chairman and Chief Executive Officer of Qualcomm, a director since November of 2016.

I'd also like to ask John Rice, Beth Comstock and Dave Joyce to stand briefly. They're Vice Chairmen and do great work for you every day. Have a nice round of applause for our board.

Great. So I'm going to give you just a brief update on the company, and then we're going to have some fantastic presentations. So the essence of the company, we always think about portfolio, how we leverage the internal scale of the company. We're investing to really lead the digital transition. Our real focus is through our technologies to deliver productivity for our customers, and we really are trying to drive a lean and efficient company. And this is really the way we run the company, and this is in your Annual Report.

In 2016, as you can read in your proxy, we had organic growth of 1%. Our industrial and vertical EPS was up 14%. We returned a lot of cash to our investors, almost \$30.5 billion, a good dividend yield.

In 2016, our total shareholder return was up 5%. We trailed the market last year. In 2012 to 2016, the previous 5 years, our total shareholder return was 108% versus S&P 500 of 98%.

In 2017, these are our goals: to grow EPS by more than 10%, to generate between \$16 billion and \$20 billion of cash and return cash back to you in terms of dividend and buyback.

In the first quarter, we had organic growth of 7%, a good margin expansion, trailed in cash and returned \$4.4 billion of cash back to investors. So off to a good start for the year, and we expect to have a very solid 2017.

One of the things we've talked about in previous years is just the transition we've taken the company through. One of the amazing things is that we've really built a very strong \$135 billion industrial company. Big investments in Alstom to grow our power business; our recent investment in



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Baker Hughes to really fill out our Oil & Gas business. At the same time, we continue to invest in new technology, new R&D like the engine over here, digital technology, advanced manufacturing that you saw on the tour today.

And while we've been really growing and expanding our industrial capability, we at the same time really went through a dramatic disposition of financial services. So we've exited more than \$200 billion of financial services to really kind of clean up that operation and really drive more strength. So all we do in financial services is really finance GE products today. And at the same time, we've returned more than \$60 billion to investors over the last 2 years.

So really a lot going on, a historic transition for the company. And while we've been executing on all those key strategic activities, we've grown our earnings per share by more than 10% each year. So that's really the essence of what we've tried to do and where we've executed in the company.

Two big bets we're making. One is in - I'll call the Industrial Internet, and this is to capture the digital context for industrial assets. We think this is a key piece of the future. We've launched our own operating platform called Predix and really focused on the applications that matter that help improve our customers' productivity. Similarly, we want to lead in manufacturing, and we've made huge investments in what's called additive manufacturing to really drive cycle time, cost and speed, generate internal productivity. And really, what we want to do is drive productivity for ourselves, productivity for our customers and productivity for the world.

I thought it would be great for investors this year to kind of hear a little bit about the Asheville area and talk a little bit about some of the great things our teams are doing. And we have two brief presentations today: one by our aviation manufacturing team, led by Colleen Athans, Mike and Eric. And they're really going to talk about how we've used manufacturing to really make the company more productive, how we're leading in exports. And then Dr. Ron Paulus, who is CEO of the major system called Mission Health will just kind of give you an update of how GE and Mission work together and how health care looks in the future.

So with that, I'd like to invite Colleen and her team to come up and give a presentation to the investors.

Colleen Athans - GE Aviation, Vice President, Global Supply Chain

Good morning. I'm Colleen Athans. I'm the Vice President of GE Aviation Supply Chain, and I am thrilled to host you here in Asheville, where you can see the transformation that's happening in our business firsthand.

GE Aviation has been undergoing a decade of renewal that is touching every aspect of our product portfolio, from our commercial, military, business and general aviation engines as well as our avionics and systems businesses. We've launched 9 new engine programs in the last decade, drawing on a suite of advanced technologies that have redefined the state of the art, resulting in dramatically lower fuel burn, noise and emissions for our customers. This translates to better performance, reliability and profitability for them.

Because of this renewal, we have more than 15,000 engines in our backlog that we will deliver over the next 5 years and a services backlog that has grown to \$150 billion. And to meet this demand, we are transforming our supply chain. We've invested more than \$5 billion to build out 8 new plants in the last 8 years. These are some of the highest technology production facilities in the world, and you see one of them right here in Asheville.

We're also pushing the state of the art in additive manufacturing. Our additive plant in Auburn, Alabama, will produce more than 40,000 fuel nozzles for the CFM LEAP engine that you see right here before the end of the next decade.

This nozzle is a one-piece marvel. It replaces 25 individual components in the engine that historically had to be assembled by hand and then welded and brazed together. Additive made possible a nozzle that's lighter, it's more durable and it's a key enabler for delivering the industry-leading fuel efficiency and emissions reduction for our airline customers.

The plant we're in this morning is the centerpiece of our growing ceramic matrix composites production capability. Asheville is part of a fully integrated supply chain that spans from raw material all the way through the finished part. CMCs are lighter, stronger and more durable than the

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metal parts that they replace. This game-changing technology is the result of more than 20 years of research and development at GE's Global Research Center and provides a unique competitive advantage exclusive to GE.

We're transforming our plants as well with new digital capability. We're sensor-enabling our machines, generating and storing big data, and then we're creating software solutions to turn the data into insights that we translate into productivity. Together with lean manufacturing and a highly skilled workforce empowered by teaming to make real-time decisions, our factories are becoming what we call brilliant. This is the GE Store in action.

The heart and the soul of our supply chain is our 27,000 people worldwide. We have nearly 80 facilities in 19 countries that operate under a teaming philosophy that drives decision making as close to the product as possible. This gives front-line workers much greater say in the day-to-day decisions, and they work to achieve the plant's key productivity goals.

And just like our engines and factories, our employees are also experiencing a renewal. Our commitment to learning encourages them to embrace advanced technologies and manufacturing techniques that will keep us at the forefront of the aviation industry.

GE has a brilliant learning initiative, and this is an example of that. It's a proprietary curriculum to advance skills of employees in production jobs so that they are better prepared for the advanced technology jobs of today and the future.

Brilliant learning also offers an opportunity for employees across all of GE's industrial businesses to enhance their skills in lean advanced manufacturing, additive technology and digital. And to help create the workers of tomorrow, we actively partner with technical schools and universities to develop curricula and apprenticeship programs that ensure we're developing the workforce of the future.

Now I'd like to introduce Michael Meguiar. Michael is our plant leader here in Asheville, and he's going to talk a little bit more about our facility becoming an integral part of the community. Thank you.

Michael Meguiar - *GE Aviation, Executive - Plant Management*

Thanks, Colleen. Again, my name is Mike Meguiar. I'm the site leader here at GE Aviation in Asheville. I want to tell you a little bit about what the 400-plus employees at our site do.

We actually produce some of the most complex components in the engine, both from rotating parts, metal components, to what Colleen spoke of, a new ceramic matrix composite material system that you see right back here in the back being produced right now. As we continue to grow and expand this material, we'll be producing those components right here in the seats that you're sitting and fill this building. We're very proud of that, and we're very proud of that team.

We're also 1 of only 6 manufacturing sites across the state of North Carolina providing 5,000 jobs and delivering almost \$7 billion of economic impact to our state, impacting really 18,000 direct and indirect jobs across the state of North Carolina. So again, we're very proud of that and for GE Aviation to be a part of that.

So Colleen also talked a little bit about teaming and our culture here in Asheville across our supply chain. And I'll expand on that a little bit.

We really do try to empower the -- where the work is actually being performed. The front-line technicians that are actually performing the work, giving them the support system, giving them the tools, giving them the data to make decisions every single day, that's what teaming really is to us. It's empowering those people to make decisions for themselves because who best knows those decisions than those workers.

And we give the tools to our coaches. Not the traditional hierarchal supervisors. We give coaches that support the teams and not just direct the work. And so, again, we're very proud of that.



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We feel like that makes our teams very nimble, fast and make decisions quicker. And our brand here in Asheville that we're very proud of, again, is to be an early adopter of new technology, whether it be processes, whether it be data and analytics, brilliant factory tools and other things that make us more efficient. We're quick to adopt new technologies and anything that continues to make us more and more competitive as a team.

One of those digital technology tools that I'll expand on slightly is the new SWOT tool, stands for Standard Work Optimization Tool. We piloted this with some of our technicians along with some of our key digital factory -- I'm sorry, brilliant factory team in Cincinnati. And they were very quickly able to give us a prototype that we can put into production and test.

We iterated multiple times using a Fastworks approach and delivered a product that we're continuing to evolve and will eventually be put into the GE Store and provided to all other GE sites. So again, just a great solution that we've been able to partner with both our technicians all the way to our corporate leadership team.

One of the other things I'll talk about our culture is our community. I hope you've got an opportunity to come and see a little taste of Asheville. It's a beautiful place, and we have great partnerships across our community. We went over to see Pisgah High School and provided them with a grant recently. And that partnership in which we employ several, say, apprentices across our shop, upwards of almost 20% to 30% of our employees come through that program, and they're training the next generation of workforce in our site and across Western North Carolina. So that's one of the local partnerships.

The other thing I would say is a customized training program that we developed with A-B Tech, which is our local community college. They've been a fantastic solution to prepare our workers to hit the door and be productive from day one. This is a great partnership locally.

We also are very engaged in the community from a charitable giving standpoint. We had almost 500 hours locally over 13 projects to give back to this community, which gives to us in so many ways. And across the state, GE Aviation has volunteered over 8,000 hours and \$3.5 million back to charitable organizations. So again, we're very proud of that being part of our brand.

And lastly, I would just say, we love Asheville. GE Aviation loves Asheville. We love being here, and we're very proud to -- for you guys to come into our home today and be a part of this. I made the comment to someone earlier: I've worked for GE in six different cities across the four corners of this country, and I believe we have the best people and absolutely one of the best sites in our entire business. So I'm very proud of that.

And with that, I'm going to turn it over to Eric Matteson. Eric leads our Lafayette, Indiana, site that assembles this beautiful engine, which I'm sure you've been admiring during the tours today.

Eric Matteson - GE Aviation, Executive - Plant Management

So thank you, Mike. And yes, I'm blessed to have the privilege to not only lead the team to start up the project in Lafayette, Indiana, that builds that beautiful engine that you see up beside here. So that's the LEAP-1B engine. We opened the facility in Lafayette in early 2016. We built and shipped the first engine by May. And believe it or not, we shipped over 100 engines by the end of that year. We're going to do about 500 engines this year, approaching 1,100 engines next year, going to over 2,000 engines by the end of the decade. That's just phenomenal. The ramp-up, it's unprecedented in the history of the company.

To put that into perspective, it took us 20 years to do what we're going to do in four years with the predecessor of this product. So just absolute amazing challenge. And incidentally, CFM56, the predecessor of this engine, is the most successful engine, best-selling engine in its history with more than 30,000 engines delivered. Just very, very impressive.

So the first engine, the one able to go on the Airbus A320neo, it's performing fantastic. We've got 50 aircraft in service now as of this Monday. Just an excellent achievement.

And this is what's truly amazing. It is making as much as 11 flights per day. So think about that. 11 flights per day, you're flipping the aircraft on the grounds in 22 to 25 minutes. And it is that time, believe it or not, that's so important because you're allowing that aircraft to be in the air a whole

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lot more, making money more for that customer. And so that's GE's part of returning back to that customer and opportunity to maximize their investment. So we are achieving that with the LEAP-1A on the A320.

Next up is the Boeing 737 MAX. Here, shortly later this month, we expect that the 737 MAX will go into service. We're really looking forward to that. We've already started production on these engines in Durham, North Carolina, and in our shop in Lafayette, Indiana. And it's just really come together great.

Finally, the third application is the COMAC 919. And so be watching the news. We'll see them make their first flight here in probably the next four to six weeks. And with both the Boeing 737 and the COMAC 919, we are the exclusive engine provider for those engines.

So when you look at this beautiful engine off to the side of us, there's a fantastic technology stack in that engine. Starting from upfront, you look at the fan blades, 3D woven, they're beautiful. The predecessor to that's in the Museum of Art. Going back through the engine, you're going to see the additive fuel nozzles in there.

So for those that had a chance to tour around and look at the machine and how those nozzles are made, it's just game changing and allow us to make a more durable part, literally 20 parts now down to one, lighter part, more durable. Going back to the CMCs made right here in this building, only one inch the total length of that engine is CMCs but drives 1% of the fuel savings that, that engine will deliver.

In total, that engine is going to deliver 15% better fuel burn, 50% lower emissions, 50% approximately lower noise, same reliability, same maintenance costs that will guarantee that customer can maximize their profits with their aircraft. Literally, it's a profit machine for the airline.

So as you can tell, I'm pretty pumped up about it, so's our team. Back in Lafayette, they're really pumped up about the engine and what we're doing in the company. And the point is this, that only one company like GE has that kind of depth to bring something like that to life in the speed that we did it.

And so really, really proud for my team back in Lafayette, the team in Durham that we work with to bring these engines to life.

Okay. So with that, I'll turn it back to Jeff.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you very much. Colleen, Mike, Eric, thanks guys.

It's now my honor to introduce Dr. Ron Paulus, who's the CEO of the Mission Health System, one of the top 15 health systems in the country, headquartered right here in Asheville, North Carolina. So Ron, take it away.

Ronald A. Paulus - *Mission Health System, Inc., President and CEO*

Thank you, and welcome to Asheville. For those that haven't been here, I hope you're enjoying our great small city.

Moving away from sort of materials and supply chains and into health care, which is something that touches every one of us at some point in our time. I think you all know without having to be experts in this space that we got a lot of issues in health care, and it's not just the insanity in D.C. right now.

Health care is 20% of our economy, and yet we have quality that's not high enough. We kill 100,000 people in our health care system every year, and our costs are too high, rising at double the rate of inflation in almost every year.



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So here we are as a safety net health system in Western North Carolina, where we're the provider of last resort. We're about \$2 billion, and we have ever-rising charity and bad debt as part of our system. And we're saying, how do we manage through this major transformation that's occurring in health care, unlike anything we've ever seen in our recent times? And so what we did was to say, look, we can't do this on our own. We want to maintain our independence and not be consumed by an even much larger health system. So we need really powerful instrumental partners.

And we looked, and GE was an obvious choice. They're a global technology software and process engineering leader. They bring value that we can't create on our own, and they do that in direct collaboration with our teams and our people. They were willing to have skin in the game, so they guaranteed \$40 million of savings over the duration of our agreement. We already believe that GE Technology was best of breed, so we made a commitment to purchase MRIs and CT scanners and all that kind of stuff.

But that was not the part that really got my attention or really got me engaged. We also made a commitment to co-innovate together. And to do that, not in a way where one person waits for the other, but where we co-invest and co-develop and co-resource solutions that are not only valuable to Mission Health, but as a typical health system the way most of America is organized that we hope and believe will be scalable nationally and potentially internationally.

So why GE? First, shared values, shared commitment, incredible people; in addition to that, technology, software and process engineering that I mentioned earlier. And we both agreed to set expectations and awareness so that we're in this for the long run, where we can make investments -- and GE has staff on-site, and we've dedicated staff to this effort, where we can make investments and look out five years and not just have to get a return in the very next quarter.

In closing, just a little bit of a preview of some of the stuff that we have going on, and I think it's super exciting, just the tip of the iceberg. We're developing together, and it's making great progress, a care coordination app that looks at Big Data, historical information and uses predictive analytics to sort of forecast when a patient comes into the hospital how long are they likely to stay and where they're likely to be discharged to: to home or to a nursing home or to a skilled nursing facility or what have you. That enables us to reallocate resources in our team to minimize their length of stay. The shorter you could be in the hospital, the better off you are. And to prepare for that transition so that the patient family and other caregivers are ready to pick up the ball and move downstream.

Another example that's in the more earlier development stage, we have all of this equipment across 18 counties here in Western North Carolina -- MRIs, CTs, whatever -- and the problem is, is that sometimes that equipment is heavily utilized, and sometimes it's very low utilized. So we're also developing a load leveling or resource incentive app that will allow a consumer in real-time to go on their phone or on their tablet and say, we have excess capacity here, and if you want to save \$500 on your CT scan, you can drive to this location and get the CT scan. But if you go to this location, it's going to be the regular price. Why? Because that makes it cheaper and more efficient for us, and we want to translate those values to the consumer and, ultimately, in collaboration with one another, to really drive costs down and quality up.

Mission has been named, as Jeff said, a top 15 health system for five out of the last six years, but there's no way we're going to be able to achieve what we have to give back to our community without partners like GE. Thank you.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thanks to the team. Thanks, guys. I'd now like to ask Jeff Bornstein and Alex Dimitrief to join me and go through the rest of the items in your proxy statement.

The Independent Inspectors of Election for this year's meeting are representatives of IVS Associates. If you've already voted by proxy, there's no need to vote by ballot today unless you would like to change your vote. We'll take up the election of directors and the management and shareholder proposals. After election of directors and management proposals are introduced, there'll be an opportunity for discussion. And then after the shareholder proposals are introduced, there'll be a chance to discuss those. There'll also be time later on in the meeting for discussion of other business matters. But first, we'll address the items in the proxy.



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The first matter is the election of directors. I place before the meeting to serve as directors for the company the 18 individuals whose names and biographies appear in the proxy statement. Each one of these nominees has received the overwhelming majority of shares voted by proxy.

The next items on the -- are the proposal to approve our named executives' compensation and the proposal to approve the frequency of future say-on-pay votes. Your Board of Directors recommends a vote for the approval of our named executives' compensation and recommends continuing to hold future say-on-pay votes every year.

The next item is the approval of an amendment to GE's 2007 long-term incentive plan. Your Board of Directors recommends a vote for the amended item.

Next is the approval of the material terms of senior officer performance goals. Your Board of Directors recommends a vote for this proposal.

Last up for the management proposals is ratification of KPMG as independent auditor for 2017. We have with us today John Veihmeyer and Larry Bradley, who represent KPMG. Your Board of Directors recommends a vote for the ratification of KPMG as independent auditors for 2017.

Those are the management proposals. So if you'd like to speak about any of those, just go to one of the two aisle microphones, I'll call on you there. Please give your name when you're recognized.

Anybody want to go? Let's go microphone #1. Hey, Bill, good to see you again.

William Freeda

Good to see you, Jeff.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

You've been here many years? And it's always great to see you.

William Freeda

Thank you. Good morning, fellow shareowners. My name is Bill Freeda. I'm here this morning to once again vote against Jeff Immelt for the same reason I gave last year. I do not trust what he tells us as shareowners.

My mistrust stems from the remarks made by the Chairman regarding the termination of GE's post-65 retiree medical benefits. At our 2015 Shareowners Meeting, Chairman Immelt made the following statement, and I quote, "We've constantly evolved our strategies around health care and provided more alternatives this year in the post-65 health care to take advantage with some of the things that are going on in the government around health care exchanges."

The Chairman made a similar statement at last year's meeting. What Mr. Immelt seems to be implying is that the health insurance marketplaces created by the Affordable Care Act, more commonly known as Obamacare, applies to Medicare supplement plans. And fellow shareowners and members of our Board of Directors, that is what we have come to know as an alternative fact. What in fact GE did do was hire a subsidiary of a publicly owned company, Willis Tower Watson, traded on the NASDAQ exchange under the symbol of WLTW. The name of the subsidiary is OneExchange.

This company is not a government exchange. In fact, it is not an exchange at all. It is a self-described insurance brokerage company that earns a commission from every Medicare supplement plan, Medicare Advantage plan or prescription drug plan in which they enroll a GE retiree. So fellow shareowners and members of our Board of Directors, does that remotely sound like a strategy that takes advantage of the things that are going on in the government around health-care exchanges?



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Now I would like to direct my remark to the members of the GE Board of Directors, more specifically to those of you who voted to accept this change in policy. It occurs to me that when this issue was presented to you, at best, you were not given all the facts; at worst, you were deliberately given bad information. I'm sorry to say, but it appears that our board members may not have done their due diligence when considering this sensitive and important matter.

Having read our board's biographies provided in the Annual Report, I realize that we, GE, are fortunate to have some of the smartest and most accomplished individuals serve as directors of our company. So I've asked myself, why would this group of intelligent, savvy people agree to make a decision that would devastate the lives of tens of thousands of loyal, long-term GE employees and retirees? I haven't -- I have entertained a number of scenarios, but the most logical one to me is that Board of Directors was given a presentation designed to accomplish the eventual outcome. In other words, our board may have been misled.

That is where we get back to the issue of due diligence. How much resistance did board members show? Did you ask enough questions? Did you ask any questions at all? How much time was actually devoted to discussing this topic? In other words, did you do your due diligence?

Let me provide you with some real facts that you may not be aware of. Did you know of the four plans that comprise GE's post-65 retirement benefits program, two were entirely paid for by the participants in the plan; in other words, the retirees themselves. Did you know that 80% of GE's cost was their Medicare Part D prescription drug plan? Adjustments could have been made to this plan to reduce GE's costs without terminating the entire post-65 retiree health-care program.

Mr. Immelt has, in the past, made reference to GE's financial assistance to retirees. What that amounts to is \$1,000 per year per participant. GE has been very careful not to make any commitment beyond 2017. In addition, what Chairman Immelt has conveniently not mentioned is that other large corporations like AT&T reimburses their post-65 retirees \$4,200 per year for a retiree and eligible spouse, more than double what GE offers its retirees. In court, GE attorneys have alluded to the fact that GE retirees will not be harmed by this change in policy.

Let me share just one story with you that disputes that callous claim. I know a retiree that cannot take statin drugs like Lipitor to control his cholesterol because they make him seriously ill. Therefore, he needs to take a combination of two other medications. Under the GE Medicare Part D prescription drug plan, he paid \$130 for a 3-month supply for both medications. In 2016, he paid \$1,128.61. Now you may be thinking that this story is an exaggeration. Well, the retiree is me, and I have the invoices to prove it.

Chairman Immelt is fond of using the term win or winning when describing GE's performance. He used them six times in this year's letter to shareowners. Mr. Chairman, who in the world is winning? Not GE retirees or GE shareowners and certainly not long-term shareowners.

Many GE employees and retirees purchased GE stock and continue to retain it because they had faith in GE's future. That clearly was a mistake, and you, Mr. Immelt, compound that mistake by making them scapegoats for your inability to raise the price of GE's stock by terminating their post-65 retirement benefits.

Ladies and gentlemen of the GE Board of Directors, I cannot make you care about the health and welfare of GE retirees. Either you do or you don't. What I hope you will do is make sure you are given all the facts and examine them carefully before you make decisions that have such a profound effect on so many people's lives.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you, Bill.



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William Freeda

Today, I am asking the group representing GE retirees meet with the GE Board of Directors in executive session, in other words, without Chairman Immelt or his surrogates, for the sake of all GE retirees on whose shoulders Chairman Immelt now stands. Please take this request very seriously and grant us that meeting. Thank you.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you, Bill. Dennis, microphone #2. Great to see you. Kevin. Good to see you.

Kevin Mahar

Dennis?

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Sorry.

Kevin Mahar

I will take his pension instead of mine. But oh, he just hit me again. By the way, you hit me outside.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Good to see a fellow Bostonian.

Kevin Mahar

Yes, sir. My neighbor -- my new neighbor, Jeff Immelt, and I can see the companies from my balcony out in my condo, by the way, just so you know.

My name is Kevin Mahar. I think this is -- I don't know -- if you get older, you lose your memory. I'm not sure if it's my first or maybe my 22nd GE Annual Meeting, but I wanted to welcome you to Boston. I'm sure that -- the rumor was that you came to Boston because you wanted to be closer to me. So that was a real good event to me.

Bill spoke a lot of things that needed to be said. And I have three main issues here that I'd want to briefly go into. And the first is that I would like to have a study done on what this taking away of the over-65 health insurance has really meant. I know on page five of last year's Annual Report, it said that you said that eight out of ten people were satisfied when you were talking about this. That's not true.

And as you had the Board of Directors stand up and be applauded, I'd like to have every GE retiree in the place stand up because you're the people -- you're the people that have made this company -- every GE retiree.

And as Jeff pointed out on his podcast yesterday, his own father is a 38-year-old -- 38 years in the GE retiree.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

He'd like to be 38, but I think...



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Kevin Mahar

I know, but he's 38 years with the company, okay. And I thought about that a little bit, and I said, well, geez, we've been doing this stuff and coming here for 22 years. And I thought, geez, he got the last pension increase that we got, okay, with a capsule he got -- for his 38 years, he got \$360 increase. And we need the three things that I'm talking about: a true study like Bill is talking about to see what the actual effects is. Secondly, settle the lawsuits. I ask you, from the bottom of my heart, we need to settle these lawsuits and get this behind us. Third, a major increase in the pension plan.

Your father said when you first got to be Chairman -- and it's in the interviews, oh, good, now you can do something about the GE pension plan. Well, you eliminated that 100-year-old pension plan about three years ago or so. And so now knowing that the retirees and the elderly retirees, people like Paul Callala, with 42 years service, he gets a pension of \$1,000 a month. Many of the people in the work, in the Lighting or the other divisions, very little pension. The average pension is \$900 a year.

And now with this health-care cost on top of them, it is devastating. I mean, in my 55 years of being employed at GE, initially, from February 19, 1961, this is the most devastating event that I can ever remember happening, and we need to have help with it.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thanks, Kevin.

Kevin Mahar

Just one last thing. Just so you know, I wish the Board of Directors could see what this is doing with the eyes that I see every day by helping people.

I had a woman come down, Lola Foster, April 20. And just to give you an idea of what this OneExchange does. For 2.5 hours, we're on the phone. This little slip of a woman with -- age 78 for 2.5 hours is put through an ordeal of trying to figure out how to get her health care straight, okay. Finally, we got it done. But you know what, the Boston Marathon was won in 2:09, and the woman won -- ran in 2:21. To put this woman through that ordeal is disgraceful.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thanks, Kevin. Thank you, Kevin. We're going to do one more question from microphone 1, and then we'll go to the shareowner proposals.

Melody Jackson

Good morning. My name is Melody Jackson.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Yes, ma'am. How are you?

Melody Jackson

Just fine. I retired from GE after 37 years. I was third-generation GE employee, and I did not qualify for the \$1,000 reimbursement.



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I'm the secretary, communications director and the benefits advocate for our group of potential of 265,000 retirees in the United States at this point in time. Every day, I get calls from our retirees, either on the phone, through PMs, through e-mail because 75% of our retirees are not computer literate. They have no idea how to get into the system, how to interface with OneExchange, even with our benefits plan, i.e., get HIPAA forms through GE. I have a contact direct at Global that I have been assigned to talk with. I also have a direct contact at OneExchange. That has been a total disaster.

One example specifically was an employee that retired. His wife passed away. He called in to check on the benefits. He finds out, they said, "Oh, you retired, you lost all those benefits." He said, "Well, that's funny. They've been taking benefits out for \$700 from my dependent life insurance." They immediately returned those funds to his bank account. When I learned of this, it was escalated to more than one person, and they found out, indeed, he did have dependent life insurance to the tune of \$10,000.

Now the harm that this person went through when he found this information, going through the death of his wife to begin with and then be told he didn't have this coverage, in the end to find out when they actually checked into it, he did.

I also had a personal experience. They told me I was deceased through OneExchange. On November 28, two years previous, I was denied the ability to talk to a person, a supervisor or a manager. I then in turn went back to GE benefits. I had two different separate GE benefits people that were on with me. Again, I was denied.

Now most of our older seniors would have been intimidated and stopped. That's not me. It's not going to happen. All of the conversations were reviewed, and they admitted that I had been told wrong information, and they never did tell me exactly why.

Now the person screwed up, be man enough to say, I told you the wrong information. We'll start over. That never happened. If that's done to me, can you imagine the harm that's doing to our seniors that are intimidated? One phone call, and they'll stop. But that's not going to happen with me.

On pre-65 employees, they're truly at a loss as to how to sign on to Medicare, how to check on their benefits, the SSO that they're required to give. They go in, try to sign on, and the security has just changed. They're overwhelmed. They have no idea how to do it.

We put out a newsletter. At least once a month, I put out, reiterating the same information, getting on the phone with them, getting HIPAA forms, dealing with them with GE benefits as well as OneExchange because they have no idea how to do it.

I get calls from family members that said, "My parents aren't getting their RRA." They have no idea how to get the \$1,000. So when you capture that 30% aren't eligible, such as myself, we're not capturing the people that don't get it because they don't know how.

We post all the forms that are necessary on our site. I'm available 24/7. And this is just a fact of what I've accumulated of conversations and people that are constantly calling just to find out how they take care of their benefits.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Well, thank you, Ms. Jackson.

Melody Jackson

Thank you.



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Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you very much. So now we're going to move on to shareowner proposals. And to be sure that all proponents have an opportunity to present their proposals today, we ask that the presenters confine their comments during the portion of the meeting to the subject matter of the proposal being presented. And we ask that other speakers wait until all shareowner proposals are presented before any comments. We'll have an opportunity for discussion of other matters after we finish the balloting and report of inspectors. So on proposal #1 on lobbying activities, I believe we have Mr. Glenn Johnson here with us today. Mr. Johnson, if you would?

Glenn Johnson

Fellow shareowners and members of the board, my name is Glenn Johnson. On behalf of the City of Philadelphia Public Employees Retirement System, I hereby move Shareowner Proposal 1 asking our company to provide a report on its state and federal lobbying expenditures, including indirect funding of lobbying through trade associations. Transparency and accountability and corporate spending to influence public policy are in the best interest of GE shareowners.

GE spent \$28.8 million in 2015 and 2016 on federal lobbying activities, and there's incomplete disclosure about spending at the state level, where our company also lobbies extensively. For example, GE lobbied in at least 21 states in 2014 and 2015. GE is required to report its lobbying, and it already has this information, so it could easily provide this information to shareowners in report rather than leaving it buried.

GE claims it provides comprehensive lobbying disclosure. Proxy advisor ISS does not agree and recommends support for this proposal, stating that GE does not provide comprehensive information regarding its lobbying expenditures and does not disclose a comprehensive list of trade association memberships or the portion of dues or any other payments used for lobbying purposes.

GE argues that it has a high ranking in the CPA-Zicklin Index, a report that measures political contributions disclosure of S&P 500 companies. This argument is misleading since CPA-Zicklin rating looks at political contributions and has nothing to do with lobbying disclosure. Corporations contribute billions to trade associations that lobby indirectly on their behalf without specific disclosure or accountability.

GE shareowners face a trade association blind spot as our company fails to disclose its trade association memberships and does not disclose its trade association payments nor the amounts used for lobbying. GE is a member of the U.S. Chamber of Commerce, which has spent over \$1.3 billion on lobbying since 1998. Shareowners currently have no way to know GE's trade association memberships or payments being used to lobby on its behalf.

Without a clearer system ensuring accountability, corporate assets can be used to promote public policy objectives which may pose risks to GE and its shareholders.

For example, GE supports policies that promote lower carbon omissions, and Mr. Immelt recently stated that climate change is real and the science is well accepted, yet the Chamber of Commerce has aggressively attacked the EPA Clean Power Plan to address climate change. How does an incongruity like this match our company's principles? A request for disclosure is a call for transparency and accountability in the spending of shareowners' resources. Lobbying is shareholders' money that is being spent. Shouldn't our company tell shareowners where they're spending it? We urge shareowners to vote for this proposal. Thank you.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you very much. So thank you. Proposal #2 is about Independent Lead Director, and I believe, Ms. Penelope Jackson is here today. Good morning.



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Penelope Jackson

Good morning. So Proposal #2, Independent Board Chair. This is sponsored by Kenneth Steiner of Great Neck, New York. Shareholders request our Board of Directors to adopt this policy and amend our governing documents as necessary to require the Chair of the Board Of Directors, whenever possible, to be an Independent Board Member. The board would have the direction to phase in this policy for the next CEO transition, implemented so that it does not violate any existing agreement. If the board determines that a Chair who was independent when selected is no longer independent, the board shall select a new Chair who satisfies the requirements of the policy within a responsible amount of time.

Compliance with this policy is waived if no independent director is available and willing to serve as a Chair. This proposal requests that all the necessary steps be taken to accomplish the above.

Caterpillar opposed a shareholder proposal for an Independent Board Chair in its June 2016 Annual Meeting and then reversed itself by naming an independent Board Chair in October of 2016. Wells Fargo also reduced itself and named an independent Board Chairman in October of 2016.

According to the Institutional Shareholder Services, 53% of the Standard & Poor's 1,500 firms separate these two positions. 2015 Board Practices -- this was published in April 12 of 2015. This proposal topic won 50%-plus support at five major U.S. companies in 2013, including 72% support at Netflix.

A Board of Directors is less likely to provide rigorous independent oversight of management if the Chairman is also the CEO, as is the case with GE. Having a Board Chairman who is independent of management is a practice that will promote greater management accountability to shareholders and lead to more objective evaluation of management. A number of institutional investors said that a strong objective board leader can best provide the necessary oversight of management, thus, the California Public Employees Retirement Systems Global Principles of Accountable Corporate Governance recommends that company's board should be chaired by an independent director, as does the Council of Institutional Investors, as an independent director serving as Chairman can help ensure the functioning of an effective board. Please vote to enhance shareholder vote, Independent Board Chair Proposal 2.

Jeffrey R. Immelt - General Electric Company, Executive Chairman and CEO

Thank you very much. Proposal #3 on cumulative voting is going to be presented by Mr. Harangozo. Martin, good to see you again.

Martin Harangozo

Thank you, Mr. Immelt. Good morning. Again, my name is Martin Harangozo. I'm grateful to be a shareholder. I love this company, people and products. I have owned GE stock for most of my life. I'm not a day trader or stock renter.

Cumulative voting is recommended by Warren Buffett's mentor, the late Benjamin Graham. Nazi concentration camp survivor Evelyn Davis placed this proposal on our proxy many times in previous years. I'm honored to stand on the shoulders of great minds and great people in presenting this cumulative voting proposal.

Cumulative voting gives shareholder a larger voice in electing directors. I find far-reaching consensus that something is wrong with our company and has been wrong too long. Some have recommended a new bus driver, so to speak.

I would like to ask the question, is there a business road map with long success record that can be used regardless of who drives the bus? Fortunately, there is and we do not have far to look. When we nearly went bankrupt, Berkshire Hathaway bailed us out. Why did they have money when we were financially drowning? Warren Buffett explains this very clearly in an article he wrote in the Intelligent Investor called the Superinvestors of Graham-and-Doddsville. Buffett shows that following Graham's guidelines, nine individuals working independently handsomely outperformed the market, some more than 50 years. Buffett says follow Graham, and you will not get bad results.



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We've had bad results for 15 years. Had we purchased our shares at a P/E of below 15 and maintained Graham's financial strength criteria, I believe we would be twice the valuation we are today.

Mr. Immelt, if you do not publish a plan for this company founded on many examples of long-term market outperformance, you are not fair to shareholders as I have this plan in my hand. A Graham critic underperforms the market.

You frequent a show by Jim Cramer. Cramer, as a hedge fund manager, lost most of his shareholders' money during the dot-com bubble. If this meeting were an episode of Are You Smarter Than a Fifth Grader, I would recommend we copy Graham and not Cramer.

There is more. Graham goes on to suggest shareholders who act like sheep effectively let the fox watch the henhouse. Ladies and gentlemen, financially speaking, our fox is fat. My research indicates that by exercising stock options, and I repeat, stock options, Immelt grew his money 25x while shareholders' money fell to 1/2. This is a 50x difference and presents an alignment opportunity.

The increased voice shareholders have using cumulative voting is a step in the right direction in aligning CEO pay to shareholder performance. I urge all shareholders to vote for Cumulative Voting Shareholder Proposal #3.

Now this morning, I enjoyed speaking to Dr. Ron Paulus and hearing GE's health initiative. I, too, share health ideas. When your obese GE boss hates HealthAhead initiatives and lies under oath regarding GE's benefits, it can be a bad career move.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Okay. Proposal #4 by Justin Danhof. Good morning, Justin. How are you?

Justin Danhof

I'm doing great. Good morning, Jeff.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Good to see you again.

Justin Danhof

Good to see you. I'm Justin Danhof. I'm from the National Center for Public Policy Research, and I move Proposal #4.

Our proposal requests that the board issue a report analyzing the company's charitable activities. The report should list the rationale and benefits to society at-large that were produced by the company's charitable contributions. This report would not change any of the company's policies, goals or values, or place them in the hands of shareholders. It would simply tell us shareholders if management believes that its charitable donations lived up to GE's values.

The company donates to numerous organizations. Some of these organizations may end up using the funds provided by the company in unintended and unwanted ways. Donations to controversial groups, particularly political groups, may also eventually result in harm to GE's reputation.

Just by way of example, the company has provided funds to Planned Parenthood. Already the recipient of \$500 million annually from taxpayers, the nation's largest abortion provider has come under investigation for the sale of fetal tissue. In response, many states and lots of corporations have decided they should distance themselves from this group.



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The company has also donated to the Center for American Progress known as CAP. CAP is an extreme political group that has been accused many times of anti-Semitism. In 2010, under the direction of John Podesta, who would later become Chairman of Hillary Clinton's presidential campaign, CAP wrote the blueprint for the Obama administration's expansion of executive power that the New York Times wrote was unprecedented.

Now with President Donald Trump in office, GE has lodged complaints about the very same use of executive power, effectively designed and by implication endorsed through the company's funding of CAP. This doesn't seem congruous. The company also donated to the Clinton Foundation, an organization that has found itself under FBI investigation. Media reports strongly imply that parts of the Clinton Foundation operated as a pay-for-play scheme, whereby individuals and corporations may have sought preferential treatment from government actors in exchange for donations to the foundation. Such speculation is further fueled by the closing of much of the Clinton Foundation's operations following Mrs. Clinton's unsuccessful White House bid. GE's support of the Clinton Foundation has been subject to such scrutiny and speculation.

While liberals in the room may cheer donations to Planned Parenthood, CAP and the Clinton Foundation, just as conservatives may bemoan them, there's simply no question that donations to highly politicized organizations are controversial. The report requested by our proposal would increase transparency and accountability and may help the company avoid unnecessary controversies. Please join me in supporting Proposal 4.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Great, Justin. thank you.

Justin Danhof

Thank you.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

So let's move on to Agenda Item #4, balloting. You'll find a ballot on your seat. If you have a ballot ready to turn in, please hold it up, and I'll ask the ushers to collect it.

I believe the Inspectors of Election are ready to announce the outcome of the voting. So let's go to the inspectors' report. Michael Barbera of IVS Associates will be presenting the Report of Inspectors. Mr. Barbera, do you have a report for us?

Michael Barbera

Mr. Chairman, the Inspectors of Election have completed an initial count of the votes cast in this meeting in person or by proxy. Proxies representing approximately 6,684,000,000 shares or 76.8% of the total shares eligible to vote were received. Other shares have been voted at this meeting by ballot or by proxy.

On the basis of our initial count, the Inspectors of Election announce the following results: On the election of directors, each director received at least 4.7 billion favorable votes and all nominees have been elected.

Management proposals. The advisory approval of our named executive's compensation: for, 89.1% of shares voted; against, 10.9%.

On the future advisory votes on executive compensation: 1 year, 66.2% of shares voted; 2 years, 0.6%; 3 years, 8.1%.

The long-term incentive plan as amended: in favor, 94.2% of shares voted; against, 5.8%.

The senior officer performance goals: in favor, 92.9% of shares voted; against, 7.1%.



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The ratification of KPMG as independent auditor: in favor, 96.7% of shares voted; against 3.3%.

On the shareowner proposals. The lobbying report: in favor, 28.3% of shares voted; against, 71.7%.

The independent chair proposal: in favor 23.9% of shares voted; against 76.1%.

Proposal for cumulative voting: in favor, 10.7%; against, 89.3%.

The charitable giving report: votes in favor 4.7%; against, 95.3%.

Mr. Chairman, this initial tally is subject to verification and the final tabulation may reflect small changes in the vote. The final tabulation will be set forth in the formal report of the Inspectors of Election to the Secretary of the company, which will be made after the count has been verified. This concludes our report.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Okay, thank you. That concludes the formal business of the meeting and now we move to Agenda Item #6. We've heard comments on the proposals, and we want to give other shareowners a chance to speak. So if you wish to speak, please go to one of the microphones. Dennis on #2. Dennis, good morning, how are you?

Dennis Rocheleau

I'm fine, thank you very much.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Good to be with you again.

Dennis Rocheleau

I stand with Melody, Bill and Kevin, albeit probably a bit to the right. This is the fifth consecutive year my remarks have focused attention on what I consider a major policy mistake by GE: the termination of a promise GE provided retiree Medicare supplementary coverage and a switch to private exchanges.

In 2014, after exhausting all internal remedies, I filed a lawsuit in federal court challenging GE's action. We are still awaiting the court's decision whether we can proceed to trial. In the meantime, thousands of affected retirees have died. I do not contend their deaths were caused or even hastened by GE's callous action. But I firmly believe that many died having received less than their due and with their faith in GE shattered.

In the course of this litigation, I've been especially disappointed by the sophistry of GE's hired advocates, paid millions of dollars, who claimed tens of thousands of retirees can save money under the new construct, but they fail to acknowledge that it would likely result in restrictions in choice and a very possible reduction in quality of care.

Gordon Bethune observed that you can make pizza so cheap, no one will eat it. Similarly, you can fashion inexpensive insurance so limited and so inappropriate that no one should buy it.

Jeff, last year in Jacksonville, you asserted "that the surveys we're doing show 8 of 10 kind of understand and are accepting and are satisfied with the process." What you kind of demonstrated with that statement was that if you ask the wrong question and then sufficiently qualify the response,



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you can kind of get the result you want. That survey protocol is as shameful as it is sloppy. It is somewhat similar to asserting that the vast majority of about-to-be executed prisoners favor the death penalty based on their positive evaluation of their last meal.

Similar perversions of an honest analysis of reality abide in other elements of this transition. Your outside lawyers and experts persist in advancing the canard that I personally have suffered no harm. They ignored the over \$900 annually that I and others now pay for Medicare D coverage that we did not pay before. Whether it is properly denominated a tax and not a premium is irrelevant to me and to thousands of other salaried retirees. It is money out of our pockets, money that we cannot spend on food or attorneys.

In addition, my drug plan premium, another cost I did not have previously, went up nearly 30% last year. With no boost in an already inadequate RRA, try to convince me retirees have suffered no harm. Both cost and risk were shifted from GE to retirees.

I hold no illusion that we retirees will convince General Electric to return to the status quo ante. I won't even propose it. I do, however, retain some hope that integrity, both the letter and the spirit, really mean something to the leadership of GE, that morality and fundamental fairness are basic values still embraced by our present directors, that common sense still flows from the hearts and minds of the holders of GE common stock.

I hope that you, Jeff, and the board, were as deeply impressed in Jacksonville last year as I was when Craig Williams so compellingly referenced his parents, both of whom are former lifelong GE salaried employees. He stated that with a single exception, the OneExchange staff was incompetent. His concluding question to you regarding GE's willingness to reconsider its precipitous action was blithely evaded and left unanswered.

So I will ask again. If I remain the good guy you labeled me in Jacksonville and if, as you stated there, you truly look forward to having an open door for people who may visit you in Boston to recount their problems with this retiree health-care transition, I will call Susan Peters tomorrow and book an hour on your calendar.

But let's cut to the chase. I disagree with what GE as an institution did here. But you, as a person, remain in my eyes the good guy I met 30 years ago on Hurricane Island. You are a very good guy who was misled by staff and insufficiently challenged by them. Recently, Trian, which has about 67 million shares, commanded your attention and prompted GE to markedly alter publicized objectives and policies. Why shouldn't the 65,000 retirees and spouses represented in our litigation deserve a similar hearing? If each owned only 1/10th of my modest stake, we'd own considerably more shares than Trian.

Equally noteworthy, the recent involuntary rebooking of a passenger by United Airlines created a still continuing controversy. A parallel to GE's treatment of retirees is obvious. United was, in its opinion, acting legally in exercising its right to refuse boarding to any passenger for any reason. However, the general public had a very negative view of both that asserted right and the manner in which it was exercised.

I submit that GE's 65,000 retired salaried employees and spouses have a better reputation and a record than the doctor re-accommodated by United. Moreover, the harm done to retirees is far more consequential. Thus, the potential adverse impact on GE could be enormous with the right element of outrage and attendant publicity. Perhaps, an Old Testament-type eye-for-an-eye assault on GE's reputation starting with the PR firestorm of protest in front of 41 Farnsworth Street should be our next step.

Be that as it may, I repeat that I believe that you and/or the board should direct appropriate GE representatives to meet with a select group of salaried retirees to hear their views and to consider seriously their suggestions to ameliorate this matter and to mitigate the harm done to tens of thousands of retirees. Respectful confrontation is what Nelson Peltz calls it. Abjure the pecksniffian GE posture heretofore exhibited on this issue.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you, Dennis.



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Dennis Rocheleau

Fulfill your leadership responsibilities and respond positively to your retirees' legitimate needs and expectations.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you, Dennis.

Dennis Rocheleau

If you can coinvent with Dr. Paulus and with Mission, why can't you coinvent with us?

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Great. Thank you very much, Dennis. On microphone #1, yes sir. Good morning.

Karl Asmus

Good morning, Jeff, and morning to members of the board. My name is Karl Asmus I come from a small town in upstate New York. Perhaps you've heard of it. It's called Schenectady.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Yes, sir.

Karl Asmus

As the Secretary Treasurer of the local 301 pensioners' committee, I represent many thousands of people that poured their blood, sweat, dedication and loyalty to a company that started there.

I'd like to reference you to an article that appeared in the Schenectady Gazette dated April 16, 2017. It tells the story with pictures of how we took the original two buildings bought by Thomas Edison in 1886 where he started a business called the Edison Machine Works.

To now -- in 1981, we've taken another look at that same lot called General Electric property now, and in '81, there was almost 300 buildings on that site. I'm proud to represent the people that through their labors and dedication brought the small Edison Machine Works to the global powerhouse we now know as GE.

When this meeting started, Jeff, you introduced us to the members of the Board of Directors of the company that we all care so much about. It seems I met people that are some of the best and brightest minds in the business world. It appears to me with the caliber of talent on our board that they could have put their heads together and come up with a plan to make or save the nearly \$4 billion GE brags to Wall Street about having shed off its obligatory expenses in a way that wouldn't require our dedicated pensioners to choose between buying dinner or going to their doctor or maybe paying for prescriptions that they need to stay healthy and alive. Anyway you look at the plan we have now, it seems more like a death sentence to many of our older retirees. So I'd like to close my final words in echoing someone that you may also have heard of before. Her name was Helen Perini . And her words to you would be right now, "Shame on you. Shame on all of you."



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Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you, sir. We'll take two more questions, one in microphone #2 and one more, and then we'll call it a day. Yes, ma'am.

Mary Ellen Stewart Flowers

Good morning. I'm Mary Ellen Stewart Flowers, and I'm here representing my father, Paul Stewart. He's 93 years young from Erie, Pennsylvania, and he worked at that GE plant over 38 years, retiring in 1985.

He wants to thank you for the \$30 a month raise he received, and the only problem is he spent that and much more on drugs. With our help, we helped him through the process of getting his insurance with OneExchange and understood, the vast majority of retirees, the only thing they know is to take that little white card and hand it to the doctors.

And so after five mini strokes, he takes over 14 pills and vitamins a day and just one of those pills cost \$269 a month. And so that \$30 didn't go very far helping him out. You don't even want to hear what he thinks about the doughnut hole. His definition was a little different than yours, I'm sure.

But he reached his in May, and by November, he was at the catastrophic amount. So because of his finances and health, he's moved in with my brother, and he's trying to make sense and understand all these things.

So on behalf of him and all the retirees who have worked so hard to make this company what it is, please remember them in any of your decisions in the future so they can enjoy the quality of life without stress and worry.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you, ma'am. Ron Flowers on microphone 1.

Ron Flowers

Thank you, Jeff. First of all, I think this is the least questions you've ever taken, and I think if somebody gets up and would like to say something -- I think they should be.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

I know, please. Welcome. Yes.

Ron Flowers

Okay, we're getting to the point where the disaster that you've caused for the retirees is -- we know what it is now. We talked to the company, and they gave us -- we'll just do one figure. I asked them what did -- how many retirees hit the doughnut hole before this all started? They said 4%. Well, we've already gone through one year of it. 25% of the retirees paid \$3,310 for that doughnut hole. Many, many people, I mean, I could stand here for hours. I've been on the phone for hours with these people, and it's devastating.

Joe from Erie, he retired. His pension, \$1,274. OneExchange told him his drugs was going to be \$6,000 a year. He has a son with cerebral palsy. Now he has to figure out who gets the drug money: his son with cerebral palsy or himself. It's just not right. Ed from Pittsburgh, \$1,103. His drug prices for a year before was \$810 a year. Now he pays over \$1,000 every three months for one pill, and he's got Parkinson's and takes many pills. It's just not right. There are so many things happening, and we now can see what's going to happen.



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Now I'd like to show -- let's do a show of hands. How many people here right now think that they are going to have better health 10 to 15 years from now? Raise your hand.

There you go, Jeff. All the retirees and the people who are going to retire, these drug costs are going to kill them. Maybe not literally, but it's going to get worse year after year after year.

The one guy here, I said, now don't say that. He says, he's going to pay one -- \$2,800 for one drug. He says if I have to pay this amount of money, he says I might as well just put my hands -- put my health in God's hands and make sure my kids have a little bit left. That's what we're down to.

General Electric in their infinite wisdom have thrown their retirees -- the people that have built their company, spent their lives building this company that we're sitting here with right now, and you've thrown them on to the health-care Titanic and thrown the OneExchange iceberg right in front of them. I don't think it's right.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you, Ron. Thank you. Microphone #2, yes, sir.

Unidentified Participant

Can you hear me all right?

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Yes I can. Yes, sir.

Unidentified Participant

Jeff, I just want to tell you one thing. I come from Florida, and why don't you put some heat on in the building? I'm freezing my rear end off back here. Jesus Christ, it's terrible.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

You sound like another Bostonian.

Jack Richards

I originally worked at General Electric company in -- right outside of Boston, in Lynn 13 miles away, and I grew up here. And then I got smart, and I moved to Florida so I could stay warm, Jesus.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

You...



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Jack Richards

Yes, and not pay taxes off my pension, Kevin said.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

You got smart so you could stay warm.

Jack Richards

And I park my car in Harvard Square (inaudible). Listen, I want to just take two minutes of your time, and after my two minutes, I'll award Kevin three more minutes. He wants to get up for three more minutes. Listen, thank god I have a master's degree because to get a supplement from OneExchange medical insurance, you need a Ph. D., and I'll tell you why. Every time you go to the doctor for one incident, you need to make out at least 10 pieces of paper for reimbursement on each incident, and that's no bull, okay. Sometimes, it gets sent back to you for various reasons. So you're always going back and forth, back and forth, back and forth.

A lot of retirees do not have computers, and they have a very tough job getting reimbursed. Please consider living up to your promise to meet all of our retirees and continue our health care as you promised when I came to work at GE.

Now by the way, I just got educated about 3 months ago. I came back from overseas over in Germany and the Baltic. And I found out that all the employees, and especially the young people, they get free health care, perfect, from the government. So what does that have to do with you guys? So then when I looked at why does GE farm out all these jobs overseas, guess what, you guys are saving billions and billions of dollars because you don't have to pay health care over there. And you're screwing the people here, and you've taken the health care away.

So you guys can't lose. So I have never seen anything like it, and the kids over there brag to me, Jack, we get free health care and free college education. And I said, we get screwed from our health care over here, and I says I'm on the Board at the University of Miami and I says the kids pay \$62,000 a year to go to college.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thanks.

Jack Richards

So you're really taking it away from us. And one other thing I would like to say, working with a guy like Dennis, who represented you guys for 30 -- how many years Dennis?

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Long time.

Jack Richards

32 years and has credibility like him, I hope the Board of Directors pays attention and recognizes that there's a man that speaks to his heart. Thank you very much, Jeff. I'll see you in Boston.



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Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Yes, good. Microphone #1, yes, sir.

Unidentified Participant

Good morning, Mr. Immelt. I'd like to thank you and the Board of Directors for inviting us here to the shareholders meeting.

I want to tell you that there's nothing really special about me except that I put 37 of my years into working for GE. And I was very proud of that. The technology that we used, the time that we employed to get things right was very important, and I was very proud to work for GE.

I worked through GE even through the lean times in the '70s when GE was having a lot of problems and the people who you -- worked for you bent over backwards to make sure that GE would remain a viable, strong business and -- as it has become.

Now in those 37 years, I put my heart and my soul into what I was doing. I felt I was doing an important job. I literally put my sweat and my blood into that work.

When I retired, the General Electric company told me that I could depend upon the GE to assist me with my health care and that I could depend on that and base my retirement on that. Unfortunately, that has not been the case. And I'd like you -- I would like the Board of Directors to take a good look at me because I am being harmed. I am being seriously hurt by your arbitrary decision to remove the so-called legacy costs. And just because everybody else is doing it is a lousy reason to turn around and -- something that I was guaranteed, told that I -- it would help me, it really hurts me that you folks would do that to myself and the thousands of GE retirees, who like myself, put their time and their effort into making this company what it is.

Jeffrey R. Immelt - *General Electric Company, Executive Chairman and CEO*

Thank you very much, thank you. Look, I'd like to thank the people of Asheville for hosting the meeting today. It's really been great.

I think before we leave here today, we've had lots of good discussions with our retirees. I respect them and everything they've done. I want to say, thanks. I'd like everybody though just today to look over there. I'd like everybody to see that's what GE is about: a high-tech global leader with \$320 billion of backlog, a company that's moving with a great team around the world, a company that creates great American jobs -- the United States' second biggest exporter, a company that's returning cash back to investors and a company that's winning in the marketplace every day.

This week, this company turns 125 years old. This week. That's a fantastic achievement for all of us in this room, and before you leave here today, I want everybody to just know this is an amazing company and an amazing team. We honor our retirees, but we look forward to the next 100 years.

Thank you for coming. It's great to be with you.



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