**United States Securities and Exchange Commission**
**WASHINGTON, D.C. 20549**

# FORM 10-K

**(Mark One)**

**☑ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2012**
**or**
**☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from ___________to ___________**

**Commission file number 001-00035**

**General Electric Company**
(Exact name of registrant as specified in charter)

| | | |
|---|---|---|
| **New York** | | **14-0689340** |
| (State or other jurisdiction of incorporation or organization) | | (I.R.S. Employer Identification No.) |
| **3135 Easton Turnpike, Fairfield, CT** | **06828-0001** | **203/373-2211** |
| (Address of principal executive offices) | (Zip Code) | (Telephone No.) |

**Securities Registered Pursuant to Section 12(b) of the Act:**

| Title of each class | Name of each exchange on which registered |
|---|---|
| **Common stock, par value $0.06 per share** | **New York Stock Exchange** |

**Securities Registered Pursuant to Section 12(g) of the Act:**

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑
Accelerated filer ☐
Non-accelerated filer ☐
Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the outstanding common equity of the registrant not held by affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was at least $217.8 billion. There were 10,398,271,000 shares of voting common stock with a par value of $0.06 outstanding at February 1, 2013.

**DOCUMENTS INCORPORATED BY REFERENCE**

The definitive proxy statement relating to the registrant's Annual Meeting of Shareowners, to be held April 24, 2013, is incorporated by reference into Part III to the extent described therein.

**Report of Independent Registered Public Accounting Firm**

To Shareowners and Board of Directors
of General Electric Company:

We have audited the accompanying statement of financial position of General Electric Company and consolidated affiliates (the "Company") as of December 31, 2012 and 2011, and the related statements of earnings, comprehensive income, changes in shareowners' equity and cash flows for each of the years in the three-year period ended December 31, 2012. We also have audited the Company's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of General Electric Company and consolidated affiliates as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by COSO.

Changes to noncontrolling interests are as follows.

| *(In millions)* | Years ended December 31 2012 | 2011 | 2010 |
|---|---|---|---|
| Beginning balance | $ 1,696 | $ 5,262 | $ 7,845 |
| Net earnings | 223 | 292 | 535 |
| GECC issuance of preferred stock | 3,960 | – | – |
| Repurchase of NBCU shares(a) | – | (3,070) | (1,878) |
| Dispositions(b) | – | (609) | (979) |
| Dividends | (42) | (34) | (317) |
| Other(c) | (393) | (145) | 56 |
| Ending balance | $ 5,444 | $ 1,696 | $ 5,262 |

(a) In January 2011 and prior to the transaction with Comcast, we acquired 12.3% of NBCU's outstanding shares from Vivendi for $3,673 million and made an additional payment of $222 million related to previously purchased shares. Of these amounts, $3,070 million reflects a reduction in carrying value of noncontrolling interests. The remaining amount of $825 million represents the amount paid in excess of our carrying value, which was recorded as an increase in our basis in NBCU.

(b) Includes noncontrolling interests related to the sale of GE SeaCo of $311 million and the redemption of Heller Financial preferred stock of $275 million in 2011, as well as the deconsolidation of Regency Energy Partners L.P. (Regency) of $979 million in 2010.

(c) Primarily eliminations.

During 2012, GECC issued 40,000 shares of non-cumulative perpetual preferred stock with a $ 0.01 par value for proceeds of $3,960 million. Of these shares, 22,500 bear an initial fixed interest rate of 7.125% through June 12, 2022, bear a floating rate equal to three-month LIBOR plus 5.296% thereafter and are callable on June 15, 2022 and 17,500 shares bear an initial fixed interest rate of 6.25% through December 15, 2022, bear a floating rate equal to three-month LIBOR plus 4.704% thereafter and are callable on December 15, 2022. Dividends on the GECC preferred stock are payable semi-annually, with the first payment made in December 2012. GECC preferred stock is presented as noncontrolling interests in the GE consolidated statement of financial position.

During the 2012, GECC paid dividends of $1,926 million and special dividends of $4,500 million to GE. No dividends were paid during 2011 or 2010.

## NOTE 16. OTHER STOCK-RELATED INFORMATION

We grant stock options, restricted stock units (RSUs) and performance share units (PSUs) to employees under the 2007 Long-Term Incentive Plan. This plan replaced the 1990 Long-Term Incentive Plan. In addition, we grant options and RSUs in limited circumstances to consultants, advisors and independent contractors under a plan approved by our Board of Directors in 1997 (the Consultants' Plan). Share requirements for all plans may be met from either unissued or treasury shares. Stock options expire 10 years from the date they are granted and vest over service periods that range from one to five years. RSUs give the recipients the right to receive shares of our stock upon the vesting of their related restrictions. Restrictions on RSUs vest in various increments and at various dates, beginning after one year from date of grant through grantee retirement. Although the plan permits us to issue RSUs settleable in cash, we have only issued RSUs settleable in shares of our stock. PSUs give recipients the right to receive shares of our stock upon the achievement of certain performance targets.

All grants of GE options under all plans must be approved by the Management Development and Compensation Committee, which consists entirely of independent directors.

**Stock Compensation Plans**

| *December 31, 2012 (Shares in thousands)* | Securities to be issued upon exercise | Weighted average exercise price | Securities available for future issuance |
|---|---|---|---|
| **Approved by shareowners** | | | |
| Options | 467,503 | $ 19.27 | (a) |
| RSUs | 14,741 | (b) | (a) |
| PSUs | 550 | (b) | (a) |
| **Not approved by shareowners (Consultants' Plan)** | | | |
| Options | 334 | 25.38 | (c) |
| RSUs | 137 | (b) | (c) |
| Total | 483,265 | $ 19.27 | 459,339 |

(a) In 2007, the Board of Directors approved the 2007 Long-Term Incentive Plan (the Plan), which replaced the 1990 Long-Term Incentive Plan. During 2012, an amendment was approved to increase the number of shares authorized for issuance under the Plan from 500 million shares to 925 million shares. No more than 230 million of the total number of authorized shares may be available for awards granted in any form provided under the Plan other than options or stock appreciation rights. Total shares available for future issuance under the Plan amounted to 431.1 million shares at December 31, 2012.

(b) Not applicable.

(c) Total shares available for future issuance under the Consultants' Plan amount to 28.2 million shares.

Outstanding options expire on various dates through December 13, 2022.

The following table summarizes information about stock options outstanding at December 31, 2012.

**Stock Options Outstanding**
*(Shares in thousands)*

| | Outstanding | | | Exercisable | |
|---|---|---|---|---|---|
| **Exercise price range** | **Shares** | **Average life(a)** | **Average exercise price** | **Shares** | **Average exercise price** |
| Under $10.00 | 45,957 | 5.8 | $ 9.57 | 27,855 | $ 9.57 |
| 10.01-15.00 | 67,018 | 6.1 | 11.98 | 42,963 | 11.97 |
| 15.01-20.00 | 191,179 | 7.8 | 17.43 | 65,988 | 17.08 |
| 20.01-25.00 | 83,204 | 9.7 | 21.57 | 266 | 20.84 |
| 25.01-30.00 | 21,550 | 5.1 | 28.22 | 18,411 | 28.21 |
| 30.01-35.00 | 44,455 | 2.2 | 33.25 | 44,420 | 33.25 |
| Over $35.00 | 14,474 | 4.2 | 38.70 | 14,474 | 38.70 |
| Total | 467,837 | 6.9 | $ 19.27 | 214,377 | $ 20.85 |

At year-end 2011, options with a weighted average exercise price of $22.47 were exercisable on 189 million shares.

(a) Average contractual life remaining in years.

**Stock Option Activity**

| | Shares (In thousands) | Weighted average exercise price | Weighted average remaining contractual term (In years) | Aggregate intrinsic value (In millions) |
|---|---|---|---|---|
| Outstanding at January 1, 2012 | 449,861 | $ 18.87 | | |
| Granted | 83,179 | 21.56 | | |
| Exercised | (29,672) | 11.97 | | |
| Forfeited | (7,464) | 17.31 | | |
| Expired | (28,067) | 27.86 | | |
| Outstanding at December 31, 2012 | 467,837 | $ 19.27 | 6.9 | $ 1,810 |
| Exercisable at December 31, 2012 | 214,377 | $ 20.85 | 5.3 | $ 964 |
| Options expected to vest | 235,849 | $ 17.82 | 8.2 | $ 814 |

We measure the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant-date fair value of options granted during 2012, 2011 and 2010 was $3.80, $4.00 and $4.11, respectively. The following assumptions were used in arriving at the fair value of options granted during 2012, 2011 and 2010, respectively: risk-free interest rates of 1.3%, 2.6% and 2.9%; dividend yields of 4.0%, 3.9% and 3.9%; expected volatility of 29%, 30% and 35%; and expected lives of 7.8 years, 7.7 years, and 6.9 years. Risk-free interest rates reflect the yield on zero-coupon U.S. Treasury securities. Expected dividend yields presume a set dividend rate and we used a historical five-year average for the dividend yield. Expected volatilities are based on implied volatilities from traded options and historical volatility of our stock. The expected option lives are based on our historical experience of employee exercise behavior.

The total intrinsic value of options exercised during 2012, 2011 and 2010 amounted to $265 million, $65 million and $23 million, respectively. As of December 31, 2012, there was $734 million of total unrecognized compensation cost related to nonvested options. That cost is expected to be recognized over a weighted average period of 2 years, of which approximately $198 million after tax is expected to be recognized in 2013.

Stock option expense recognized in net earnings during 2012, 2011 and 2010 amounted to $220 million, $230 million and $178 million, respectively. Cash received from option exercises during 2012, 2011 and 2010 was $355 million, $89 million and $37 million, respectively. The tax benefit realized from stock options exercised during 2012, 2011 and 2010 was $88 million, $21 million and $7 million, respectively.

**Other Stock-based Compensation**

| | Shares (In thousands) | Weighted average grant date fair value | Weighted average remaining contractual term (In years) | Aggregate intrinsic value (In millions) |
|---|---|---|---|---|
| RSUs outstanding at January 1, 2012 | 15,544 | $ 25.18 | | |
| Granted | 5,379 | 20.79 | | |
| Vested | (5,692) | 28.32 | | |
| Forfeited | (353) | 22.74 | | |
| RSUs outstanding at December 31, 2012 | 14,878 | $ 22.45 | 3.0 | $ 312 |
| RSUs expected to vest | 13,556 | $ 22.46 | 2.9 | $ 285 |

The fair value of each restricted stock unit is the market price of our stock on the date of grant. The weighted average grant date fair value of RSUs granted during 2012, 2011 and 2010 was $20.79, $16.74 and $15.89, respectively. The total intrinsic value of RSUs vested during 2012, 2011 and 2010 amounted to $116 million, $154 million and $111 million, respectively. As of December 31, 2012, there was $190 million of total unrecognized compensation cost related to nonvested RSUs. That cost is expected to be recognized over a weighted average period of 2 years, of which approximately $47 million after tax is expected to be recognized in 2013. As of December 31, 2012, 0.6 million PSUs with a weighted average remaining contractual term of 2 years, an aggregate intrinsic value of $12 million and $1 million of unrecognized compensation cost were outstanding. Other share-based compensation expense for RSUs and PSUs recognized in net earnings amounted to $79 million, $84 million and $116 million in 2012, 2011 and 2010, respectively.

The income tax benefit recognized in earnings based on the compensation expense recognized for all share-based compensation arrangements amounted to $153 million, $163 million and $143 million in 2012, 2011 and 2010, respectively. The excess of actual tax deductions over amounts assumed, which are recognized in shareowners' equity, were insignificant in 2012, 2011 and 2010.

When stock options are exercised and restricted stock vests, the difference between the assumed tax benefit and the actual tax benefit must be recognized in our financial statements. In circumstances in which the actual tax benefit is lower than the estimated tax benefit, that difference is recorded in equity, to the extent there are sufficient accumulated excess tax benefits. At December 31, 2012, our accumulated excess tax benefits are sufficient to absorb any future differences between actual and estimated tax benefits for all of our outstanding option and restricted stock grants.

## NOTE 17. OTHER INCOME

| *(In millions)* | **2012** | **2011** | **2010** |
|---|---|---|---|
| **GE** | | | |
| Associated companies(a) | $ 1,545 | $ 894 | $ 413 |
| Purchases and sales of business interests(b) | 574 | 3,804 | 319 |
| Licensing and royalty income | 290 | 304 | 364 |
| Interest income from GECC | 114 | 206 | 133 |
| Marketable securities and bank deposits | 38 | 52 | 40 |
| Other items | 96 | 10 | 16 |
| | 2,657 | 5,270 | 1,285 |
| **Eliminations** | (94) | (206) | (134) |
| Total | $ 2,563 | $ 5,064 | $ 1,151 |

(a) Included income of $1,416 million and $789 million from our equity method investment in NBCU LLC in 2012 and 2011, respectively.

(b) Included a pre-tax gain of $3,705 million ($526 million after tax) related to our transfer of the assets of our NBCU business to a newly formed entity, NBCU LLC, in 2011. See Note 2.

# COMPENSATION

## MANAGEMENT PROPOSAL NO. 1—ADVISORY APPROVAL OF OUR NAMED EXECUTIVES' COMPENSATION

In accordance with Section 14A of the Securities Exchange Act of 1934 (Exchange Act), we are asking shareowners to approve the compensation paid to the company's named executives, as disclosed in this proxy statement on pages 20 to 41, in an advisory vote.

The Board recommends a vote FOR this proposal 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.

This advisory proposal, commonly referred to as a "say-on-pay" proposal, is not binding on the Board of Directors. Although the voting results are not binding, the Board and the MDCC will review and consider them when evaluating our executive compensation program.

The Board has adopted a policy of providing for annual say-on-pay advisory votes. The next say-on-pay advisory vote will occur at our 2014 Annual Meeting of Shareowners.

**Your Board of Directors recommends a vote FOR approval of the compensation paid to the company's named executives, as disclosed in this proxy statement.**

## COMPENSATION DISCUSSION AND ANALYSIS

### Overview of Executive Compensation Program

#### How We Determine Incentive Compensation

**Annual Cash Bonuses.** We pay annual cash bonuses to our named executives based on achieving specific performance 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, Neal, Rice and Denniston, 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 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 typically grant annual equity incentive awards to our named executives in the form of stock options, restricted stock units (RSUs) or, for 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 with 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 performance goals.

**Long-Term Performance Awards.** We generally grant Long-Term Performance Awards (LTPAs) once every three years to our named executives. These awards have formulaically determined payouts, based on four equally weighted performance metrics. For the 2010–2012 LTPAs, these performance metrics were: (1) cumulative earnings per share (EPS); (2) cumulative Industrial cash from operating activities (Industrial CFOA); (3) 2012 Industrial return on average total capital (Industrial ROTC); and (4) ending net investment of GE Capital (ENI). The value of the awards is set as a multiple of the executive's salary and bonus, and they are typically settled in cash after the MDCC certifies the extent to which the performance goals were achieved.

### Summary

The MDCC believes that the CEO and other named executives have performed extremely well in a challenging global environment, and that their compensation is commensurate with this performance.

**GE outperforms S&P 500.** Under Mr. Immelt's leadership, GE performed very well in 2012, with total shareowner return (TSR) growing 21%, well ahead of the 16% growth in the S&P 500. This return reflects the company's strong Industrial operating results, with 10% growth in segment profits, organic segment revenue growth of 8%, accelerating margin expansion, and record-high orders backlog of $210 billion at year-end. GE Capital also had a strong year, with segment profits growing 12%, while at the same time reducing GE Capital's ENI by 6% (excluding cash and equivalents). This performance allowed GE Capital to restart its dividend to GE and maintain a strong Tier 1 Common Ratio of 10.2% (Basel 1 U.S.). GE followed a balanced capital allocation plan and returned a total of $12.4 billion to investors in 2012, including $7.2 billion in dividends and $5.2 billion in stock repurchases, increasing the dividend 12% for the fifth increase in three years, and continuing to invest in R&D and infrastructure adjacencies. Senior management also continued to make important changes to position the company for long-term growth, such as launching its Industrial Internet initiative and streamlining the company's operations through its simplification initiative.

**Compensation decisions reflect a balanced and responsible pay approach.** The MDCC has responsibility for oversight of GE's executive compensation framework and, within that framework and working with senior management, aligning pay with performance and creating incentives that reward responsible risk-taking, while also considering the environment in which compensation decisions are made.

Management's strong performance over the past three years led to an overall above-target achievement for the performance goals under the 2010–2012 LTPA program. Considering this payout as well as the value of recent equity awards, the MDCC determined not to grant equity awards to the CEO and vice chairmen in 2012.

In light of Mr. Immelt's strong performance and leadership in 2012, Mr. Immelt received a $4.5 million bonus in 2012, a 13% increase from the preceding year. He also received a $12.1 million payout under the three-year LTPA program, which concluded in 2012. His salary remained unchanged. Mr. Immelt's total compensation for 2012 increased from 2011 primarily because of the LTPA payout, which reflects performance over a three-year period. Mr. Immelt's compensation for 2012 also reflects a $5.2 million increase in pension value, which is predominantly the result of an increase in his service and age and changes in actuarial pension assumptions.

The MDCC believes that its decisions on Mr. Immelt's pay reflect his outstanding leadership and, consistent with prior years, represent a balanced approach to compensation. In this respect, the committee notes that, over the last five years, Mr. Immelt's salary has remained unchanged and he twice requested (and the MDCC approved) that he receive no bonus. During this five-year period, GE's earnings have ranked between 4th and 14th in the S&P 500, while Mr. Immelt's compensation (excluding pension value change) has ranked between 79th and 329th among S&P 500 CEOs (169th in 2011, the most recent year for which SEC compensation data is available).

Compensation decisions for Messrs. Sherin, Neal, Rice and Denniston reflect their strong contributions to the company's overall performance and that of their respective businesses or functions. Total compensation for these named executives was also significantly affected by the change in pension value and LTPA payouts covering all three years of the 2010-2012 performance period.

## Investor Outreach and the 2012 Say-on-Pay Vote

We annually undertake a review of the company's corporate governance, and, as part of this review, we meet with our largest investors and solicit their feedback on a variety of topics, including our executive compensation practices. See "Investor Outreach" on page 10 for more information regarding our investor outreach program. At our 2012 Annual Meeting, shareowners expressed a high level of support for the compensation of our named executives, with approximately 93% of the votes cast for approval of our executive compensation. Following the shareowner meeting, we met again with our investors to review compensation actions for the past year and discuss our say-on-pay vote.

The MDCC reviewed these voting results, evaluated investor feedback and considered other factors used in evaluating GE's executive compensation programs as discussed in this Compensation Discussion and Analysis, including the MDCC's 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. In addition, the MDCC considered executive compensation practices at the other component companies of the Dow Jones Industrial Average (Dow 30) as a reference point in its assessment of the types and amount of compensation the company provides. After considering all of these factors, the MDCC reaffirmed the elements of our executive compensation program and policies.

## Compensation Actions for 2012

### CEO Compensation

Under Mr. Immelt's leadership, management delivered the following results on the performance goals set by Mr. Immelt and the Board:

- **Achieve strong Industrial segment growth.** GE's Industrial segment had a strong year, with solid top-line performance and strong earnings results notwithstanding volatile markets. Full-year Industrial segment revenues were $102.8 billion, an 8% organic increase from 2011, which compares favorably with industrial peers. This was driven by double-digit growth in Power & Water, Oil & Gas, Energy Management and Transportation. The company's Industrial segment growth market revenues increased 11% over 2011, driven by double-digit growth in Russia, Australia/New Zealand, Latin America, China, Sub-Saharan Africa and ASEAN. Full-year Industrial segment profits were $15.5 billion, up 10% from $14.1 billion in 2011, with all segments growing. In addition, orders for the year were up 6% (excluding Wind) overall and 12% in growth regions, and the company ended the year with a record high orders backlog of $210 billion.
- **Improve margins.** Full-year Industrial profit margins improved by 30 basis points over 2011, from 14.8% to 15.1%, with a 120-basis-point margin expansion in the fourth quarter, which compares favorably with industrial peers. This reflects strong expansion across GE's Industrial businesses, driven by value gap expansion of $330 million, growing service margins and the company's simplification initiative. The Industrial segments, together with Corporate, also reduced SG&A expenses and achieved a 100-basis-point reduction in SG&A expenses as a percentage of revenue.
- **Restart the GE Capital dividend and build alternative funding sources.** GE Capital's segment profits grew 12% to $7.4 billion from $6 .6 billion in 2011 while GE Capital's ENI shrunk to $419 billion (excluding cash and equivalents) at year-end, down from $445 billion at the end of 2011. In addition, Commercial Real Estate returned to profitability in 2012 while reducing assets by 24% or $15 billion. As a result of this strong performance, GE Capital returned a total of $6.4 billion in dividends to GE in 2012. In furtherance of the company's goal to build a stronger, more diversified funding base, management completed the acquisition of MetLife's deposit base and online deposit business. Alternative funding sources, including $46 billion in deposits and CDs, represented 26% of GE Capital's total debt at the end of 2012, up from 22% the year before.
- **Execute a balanced capital allocation strategy.** GE's TSR grew by 21% in 2012, well ahead of the 16% growth in the S&P 500. Driving this growth was management's execution on the company's balanced capital allocation plan, supported by solid cash from operating activities for the year of $17.8 billion, up 48% from 2011, which included the recommencement of the dividend from GE Capital. GE finished the year with a strong cash position, including cash and cash equivalents of $77 billion. The company returned a total of $12.4 billion to investors during the year, including $7.2 billion in dividends and $5.2 billion in stock repurchases. In December, the company raised its dividend 12% to $0.19 per share, the fifth increase in three years. In addition, GE continued to invest in global growth and infrastructure adjacencies. In the fourth quarter, the company announced a $4.3 billion agreement to purchase the aviation business of the Italian company Avio S.p.A., subject to regulatory approvals.
- **Execute on key new product introductions and build software and analytics capability.** As a result of the company's substantial long-term investment in R&D, including its Global Research Center network, GE launched several new products in 2012, helping to position the company for long-term growth. These included Power & Water's FlexEfficiency 60, a new power plant technology, Transportation's Tier 4 Evolution Series Locomotive, a prototype locomotive that will be the most fuel-efficient freight locomotive in its history, and Home & Business Solutions' Mission 1 series of technologically advanced, energy efficient appliances. In addition, the company launched its Industrial Internet initiative, introducing nine new service technologies in industries ranging from energy and healthcare to aviation, rail and manufacturing.

The MDCC believes that Mr. Immelt performed very well in 2012 by executing on this performance framework, including against the following fiscal 2012 financial objectives, most of which were met or exceeded.

| Financial Objectives for 2012 *(in billions except percentage and per share amounts)* | Goal | Performance |
|---|---|---|
| Revenues | 153.0 | 147.4 |
| Industrial segment profits | 15.5 | 15.5 |
| GE Capital segment profits | 7.3 | 7.4 |
| Operating EPS | 1.51 | 1.52 |
| CFOA | 14–15 | 17.8 |
| Industrial profit margins (%) | 15.4 | 15.1 |
| GE Capital ENI (target was to reduce) | 440–425 | 419 |
| ROTC (%) | 12.0 | 11.7 |

For a discussion of non-GAAP financial measures, see "Explanation of Non-GAAP Financial Measures" on page 53.

Mr. Immelt's base salary, which was last increased in April 2005, was unchanged for 2012. In light of the MDCC's assessment of Mr. Immelt's performance, he received a $4.5 million cash bonus, an increase of 13% from 2011. In addition, he received $12.1 million under his LTPA, based on the company's performance over the three-year period from 2010 to 2012. He did not receive any equity grants in 2012, consistent with the MDCC's determination not to grant equity awards to the CEO and vice chairmen. In making this determination, the MDCC considered expected LTPA payouts in 2013 as well as the value of recent equity awards.

As a result of these actions, Mr. Immelt's total compensation for 2012 increased from 2011 primarily due to the $12.1 million LTPA payout, which is reported in full for 2012 pursuant to SEC rules but reflects Mr. Immelt's and the company's strong performance over the three-year period from 2010 to 2012. In addition, Mr. Immelt's total compensation for 2012 reflects a $5.2 million increase in pension value, which is predominantly the result of an increase in his service and age and changes in actuarial pension assumptions (for example, $1.8 million or 34% of the increase in Mr. Immelt's pension value in 2012 was due solely to the reduction in the assumed discount rate).

The MDCC believes that its decisions on Mr. Immelt's pay reflect his outstanding leadership and, consistent with prior years, represent a balanced approach to compensation. In this respect, the committee notes that, over the last five years, Mr. Immelt's salary has remained unchanged and he twice requested (and the MDCC approved) that he receive no bonus. During this five-year period, GE's earnings have ranked between 4th and 14th in the S&P 500,[1] while Mr. Immelt's compensation has ranked between 79th and 329th among S&P 500 CEOs (169th in 2011, the most recent year for which SEC compensation data is available).[2]

A significant portion of Mr. Immelt's compensation historically has been delivered in the form of equity grants that are subject to performance goals. If the pre-established performance conditions are not met, these grants are forfeited. The table below shows Mr. Immelt's outstanding performance-based equity grants as of December 31, 2012.

## Outstanding CEO Performance-Based Equity Grants Table

| Grant Date | Type | Amount (#) | Performance Goals | Performance Period |
|---|---|---|---|---|
| 12/11/08 | PSUs | 150,000 | 50% ... meet or exceed S&P 500 TSR<br>50% ... 10% average annual growth in CFOA | 2009–2013 |
| 12/31/09 | PSUs | 150,000 | 50% ... meet or exceed S&P 500 TSR<br>50% ... achieve at least $70 billion in cumulative Industrial CFOA | 2010–2014 |
| 3/4/10 | Options | 2,000,000 | 50% ... meet or exceed S&P 500 TSR<br>50% ... achieve at least $55 billion in cumulative Industrial CFOA | 2011–2014 |
| 6/10/11 | PSUs | 250,000 | 50% ... meet or exceed S&P 500 TSR<br>50% ... achieve at least $71 billion in cumulative Industrial CFOA | 2011–2015 |

As an indication of Mr. Immelt's alignment with shareowners, he has purchased over 876,000 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, net of those required to pay option exercise prices and taxes on such awards, since he became CEO.

1 Based on Bloomberg data for reported net earnings for the years shown.

2 Based on Equilar data for reported SEC total compensation minus the change in pension value. See footnote 7 to the 2012 Summary Compensation Table on page 32.

## 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 continuing to strengthen investor communications, supporting the company's global growth initiatives and strengthening the Finance function, refining the company's capital allocation strategy, driving cost reduction and improving cash flow, and continuing to build an effective enterprise risk management process.

Mr. Sherin had a strong year in 2012. In addition to his contribution toward the company's goals discussed above, the MDCC specifically recognized that he:

- drove GE's balanced capital allocation strategy through investing in organic growth, growing the dividend 12%, returning $5.2 billion to shareowners through share buybacks and completing focused M&A;
- maximized value in GE Capital, contributing significantly to GE Capital's recommencement of the dividend to GE in 2012;
- continued strengthening the Finance function, with significant global talent additions that supported Global Growth & Operations;
- further augmented and refined the risk framework for the Industrial businesses and the company's enterprise risk management processes, and strengthened communications with investors; and
- led simplification and cost reduction initiatives that significantly reduced SG&A expenses and improved working capital efficiency to generate strong CFOA of $17.8 billion.

In light of the MDCC's assessment of Mr. Sherin's performance in 2012, he received a $3.5 million cash bonus, an 11% increase from 2011. In addition, he received $8.6 million under his LTPA, based on the company's performance over the three-year period from 2010 to 2012. His base salary also was increased by 11% to $2.05 million, effective January 1, 2013, after an 18-month interval since his last base salary increase, consistent with the company's standard practice for named executives. 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. He did not receive any equity grants in 2012, consistent with the MDCC's determination not to grant equity awards to the CEO and vice chairmen.

**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 GE Capital's ENI and increasing volume, earnings, the Tier 1 Common Ratio and return on investment. His strategic and operational goals included restarting the GE Capital dividend in 2012, continuing to manage GE Capital's regulatory transition, improving Commercial Real Estate performance, generating business at attractive margins, continuing to build a more diversified funding profile and strengthening the Treasury organization.

Under Mr. Neal's leadership, GE Capital had a very good year in 2012. In addition to his contribution toward the company's goals discussed above, the MDCC specifically recognized that:

- GE Capital achieved very strong operating performance, with segment profits of $7.4 billion, up 12% from 2011, and all segments were profitable. This included Commercial Real Estate, which earned $0.8 billion in 2012, up $1.7 billion from 2011. GE Capital also improved pretax income, reduced SG&A expenses, and increased volume 7% to $183 billion over 2011, with higher net interest margins compared with financial services peers and attractive returns on investment. These accomplishments positioned GE Capital to restart the dividend and return $6.4 billion to GE in 2012;
- he continued to lead the evolution towards a smaller, more focused and safer GE Capital, with ENI of $419 billion (excluding cash and equivalents) at year-end, 6% lower than 2011, a Tier 1 Common Ratio of 10.2% (Basel 1 U.S.), which compared favorably with financial services peers and was up significantly from 2011 even after payment of dividends to GE, a strong liquidity position and improved portfolio quality. GE Capital also continued to build a more diversified funding profile, with alternative funding up $5 billion to $102 billion, representing 26% of GE Capital's total debt; and
- he continued to enhance GE Capital's risk management infrastructure, with continued build-out in its enterprise risk framework, including Treasury's risk control structure, and to manage GE Capital's regulatory transition.

In light of the MDCC's assessment of Mr. Neal's performance in 2012, he received a $3.8 million cash bonus, an 11% increase from 2011. In addition, he received $9.1 million under his LTPA, based on the company's performance over the three-year period from 2010 to 2012. His base salary also was increased by 11% to $2.1 million, effective January 1, 2012, after an 18-month interval since his last base salary increase, consistent with the company's standard practice for named executives. 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 $7.4 billion in segment profits in 2012. He did not receive any equity grants in 2012, consistent with the MDCC's determination not to grant equity awards to the CEO and vice chairmen.

**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 growth markets, reducing operating costs at Global Growth & Operations, strengthening the global leadership team, and launching international centers of excellence. Additional goals included supporting the company's service strategy, establishing a framework for enabling functions, establishing key global partnerships and improving organizational clarity and communication.

Mr. Rice led the Global Growth & Operations organization to a strong performance in 2012. In addition to his contribution toward the company's goals discussed above, the MDCC specifically recognized that:

- international revenues increased to $78 billion, led by solid Industrial segment revenues and a 12% increase in growth market orders;
- he successfully opened important international facilities that help strengthen key partnerships and support business growth. These included global innovation centers in China and Canada and centers of excellence in Aviation and Energy Management;
- he launched simplification efforts outside the U.S. by driving key organizational changes and targeting significant cost reduction projects; and
- Global Growth & Operations supported the company's service strategy, driving regional and commercial focus, opening a training center in Australia, and identifying opportunities to centralize and simplify global service operations.

In light of the MDCC's assessment of Mr. Rice's performance in 2012, he received a $3.8 million cash bonus, a 12% increase from 2011. In addition, he received $9.4 million under his LTPA, based on the company's performance over the three-year period from 2010 to 2012. His base salary also was increased by 10% to $2.3 million, effective July 1, 2012, after an 18-month interval since his last base salary increase, consistent with the company's standard practice for named executives. Mr. Rice's salary is commensurate with his position as a vice chairman of the company and his experience, skills and judgment in leading Global Growth & Operations. He did not receive any equity grants in 2012, consistent with the MDCC's determination not to grant equity awards to the CEO and vice chairmen.

**Brackett B. Denniston III.** Mr. Denniston has been our general counsel since 2004 and is also a senior vice president of the company. He previously served as vice president and senior counsel for Litigation and Legal Policy and joined GE in 1996. Mr. Denniston'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 resolving major regulatory and litigation matters effectively, continuing to build an effective enterprise risk management process, strengthening the company's intellectual property protection, continuing to support GE Capital's regulatory transition, and supporting the company's simplification and global growth initiatives.

Mr. Denniston had a strong year in 2012. In addition to his contribution toward the company's goals discussed above, the MDCC specifically recognized that he:

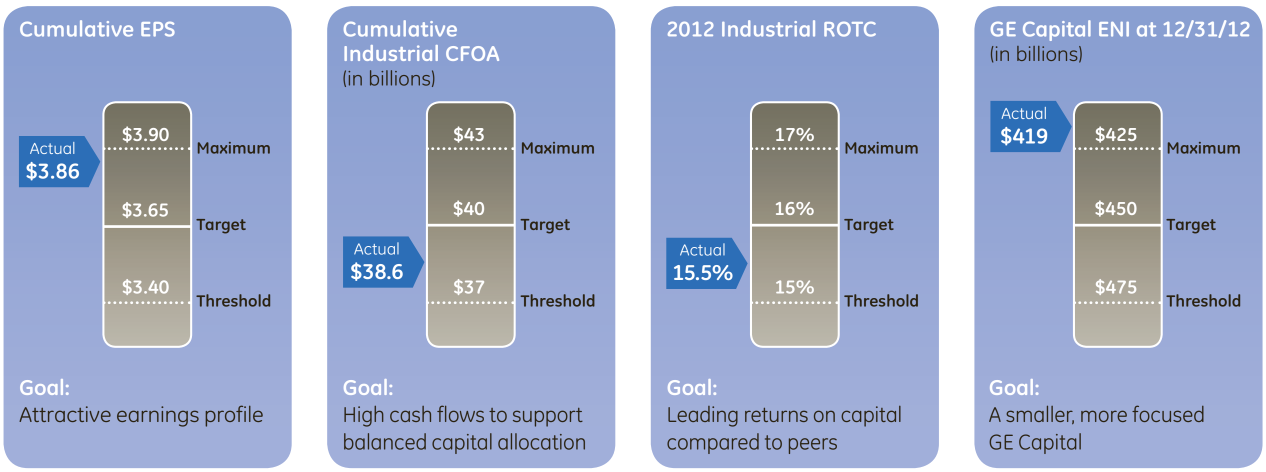
- oversaw successful resolutions of investigative matters and effectively managed major litigation;
- strengthened data and intellectual property protection by redefining and enhancing the company's strategy and key processes;
- provided critical leadership in the evolution of the company's risk management and regulatory/compliance infrastructure and oversight in a year in which the company was named for the seventh year in a row as one of the world's most ethical companies;
- continued to strengthen the legal, governance and compliance functions through organizational realignments and significant global talent additions that supported Global Growth & Operations, while at the same time launching simplification efforts; and
- provided strong leadership of U.S. and global government affairs on important legislative and governmental priorities in trade, energy, healthcare and financial services.

In light of the MDCC's assessment of Mr. Denniston's performance, he received a $2.7 million cash bonus, a 10% increase from 2011, and was granted 800,000 stock options. In addition, he received $6.7 million under his LTPA, based on the company's performance over the three-year period from 2010 to 2012. His base salary also was increased by 10% to $1.65 million, effective July 1, 2012, after an 18-month interval since his last base salary increase, consistent with the company's standard practice for named executives. Mr. Denniston's salary is commensurate with his position as a senior vice president of the company and his experience, skills and judgment in leading the company's legal, governance, regulatory and compliance functions.

### Payout of 2010–2012 LTPAs

GE grants LTPAs to named executives only once every three or more years, in contrast to many companies that grant such awards annually. In February 2010, we granted contingent LTPAs to approximately 1,000 executives across the company, payable on the basis of the company achieving, on an overall basis for the three-year period from 2010 through 2012, specified goals based on four equally weighted performance metrics shown in the table below. The MDCC adopted these particular metrics because they directly align with the goals set at the company's annual financial and strategic planning session. The awards were payable in cash (or, at the MDCC's discretion, in stock) based on achievement of the threshold, target or maximum levels for any of the performance metrics shown in the table below, with payment amounts prorated for performance between the established levels. Under the terms of the LTPA program, the MDCC could adjust these metrics for any extraordinary items. For a discussion of how the LTPA performance metrics were calculated, see GE's proxy website (see "Helpful Resources" on page 55).

## Performance Levels for LTPAs Granted in 2010




For each named executive, the award was 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 plus the discretionary bonus awarded to him in February 2013 for the 2012 performance period. There would have been no LTPA payout for performance below the threshold level. A named executive's LTPA was subject to forfeiture if the executive's employment terminated for any reason other than disability, death or retirement before December 31, 2012.

As shown in the table above, the company's performance was near the maximum performance level for the EPS goal, was between the threshold and target performance levels for the Industrial CFOA goal, was between the threshold and target performance levels for the Industrial ROTC goal and exceeded the maximum performance level for the ENI goal. Overall, this represented achievement of above-target performance levels. As a result, the LTPA awards were paid out in cash to the named executives at the corresponding 1.55x multiple.

## 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

**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 (for example, maintaining 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. All of our named executives have served the company for many years, during which time they have held diverse positions with increasing levels of responsibility. The amount of their pay reflects 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. 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. Because we incorporate current-year, past and sustainable performance into our compensation decisions, any percentage increase or decrease in the amount of annual compensation 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, while 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 more of our named executives' compensation should be at risk contingent on the company's operating and stock-price performance over the long term.

**MDCC judgment.** Except with respect to the payout of 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. Rather, 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.

**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, as key members of the company's leadership team, share the responsibility to support the goals and performance of the company. While this compensation philosophy influences all of the MDCC's compensation decisions, it has the biggest impact on annual equity incentive grants. Accordingly, the specific company financial goals listed above for Mr. Immelt are also the key shared financial goals for Messrs. Sherin, Neal, Rice and Denniston, even though they also have additional performance goals for the businesses or functions they lead.

**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 placing 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. (Frederic Cook) about market intelligence on compensation trends along with its views on particular compensation programs designed by our human resources function. For 2012, the MDCC did not consult directly with Frederic Cook, although the company's human resources function consulted with Frederic Cook to obtain its views and information on market practices relating to compensation and benefits for named executives. In addition, the company's human resources function consulted with Exequity to obtain its views and information on the company's broad-based 2007 Long-Term Incentive Plan, which shareowners approved in 2007 and 2012. 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 the other component companies in the Dow 30 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 amounts 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 such as death and disability benefits, which are discussed under "2012 Potential Payments upon Termination at Fiscal Year-End" on page 39. We have a policy to seek shareowner approval for any future agreement or policy to pay named executives unearned death benefits, which is discussed under "Shareowner Approval of Severance and Death Benefits" on page 31. 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. For example, the sale of NBC Universal and the redeployment of the capital into companies in the growing energy sector was a key strategic goal that was set at the 2009 financial and strategic planning session. 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.

The other named executives are leaders of individual businesses or functions of the company. As part of the executive management team, they report directly to Mr. Immelt, who develops the objectives that they are 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's objectives, the named executives' 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 his objectives, the company's overall performance and the performance of his business or function. Mr. Immelt 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

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

**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 the named executive. We use grants of stock options and RSUs 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 that 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 as long as they continue to be employed by the company. Unvested stock options and RSUs generally are forfeited if the named executive voluntarily leaves GE and are vested if he 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. None of the named executives, other than Mr. Denniston, received equity awards in 2012. See "CEO Compensation" on page 22 for more information.

**PSUs.** Generally, we have 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. Dividend equivalents are paid out only on shares actually received. The MDCC did not grant the CEO any PSUs in 2012. See "CEO Compensation" on page 22 for more information.

**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 that the MDCC sets at the beginning of each performance period. We have largely used consistent performance metrics (earnings, cash generation and return on total capital) over the last four LTPA programs. Any change in metrics from program to program has reflected the alignment of our long-term performance programs with our strategic focus (as was the case with the ENI metric in our 2010–2012 LTPA program). See "Payout of 2010–2012 LTPAs" on page 26 for information on payouts under our 2010–2012 LTPA program.

**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 offered (the last such plan was offered in 2010 for 2011 salary) 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 commenced service on or after January 1, 2011, and any employee who commenced service on or after January 1, 2012, are not eligible to participate in the GE Pension Plan or GE Excess Benefits Plan, but are eligible to participate in a defined contribution retirement program. The named executives do not have significant benefits accrued under the GE Excess Benefits Plan.

**Other compensation.** We provide our named executives with other benefits, reflected in the All Other Comp. column in the 2012 Summary Compensation Table on page 32, 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.

### Share Ownership, Holding Period and Anti-Hedging 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 (see "Helpful Resources" on page 55). 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 18. 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

The Internal Revenue Code 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 tax code requirements 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). With respect to compensation reported in the 2012 Summary Compensation Table for 2012, the payments of annual cash bonuses and LTPAs 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 limitation: (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 that 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 MDCC 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 the Board that the Compensation Discussion and Analysis be included in the company's Annual Report on Form 10-K for 2012 and the company's 2013 proxy statement. This report is provided by the following independent directors, who comprise the committee:

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

## 2012 REALIZED COMPENSATION

The SEC's calculation of total compensation, as shown in the 2012 Summary Compensation Table on page 32, 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.

### 2012 Realized Compensation Table

| Name and Principal Position | Year | Realized Compensation[1] |
|---|---|---|
| **Jeffrey R. Immelt**<br>Chairman of the Board and CEO | 2012<br>2011<br>2010 | $7,907,751<br>7,822,378<br>5,666,142 |
| **Keith S. Sherin**<br>Vice Chairman and CFO | 2012<br>2011<br>2010 | $6,574,575<br>6,760,856<br>6,147,587 |
| **Michael A. Neal**<br>Vice Chairman | 2012<br>2011<br>2010 | $6,927,241<br>6,893,639<br>6,896,941 |
| **John G. Rice**<br>Vice Chairman | 2012<br>2011<br>2010 | $8,484,728<br>6,884,336<br>5,488,225 |
| **Brackett B. Denniston III**<br>SVP, General Counsel and Secretary | 2012 | $6,736,113 |

1 Amounts reported as realized compensation differ substantially from the amounts determined under SEC rules and reported as total compensation in the 2012 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 53. For more information on total compensation as calculated under SEC rules, see the narrative and notes accompanying the 2012 Summary Compensation Table on page 32.

# 2012 SUMMARY COMPENSATION

GE grants LTPAs to named executives only once every three or more years, in contrast to many companies that grant such awards annually. Nevertheless, pursuant to SEC rules, LTPA payouts are reported in full for 2012 in the "Non-Equity Incentive Plan Comp." and "SEC Total" columns in the Summary Compensation Table. To reflect that LTPA payouts reward performance for each of the years in the performance period, we have added the "SEC Total With Annualized LTPA Payout" column to the right of the Summary Compensation Table to show SEC total compensation with the LTPA payout reported on an annualized basis.

## 2012 Summary Compensation Table

| Name and Principal Position | Year | Salary[1] | Bonus | Stock Awards[2] | Option Awards[3] | Non-Equity Incentive Plan Comp.[4] | Change in Pension Value and Nonqualified Deferred Comp. Earnings[5] | All Other Comp.[6] | SEC Total | SEC Total Without Change in Pension Value[7] | SEC Total With Annualized LTPA Payout[8] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Jeffrey R. Immelt** Chairman of the Board and CEO | 2012 | $3,300,000 | $4,500,000 | $ 0 | $ 0 | $12,080,250 | $ 5,351,595 | $ 574,507 | $25,806,352 | $20,592,769 | $17,752,852 |
| | 2011 | 3,300,000 | 4,000,000 | 3,579,250 | 0 | 0 | 10,254,787 | 447,191 | 21,581,228 | 11,449,617 | 25,607,978 |
| | 2010 | 3,300,000 | 4,000,000 | 0 | 7,400,000[9] | 0 | 6,338,956 | 389,809 | 21,428,765 | 15,199,762 | 25,455,515 |
| **Keith S. Sherin** Vice Chairman and CFO | 2012 | $1,850,000 | $3,500,000 | $ 0 | $ 0 | $8,595,563 | $ 5,953,692 | $ 258,110 | $20,157,365 | $14,302,883 | $14,426,990 |
| | 2011 | 1,765,000 | 3,150,000 | 0 | 3,391,500 | 0 | 7,654,982 | 249,461 | 16,210,942 | 8,645,537 | 19,076,130 |
| | 2010 | 1,680,000 | 3,000,000 | 0 | 4,070,000 | 0 | 3,872,410 | 187,031 | 12,809,441 | 9,017,929 | 15,674,628 |
| **Michael A. Neal** Vice Chairman | 2012 | $2,100,000 | $3,800,000 | $ 0 | $ 0 | $9,137,625 | $ 7,821,436 | $ 343,922 | $23,202,983 | $15,497,598 | $17,111,233 |
| | 2011 | 1,900,000 | 3,440,000 | 0 | 3,391,500 | 0 | 8,199,310 | 375,045 | 17,305,855 | 9,210,135 | 20,351,730 |
| | 2010 | 1,825,000 | 3,250,000 | 0 | 4,070,000 | 0 | 4,817,038 | 226,639 | 14,188,677 | 9,464,118 | 17,234,552 |
| **John G. Rice** Vice Chairman | 2012 | $2,200,000 | $3,800,000 | $ 0 | $ 0 | $9,447,375 | $ 7,524,925 | $2,075,677 | $25,047,977 | $17,678,431 | $18,749,727 |
| | 2011 | 2,100,000 | 3,400,000 | 0 | 3,391,500 | 0 | 9,787,500 | 1,900,141 | 20,579,141 | 10,931,830 | 23,728,266 |
| | 2010 | 1,825,000 | 3,175,000 | 0 | 4,070,000 | 0 | 5,006,883 | 248,259 | 14,325,142 | 9,444,779 | 17,474,267 |
| **Brackett B. Denniston III** SVP, General Counsel and Secretary[10] | 2012 | $1,575,000 | $2,650,000 | $ 0 | $3,040,000 | $6,659,625 | $ 1,909,377 | $ 461,890 | $16,295,892 | $14,401,341 | $11,856,142 |

1 Each of the named executives contributed a portion of his salary to the GE Savings and Security Program, 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.

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 in the Annual Report on Form 10-K for the respective year-end, as filed with the SEC. See the 2012 Grants of Plan-Based Awards Table on page 34 for information on stock options granted in 2012.

4 This column represents the amounts earned under the LTPA program, which generally is provided only once every three or more years and reflects achievement of pre-established performance goals over the three-year period from 2010 to 2012. See "Payout of 2010–2012 LTPAs" on page 26 for additional information.

5 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 2012 was $5,213,583, $5,854,482, $7,705,385, $7,369,546 and $1,894,551 for Messrs. Immelt, Sherin, Neal, Rice and Denniston, respectively. The increase in the pension value for Mr. Immelt is predominantly based on an increase in his service and age, and changes in actuarial pension assumptions. In particular, a significant portion (approximately $1.8 million or 34%) of the increase in Mr. Immelt's pension value in 2012 was due solely to the reduction in the assumed discount rate. If the discount rate had increased from 4.21% to 4.73%, there would have been no increase in Mr. Immelt's pension value. See "2012 Pension Benefits" on page 37 for additional information, including the present value assumptions used in this calculation. In 2012, the above-market earnings on the executive deferred salary plans in which the named executives participated were $138,012, $99,210, $116,051, $155,379 and $14,826 for Messrs. Immelt, Sherin, Neal, Rice and Denniston, respectively. Above-market earnings represent the difference between market interest rates calculated pursuant to SEC rules and the 6% to 14% interest contingently credited by the company on salary deferred by the named executives under various executive deferred salary plans in effect between 1987 and 2012. See "2012 Nonqualified Deferred Compensation" on page 38 for additional information.

6 See the 2012 All Other Compensation Table on page 33 for additional information.

7 In order to show the effect that the year-over-year change in pension value had on total compensation, as determined under applicable SEC rules, we have included this column to show total compensation minus the change in pension value. The amounts reported in the SEC Total Without Change in Pension Value column differ substantially from the amounts reported in the SEC Total column required under SEC rules and are not a substitute for total compensation. SEC Total Without Change in Pension Value represents total compensation, as determined under applicable SEC rules, minus the change in pension value reported in the Change in Pension Value and Nonqualified Deferred Comp. Earnings column (but including the nonqualified deferred compensation earnings reported in that column) and described in footnote 5 to this table.

8 In accordance with SEC rules, the payouts of the 2010–2012 LTPA program have been included in the Non-Equity Incentive Plan Comp. column in full for 2012. As these awards are granted only once every three or more years and reflect the company's performance over the three-year period from 2010 to 2012, we have included this column to show total compensation for the years shown with the LTPAs reported on an annualized basis (an equal portion of the LTPA payout is allocated to each of the years in the performance period). The amounts reported in the SEC Total With Annualized LTPA Payout column differ substantially from the amounts reported in the SEC Total column required under SEC rules and are not a substitute for total compensation. SEC Total With Annualized LTPA Payout represents total compensation, as determined under applicable SEC rules, minus the LTPA payout reported in the Non-Equity Incentive Plan Comp. column, and plus one-third of the LTPA payout reported in the Non-Equity Incentive Plan Comp. column.

9 In April 2011 we modified Mr. Immelt's March 2010 option grant to add performance conditions. The grant date fair value of these stock options would have been $6,670,000 if the performance conditions that subsequently were added by the MDCC had been present on the grant date.

10 In accordance with SEC rules, we have excluded Mr. Denniston's compensation for 2010 and 2011 as he was not a named executive during that time.

# 2012 ALL OTHER COMPENSATION

We provide our named executives with additional benefits, reflected in the table below for 2012 and included in the All Other Comp. column in the 2012 Summary Compensation Table above, that we believe are reasonable, competitive and consistent with the company's overall executive compensation program. The costs of these benefits, which are shown below after giving effect to any reimbursements by the named executives, constitute only a small percentage of each named executive's total compensation. Expatriate tax benefits provided to Mr. Rice are consistent with those provided under the company's policy for all employees working on non-permanent international assignments in jurisdictions other than their home country.

## 2012 All Other Compensation Table

| Name of Executive | Other Benefits[1] | Value of Supplemental Life Insurance Premiums[2] | Payments Relating to Employee Savings Plan[3] | Expatriate Tax Benefits | Total |
|---|---|---|---|---|---|
| Immelt | $ 348,613 | $217,144 | $8,750 | $ 0 | $ 574,507 |
| Sherin | $ 105,060 | $144,300 | $8,750 | $ 0 | $ 258,110 |
| Neal | $ 91,267 | $243,905 | $8,750 | $ 0 | $ 343,922 |
| Rice | $1,337,686 | $189,624 | $8,750 | $539,617[4] | $2,075,677 |
| Denniston | $ 103,324 | $349,816 | $8,750 | $ 0 | $ 461,890 |

1 See the 2012 Other Benefits Table below for additional information.

2 This column reports taxable payments made to the named executives to cover premiums for universal life insurance policies owned by the executives. These policies include: (a) Executive Life, which provides universal life insurance policies for the named executives totaling $3 million in coverage at the time of enrollment, increased 4% annually thereafter; and (b) Leadership Life, which provides universal life insurance policies for the named executives with coverage of two times their annual pay (salary plus 100% of their latest bonus payments).

3 This column reports company matching contributions to the named executives' 401(k) savings accounts of 3.5% of pay up to the limitations imposed under IRS rules.

4 This amount represents the tax gross-up payments made on behalf of Mr. Rice in connection with his non-permanent relocation, at the company's request, to Hong Kong, consistent with the company's policy for all employees working on non-permanent international assignments in jurisdictions other than their home country, as described under "Other Compensation" on page 30. The company's expatriate assignment policy provides that the company will be responsible for any additional U.S. or foreign taxes due as a direct result of an employee's international assignment, and that the employee remains financially responsible for the amount of taxes he would have incurred if he had continued to live and work in his home country.

# 2012 OTHER BENEFITS

The following table describes other benefits and the incremental cost to the company of providing them in 2012. The total amount of these other benefits is included in the 2012 All Other Compensation Table above for each named executive.

## 2012 Other Benefits Table

| Name of Executive | Use of Aircraft[1] | Leased Cars[2] | Financial Counseling and Tax Preparation[3] | Other[4] | Total |
|---|---|---|---|---|---|
| Immelt | $256,301 | $32,913 | $17,300 | $ 42,099 | $ 348,613 |
| Sherin | $ 41,441 | $24,656 | $13,800 | $ 25,163 | $ 105,060 |
| Neal | $ 72,158 | $ 7,579 | $ 0 | $ 11,530 | $ 91,267 |
| Rice | $175,617 | $ 0 | $ 7,416 | $1,154,653 | $1,337,686 |
| Denniston | $ 6,075 | $30,566 | $20,703 | $ 45,980 | $ 103,324 |

1 The calculation of incremental cost for personal use of company aircraft includes the variable costs incurred as a result of personal flight activity: a portion of ongoing maintenance and repairs, aircraft fuel, satellite communications and any travel expenses for the flight crew. It excludes non-variable costs, such as exterior paint, interior refurbishment and regularly scheduled inspections, which would have been incurred regardless of whether there was any personal use of aircraft. Aggregate incremental cost, if any, of travel by the executive's family or other guests when accompanying the executive on both business and non-business occasions is also included.

2 Includes expenses associated with the leased cars program, such as leasing and management fees, administrative costs, maintenance costs and gas allowance.

3 Includes expenses associated with the use of advisors for financial, estate and tax preparation and planning, as well as investment analysis and advice.

4 This column reports the total amount of other benefits provided, none of which individually exceeded the greater of $25,000 or 10% of the total amount of benefits included in the 2012 Other Benefits Table for the named executive (except as otherwise described in this footnote), such as: (1) car service fees; (2) home alarm and generator installation, maintenance and monitoring (which, for Mr. Denniston, was $27,078); (3) participation in the Executive Products and Lighting Program pursuant to which executives can receive GE appliances or other products with incremental cost calculated based on the fair market value of the products received; (4) an annual physical examination and miscellaneous exercise equipment; and (5) certain expenses associated with the named executives' and their invited guests' attendance at the 2012 Olympic Games in London, England, of which GE was an official sponsor.

With respect to Mr. Rice, this column also reports the following benefits provided to him in connection with his non-permanent relocation, at the company's request, to Hong Kong, consistent with the company's policy for all employees working on non-permanent international assignments in jurisdictions other than their home country, as described under "Other Compensation" on page 30: (1) cost-of-living adjustment ($290,430); (2) housing and utilities ($696,726); (3) car and driver ($39,544); and (4) other expatriate allowances and expenses. Any benefits paid in Hong Kong dollars (HKD) were converted to U.S. dollars (USD) on a monthly basis using the following average monthly exchange rates for 2012: January—7.78 HKD per USD; February, March, April, May, June, July, August, September—7.76 HKD per USD; October, November, December—7.75 HKD per USD.

## 2012 GRANTS OF PLAN-BASED AWARDS

The following table provides information about awards granted to the named executives in 2012: (1) the grant date; (2) the number of shares underlying stock options granted to the named executives under the 2007 Long-Term Incentive Plan, which shareowners approved in 2007 and 2012; (3) the exercise price of the stock option grants, which reflects the closing price of GE stock on the date of grant; and (4) the grant date fair value of each option grant computed in accordance with applicable SEC rules.

### 2012 Grants of Plan-Based Awards Table

| Name of Executive | Grant Date | All Other Option Awards: Number of Securities Underlying Options[1] | Exercise or Base Price of Option Awards | Grant Date Fair Value of Option Awards[2] |
|---|---|---|---|---|
| Immelt | — | — | — | — |
| Sherin | — | — | — | — |
| Neal | — | — | — | — |
| Rice | — | — | — | — |
| Denniston | 9/7/12 | 800,000 | $21.59 | $3,040,000 |

1 This column shows the number of stock options granted, which will vest in full one year from the date of grant due to Mr. Denniston being retirement-eligible. See "2012 Potential Payments upon Termination at Fiscal Year-End" on page 39 for more information on the requirements for an award to qualify for "retirement-eligible" accelerated vesting.

2 This column shows the aggregate grant date fair value, computed in accordance with applicable SEC rules, of stock options granted to the named executives in 2012. 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. For stock options, fair value is calculated using the Black-Scholes value of an option on the grant date ($3.80 on September 7, 2012).

## 2012 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table provides information on the current holdings of stock and option grants by the named executives. This table includes unexercised (both vested and unvested) option grants and unvested RSUs and PSUs with vesting conditions that were not satisfied as of December 31, 2012. Each equity grant is shown separately for each named executive. The vesting schedule for each outstanding award is shown following this table. For additional information about these awards, see the description of equity incentive compensation under "Compensation Elements We Use to Achieve Our Goal" on page 29.

## 2012 Outstanding Equity Awards at Fiscal Year-End Table

| Name of Executive | Option Awards: Option Grant Date | Number of Securities Underlying Unexercised Options (Exercisable) | Number of Securities Underlying Unexercised Options (Unexercis-able) | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options | Option Exercise Price | Option Expiration Date | Stock Awards: Stock Award Grant Date | Number of Shares or Units of Stock That Have Not Vested | Market Value of Shares or Units of Stock That Have Not Vested[1] | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Immelt | 3/4/10 | | | 2,000,000 | $16.11 | 3/4/20 | 7/3/89 | 60,000 | $1,259,400 | | |
| | | | | | | | 12/20/91 | 72,000 | 1,511,280 | | |
| | | | | | | | 6/23/95 | 75,000 | 1,574,250 | | |
| | | | | | | | 6/26/98 | 112,500 | 2,361,375 | | |
| | | | | | | | 11/24/00 | 150,000 | 3,148,500 | | |
| | | | | | | | 12/11/08 | | | 150,000 | $ 3,148,500 |
| | | | | | | | 12/31/09 | | | 150,000 | 3,148,500 |
| | | | | | | | 6/10/11 | | | 250,000 | 5,247,500 |
| **Total** | | | | **2,000,000** | | | | **469,500** | **9,854,805** | **550,000** | **11,544,500** |
| Sherin | 9/12/03 | 240,000 | | | $31.53 | 9/12/13 | 12/20/96 | 30,000 | $ 629,700 | | |
| | 9/17/04 | 270,000 | | | 34.22 | 9/17/14 | 6/26/98 | 45,000 | 944,550 | | |
| | 9/16/05 | 300,000 | | | 34.47 | 9/16/15 | 7/29/99 | 30,000 | 629,700 | | |
| | 9/8/06 | 250,000 | | | 34.01 | 9/8/16 | 6/2/00 | 30,000 | 629,700 | | |
| | 9/7/07 | 275,000 | | | 38.75 | 9/7/17 | 9/10/01 | 25,000 | 524,750 | | |
| | 9/9/08 | 240,000 | 60,000 | | 28.12 | 9/9/18 | 9/12/03 | 62,500 | 1,311,875 | | |
| | 3/12/09 | 600,000 | 400,000 | | 9.57 | 3/12/19 | 6/5/08 | 20,000 | 419,800 | | |
| | 7/23/09 | 480,000 | 320,000 | | 11.95 | 7/23/19 | 9/9/08 | 20,000 | 419,800 | | |
| | 6/10/10 | 400,000 | 600,000 | | 15.68 | 6/10/20 | | | | | |
| | 6/9/11 | 170,000 | 680,000 | | 18.58 | 6/9/21 | | | | | |
| **Total** | | **3,225,000** | **2,060,000** | | | | | **262,500** | **5,509,875** | | |
| Neal | 9/12/03 | 180,000 | | | $31.53 | 9/12/13 | 6/24/94 | 60,000 | $1,259,400 | | |
| | 9/17/04 | 210,000 | | | 34.22 | 9/17/14 | 6/23/95 | 75,000 | 1,574,250 | | |
| | 9/16/05 | 240,000 | | | 34.47 | 9/16/15 | 6/26/98 | 45,000 | 944,550 | | |
| | 9/8/06 | 250,000 | | | 34.01 | 9/8/16 | 7/29/99 | 30,000 | 629,700 | | |
| | 9/7/07 | 275,000 | | | 38.75 | 9/7/17 | 6/22/00 | 30,000 | 629,700 | | |
| | 9/9/08 | 240,000 | 60,000 | | 28.12 | 9/9/18 | 7/27/00 | 7,500 | 157,425 | | |
| | 3/12/09 | 600,000 | 400,000 | | 9.57 | 3/12/19 | 9/12/03 | 37,500 | 787,125 | | |
| | 7/23/09 | 480,000 | 320,000 | | 11.95 | 7/23/19 | 7/1/05 | 100,000 | 2,099,000 | | |
| | 6/10/10 | 400,000 | 600,000 | | 15.68 | 6/10/20 | 9/9/08 | 20,000 | 419,800 | | |
| | 6/9/11 | 170,000 | 680,000 | | 18.58 | 6/9/21 | | | | | |
| **Total** | | **3,045,000** | **2,060,000** | | | | | **405,000** | **8,500,950** | | |
| Rice | 9/12/03 | 240,000 | | | $31.53 | 9/12/13 | 6/23/95 | 45,000 | $ 944,550 | | |
| | 9/17/04 | 270,000 | | | 34.22 | 9/17/14 | 6/26/98 | 60,000 | 1,259,400 | | |
| | 9/16/05 | 300,000 | | | 34.47 | 9/16/15 | 7/29/99 | 30,000 | 629,700 | | |
| | 9/8/06 | 250,000 | | | 34.01 | 9/8/16 | 7/27/00 | 30,000 | 629,700 | | |
| | 9/7/07 | 275,000 | | | 38.75 | 9/7/17 | 9/10/01 | 25,000 | 524,750 | | |
| | 9/9/08 | 240,000 | 60,000 | | 28.12 | 9/9/18 | 9/12/03 | 62,500 | 1,311,875 | | |
| | 3/12/09 | 600,000 | 400,000 | | 9.57 | 3/12/19 | 7/1/05 | 100,000 | 2,099,000 | | |
| | 7/23/09 | 480,000 | 320,000 | | 11.95 | 7/23/19 | 9/9/08 | 20,000 | 419,800 | | |
| | 6/10/10 | 400,000 | 600,000 | | 15.68 | 6/10/20 | | | | | |
| | 6/9/11 | 170,000 | 680,000 | | 18.58 | 6/9/21 | | | | | |
| **Total** | | **3,225,000** | **2,060,000** | | | | | **372,500** | **7,818,775** | | |
| Denniston | 9/12/03 | 60,000 | | | $31.53 | 9/12/13 | | | | | |
| | 9/17/04 | 75,000 | | | 34.22 | 9/17/14 | | | | | |
| | 9/16/05 | 105,000 | | | 34.47 | 9/16/15 | | | | | |
| | 9/8/06 | 125,000 | | | 34.01 | 9/8/16 | | | | | |
| | 9/7/07 | 150,000 | | | 38.75 | 9/7/17 | | | | | |
| | 9/9/08 | 175,000 | | | 28.12 | 9/9/18 | | | | | |
| | 3/12/09 | 700,000 | | | 9.57 | 3/12/19 | | | | | |
| | 7/23/09 | 700,000 | | | 11.95 | 7/23/19 | | | | | |
| | 6/10/10 | 750,000 | | | 15.68 | 6/10/20 | | | | | |
| | 6/9/11 | 800,000 | | | 18.58 | 6/9/21 | | | | | |
| | 9/7/12 | | 800,000 | | 21.59 | 9/7/22 | | | | | |
| **Total** | | **3,640,000** | **800,000** | | | | | | | | |

1 The market value of the stock awards and the equity incentive plan awards represents the product of the closing price of GE stock as of December 31, 2012, which was $20.99, and the number of shares underlying each such award. The market value for the equity incentive plan awards, representing PSUs, also assumes the satisfaction of both the cumulative TSR condition and the cumulative Industrial CFOA condition (or, for grants prior to 2009, the average CFOA condition) as of December 31, 2012.

## Outstanding Equity Awards Vesting Schedule

| Name of Executive | Grant Date | Option Awards Vesting Schedule[1] | Grant Date | Stock Awards Vesting Schedule[2] |
|---|---|---|---|---|
| Immelt | 3/4/10 | 100% vests in 2015, subject to achievement of performance conditions | 7/3/89 | 100% vests on 2/19/21 |
| | | | 12/20/91 | 100% vests on 2/19/21 |
| | | | 6/23/95 | 100% vests on 2/19/21 |
| | | | 6/26/98 | 100% vests on 2/19/21 |
| | | | 11/24/00 | 100% vests on 2/19/21 |
| | | | 12/11/08 | 100% vests in 2014, subject to achievement of performance conditions |
| | | | 12/31/09 | 100% vests in 2015, subject to achievement of performance conditions |
| | | | 6/10/11 | 100% vests in 2016, subject to achievement of performance conditions |
| Sherin | 9/9/08 | 100% vests in 2013 | 12/20/96 | 100% vests on 11/15/23 |
| | 3/12/09 | 50% vests in 2013 and 2014 | 6/26/98 | 100% vests on 11/15/23 |
| | 7/23/09 | 50% vests in 2013 and 2014 | 7/29/99 | 100% vests on 11/15/23 |
| | 6/10/10 | 33% vests in 2013, 2014 and 2015 | 6/2/00 | 100% vests on 11/15/23 |
| | 6/9/11 | 25% vests in 2013, 2014, 2015 and 2016 | 9/10/01 | 100% vests on 11/15/23 |
| | | | 9/12/03 | 50% vests in 2013 and on 11/15/23 |
| | | | 6/5/08 | 100% vests in 2013 |
| | | | 9/9/08 | 100% vests in 2013 |
| Neal | 9/9/08 | 100% vests on 5/9/13 | 6/24/94 | 100% vests on 5/9/18 |
| | 3/12/09 | 50% vests on 3/12/13 and 5/9/13 | 6/23/95 | 100% vests on 5/9/18 |
| | 7/23/09 | 100% vests on 5/9/13 | 6/26/98 | 100% vests on 5/9/18 |
| | 6/10/10 | 100% vests on 5/9/13 | 7/29/99 | 100% vests on 5/9/18 |
| | 6/9/11 | 100% vests on 5/9/13 | 6/22/00 | 100% vests on 5/9/18 |
| | | | 7/27/00 | 100% vests on 5/9/18 |
| | | | 9/12/03 | 50% vests in 2013 and on 5/9/18 |
| | | | 7/1/05 | 50% vests in 2015 and upon age 60 retirement |
| | | | 9/9/08 | 100% vests in 2013 |
| Rice | 9/9/08 | 100% vests in 2013 | 6/23/95 | 100% vests on 11/15/21 |
| | 3/12/09 | 50% vests in 2013 and 2014 | 6/26/98 | 100% vests on 11/15/21 |
| | 7/23/09 | 50% vests in 2013 and 2014 | 7/29/99 | 100% vests on 11/15/21 |
| | 6/10/10 | 33% vests in 2013, 2014 and 2015 | 7/27/00 | 100% vests on 11/15/21 |
| | 6/9/11 | 25% vests in 2013, 2014, 2015 and 2016 | 9/10/01 | 100% vests on 11/15/21 |
| | | | 9/12/03 | 50% vests in 2013 and on 11/15/21 |
| | | | 7/1/05 | 50% vests in 2015 and upon age 60 retirement |
| | | | 9/9/08 | 100% vests in 2013 |
| Denniston | 9/7/12 | 100% vests in 2013 | | |

1 This column shows the vesting schedule of unexercisable or unearned options reported in the "Number of Securities Underlying Unexercised Options Unexercisable" and "Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options" columns, respectively, of the 2012 Outstanding Equity Awards at Fiscal Year-End Table. The stock options vest on the anniversary of the grant date in the years shown in the table above, except for certain options that vest subject to the achievement of performance conditions (as noted in the table above), which vest on the date the MDCC certifies the achievement of the performance conditions. The table above shows an accelerated vesting schedule for Mr. Denniston's and Mr. Neal's options due to their becoming retirement-eligible in 2012 and 2013, respectively. See "2012 Potential Payments upon Termination at Fiscal Year-End" on page 39 for more information on the requirements for an award to qualify for "retirement-eligible" accelerated vesting.

2 This column shows the vesting schedule of unvested or unearned stock awards reported in the "Number of Shares or Units of Stock That Have Not Vested" and "Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested" columns, respectively, of the 2012 Outstanding Equity Awards at Fiscal Year-End Table. The stock awards vest on the anniversary of the grant date in the years shown in the table above, except for certain awards that vest on the date of the named executive's 65th birthday or upon retirement at or after age 60 (as noted in the table above) and certain awards that vest subject to the achievement of performance conditions (as noted in the table above), which vest on the date the MDCC certifies the achievement of the performance conditions.

# 2012 OPTION EXERCISES AND STOCK VESTED

The following table provides information for the named executives on the number of shares acquired upon the vesting of RSUs and PSUs and the value realized at such time, each before payment of any applicable withholding tax and brokerage commission. None of the named executives exercised options during 2012. Mr. Immelt has not sold any of the shares he acquired or received upon the exercise of stock options or upon vesting of RSUs or PSUs, net of those required to pay option exercise prices and taxes on such awards, since he became CEO.

## 2012 Option Exercises and Stock Vested Table

| | Stock Awards | |
|---|---|---|
| Name of Executive | Number of Shares Acquired on Vesting | Value Realized on Vesting |
| Immelt | — | — |
| Sherin | 58,334 | $1,186,323 |
| Neal | 38,334 | $ 823,023 |
| Rice | 38,334 | $ 823,023 |
| Denniston | 101,665 | $2,033,676 |

# 2012 PENSION BENEFITS

The table below sets forth information on the pension benefits for the named executives under each of the following pension plans:

- **GE Pension Plan.** The GE Pension Plan is a funded and tax-qualified retirement program that covers eligible employees. As applicable to the named executives, the plan provides benefits based primarily on a formula that takes into account the named executive's earnings for each fiscal year. Since 1989, the formula has provided an annual benefit accrual equal to 1.45% of the named executive's earnings for the year up to "covered compensation" and 1.9% of his earnings for the year in excess of "covered compensation." "Covered compensation" was $45,000 for 2012 and has varied over the years based in part on changes in the average of the Social Security taxable wage bases. The named executive's annual earnings taken into account under this formula include base salary and up to one-half of his bonus payments, but may not exceed an IRS-prescribed limit applicable to tax-qualified plans ($250,000 for 2012). As a result, for service in 2012, the maximum incremental annual benefit a named executive could have earned toward his total pension payments under this formula was $4,547.50 ($378.96 per month), payable after retirement, as described below. Over the years, we have made special one-time adjustments to this plan that increased eligible participants' pensions, but no such adjustment was made in 2012.

  The accumulated benefit an employee earns over his or her career with the company is payable starting after retirement on a monthly basis for life with a guaranteed minimum term of five years. The normal retirement age as defined in this plan is 65. For employees who commenced service prior to 2005, including the named executives, retirement may occur at age 60 without any reduction in benefits. Employees vest in the GE Pension Plan after five years of qualifying service. In addition, the plan provides for Social Security supplements and spousal joint and survivor annuity options, and requires employee contributions.

  Section 415 of the Internal Revenue Code limits the benefits payable under the GE Pension Plan. For 2012, the maximum single life annuity a named executive could have received under these limits was $200,000 per year. This ceiling is actuarially adjusted in accordance with IRS rules to reflect employee contributions, actual forms of distribution and actual retirement dates.

- **GE Supplementary Pension Plan.** The company offers the GE Supplementary Pension Plan to approximately 3,500 eligible employees in the executive band and above, including the named executives, to provide for retirement benefits above amounts available under the company's tax-qualified and other pension programs. The Supplementary Pension Plan is unfunded and not qualified for tax purposes. A named executive's annual supplementary pension, when combined with certain amounts payable under the company's tax-qualified and other pension programs and Social Security, will equal 1.75% of his "earnings credited for retirement benefits" multiplied by the number of his years of credited service, up to a maximum of 60% of such earnings credited for retirement benefits. The "earnings credited for retirement benefits" are the named executive's average annual compensation (base salary and bonus) for the highest 36 consecutive months out of the last 120 months prior to retirement. Employees are generally not eligible for benefits under the Supplementary Pension Plan if they leave the company prior to reaching age 60. The normal retirement age as defined in this plan is 65. For employees who commenced service prior to 2005, including the named executives, retirement may occur at age 60 without any reduction in benefits. The Supplementary Pension Plan provides for spousal joint and survivor annuities. Benefits under this plan would be available to the named executives only as monthly payments and could not be received in a lump sum.

- **GE Excess Benefits Plan.** The company offers the GE Excess Benefits Plan to employees whose benefits under the GE Pension Plan are limited by Section 415 of the Internal Revenue Code. The GE Excess Benefits Plan is unfunded and not qualified for tax purposes. Benefits payable under this program are equal to the excess of (1) the amount that would be payable in accordance with the terms of the GE Pension Plan disregarding the limitations imposed pursuant to Section 415 of the Internal Revenue Code over (2) the pension actually payable under the GE Pension Plan taking such Section 415 limitations into account. Benefits under the Excess Benefits Plan for the named executives are generally payable at the same time and in the same manner as the GE Pension Plan benefits. There were no accruals for named executives under this plan in 2012, and the company expects only insignificant accruals, if any, under this plan in future years.

The amounts reported in the table below equal the present value of the accumulated benefit at December 31, 2012 for the named executives under each plan based upon the assumptions described in note 1 to that table.

### 2012 Pension Benefits Table

| Name of Executive | Plan Name | Number of Years Credited Service | Present Value of Accumulated Benefit[1] |
|---|---|---|---|
| Immelt | GE Pension Plan | 30.532 | $ 1,491,542 |
| | GE Supplementary Pension Plan | 30.532 | 51,691,658 |
| | GE Excess Benefits Plan | 30.532 | 1,590 |
| Sherin | GE Pension Plan | 31.425 | $ 1,380,436 |
| | GE Supplementary Pension Plan | 31.425 | 31,455,583 |
| | GE Excess Benefits Plan | 31.425 | 0 |
| Neal | GE Pension Plan | 33.233 | $ 1,894,815 |
| | GE Supplementary Pension Plan | 33.233 | 45,079,017 |
| | GE Excess Benefits Plan | 33.233 | 5,655 |
| Rice | GE Pension Plan | 34.390 | $ 1,567,032 |
| | GE Supplementary Pension Plan | 34.390 | 41,000,692 |
| | GE Excess Benefits Plan | 34.390 | 0 |
| Denniston | GE Pension Plan | 16.333 | $ 908,186 |
| | GE Supplementary Pension Plan | 16.333 | 13,944,606 |
| | GE Excess Benefits Plan | 16.333 | 0 |

1 The accumulated benefit is based on service and earnings (base salary and bonus, as described above) considered by the plans for the period through December 31, 2012. It includes the value of contributions made by the named executives throughout their careers. The present value has been calculated assuming the named executives (other than Mr. Denniston) will remain in service until age 60, the age at which their retirement may occur without any reduction in benefits, and that the benefit is payable under the available forms of annuity consistent with the assumptions as described in the note on Postretirement Benefit Plans in the GE financial statements in the Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC. As described in such note, the discount rate assumption is 3.96%. Although illustration of a present value is required under SEC rules, the named executives are not entitled to receive the present values of their accumulated benefits shown above in a lump sum. The postretirement mortality assumption used for present value calculations is the RP-2000 mortality table projected to 2024.

## 2012 NONQUALIFIED DEFERRED COMPENSATION

The table below provides information on the nonqualified deferred compensation of the named executives in 2012, including:

- **Bonus deferrals.** Executive-band and above employees, including the named executives, are able to defer all or a portion of their bonus payments in either: (1) GE stock (GE Stock Units); (2) an index based on the S&P 500 (S&P 500 Index Units); or (3) cash units. The participants may change their election among these options four times per year. If a participant elects to defer bonus payments in either GE Stock Units or the S&P 500 Index Units, the company credits a number of such units to the participant's deferred bonus plan account based on the respective average price of GE stock and the S&P 500 Index for the 20 trading days preceding the date the Board approves the company's total bonus allotment.

  Deferred cash units earn interest income on the daily outstanding balance in the account based on the prior calendar month's average yield for U.S. Treasury Notes and Bonds issued with maturities of 10 years and 20 years. The interest income does not constitute an "above-market interest rate" as defined by the SEC and is credited to the participant's account monthly. Deferred GE Stock Units and S&P 500 Index Units earn dividend equivalent income on such units held as of the start of trading on the NYSE ex-dividend date equal to: (1) for GE Stock Units, the quarterly dividend declared by the Board; or (2) for S&P 500 Index Units, the quarterly dividend as declared by Standard & Poor's for the S&P 500 Index for the preceding calendar quarter. Participants are permitted to receive their deferred compensation balance upon termination of employment either through a lump-sum payment or in annual installments over 10 to 20 years.

- **Salary deferrals.** Executive-band and above employees are able to defer their salary payments under executive deferred salary plans. These plans have been offered periodically (the last such plan was offered in 2010) and 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 deferred salary plans pay accrued interest, including an above-market interest rate as defined by the SEC, ranging from 6% to 14%, compounded annually. Early termination before the end of the five-year vesting period will result in a payout of the deferred amount with no interest income paid, with exceptions for events such as retirement, death and disability. With respect to distributions under all deferred salary plans, participants elected before the salary was deferred to receive either a lump-sum payment or 10 to 20 annual installments.

- **LTPA deferrals.** The 1994–1996 LTPAs, which were paid out in 1997, permitted the participating executives to defer some or all of a portion of the payout into GE Stock Units. The terms of this deferral with respect to credits earned and dividend income are similar to the bonus deferral described above. Of the named executives, only Mr. Neal participated in this deferral.

The company makes all decisions with respect to the measures for calculating interest or other earnings on the nonqualified deferred compensation plans. The named executives cannot withdraw any amounts from their deferred compensation balances until they either leave or retire from the company. For 2012, the company did not make any matching contributions into these plans. In addition, no withdrawals or distributions were made in 2012.

## 2012 Nonqualified Deferred Compensation Table

| Name of Executive | Type of Deferred Compensation Plan | Executive Contributions in Last Fiscal Year[1] | Aggregate Earnings in Last Fiscal Year[2] | Aggregate Balance at Last Fiscal Year-End[3] |
|---|---|---|---|---|
| Immelt | Deferred bonus plans | $0 | $ 342,661 | $ 2,098,920 |
| | Deferred salary plans | 0 | 432,101 | 4,006,021 |
| Sherin | Deferred bonus plans | $0 | $ 55,093 | $ 521,664 |
| | Deferred salary plans | 0 | 292,935 | 3,062,013 |
| Neal | Deferred bonus plans | $0 | $ 263,492 | $ 1,816,757 |
| | Deferred salary plans | 0 | 382,243 | 3,573,211 |
| | Deferred LTPAs | 0 | 386,956 | 2,208,123 |
| Rice | Deferred bonus plans | $0 | $1,457,221 | $13,122,129 |
| | Deferred salary plans | 0 | 480,805 | 4,970,556 |
| Denniston | Deferred bonus plans | $0 | $ 38,276 | $ 322,570 |
| | Deferred salary plans | 0 | 43,164 | 613,043 |

1 The amounts reported are limited to deferred compensation contributed during 2012. They do not include any amounts reported as part of 2012 compensation in the 2012 Summary Compensation Table on page 32, which were credited to the named executive's deferred account plan, if any, in 2013, and are described in the notes to that table.

2 Reflects earnings on each type of deferred compensation listed in this section. The earnings on deferred bonus payments and deferred LTPAs are calculated based on: (1) the total number of deferred units in the account multiplied by the GE stock or S&P 500 Index price as of December 31, 2012; less (2) the total number of deferred units in the account multiplied by the GE stock or S&P 500 Index price as of December 31, 2011; and less (3) any named executive contributions during the year. The earnings on the executive deferred salary plans are calculated based on the total amount of interest earned. See the 2012 Summary Compensation Table on page 32 for the above-market portion of those interest earnings in 2012.

3 The fiscal year-end balance reported for the deferred bonus plans includes the following amounts that were previously reported as 2010 or 2011 compensation: Immelt ($0), Sherin ($0), Neal ($0), Rice ($3,005,000) and Denniston ($0). The fiscal year-end balance reported for the deferred salary plans includes the following amounts that were previously reported in the 2012 Summary Compensation Table as compensation for 2010 and 2011: Immelt ($233,129), Sherin ($170,475), Neal ($196,069), Rice ($266,709) and Denniston ($0). None of the fiscal year-end balances reported for the deferred LTPAs were reported as 2010 or 2011 compensation.

# 2012 POTENTIAL PAYMENTS UPON TERMINATION AT FISCAL YEAR-END

As described in the Compensation Discussion and Analysis, the named executives do not have individual employment, severance or change-of-control agreements with the company. The information below describes and quantifies certain compensation that would have become payable under existing plans and arrangements if the named executive's employment had terminated on December 31, 2012, given the named executive's compensation and service levels as of such date and, if applicable, based on the company's closing stock price on December 31, 2012. These benefits are in addition to benefits available generally to salaried employees who joined the company prior to 2005, such as distributions under the GE Savings and Security Program, subsidized retiree medical benefits, disability benefits and accrued vacation pay. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any amounts actually paid or distributed may be different. Factors that could affect these amounts include the time during the year of any such event, the company's stock price and the executive's age.

## Equity Awards

If one of the named executives were to die or become disabled, any unexercisable stock options become exercisable and remain exercisable until their expiration date. In the event of disability, this provision only applies to options that have been held for at least one year. Mr. Immelt's performance-based options granted in 2010 become exercisable, subject to achievement of the performance objectives, if death, disability or retirement (discussed below) occurs before the end of the performance period. Remaining restrictions on RSUs that were awarded prior to death or disability may lapse immediately in some cases, depending on the terms of the particular award. PSUs are earned, subject to achievement of the performance objectives, if death or disability occurs before the end of the performance period. In addition, any unvested options or RSUs held for at least one year become fully vested upon either becoming retirement-eligible (reaching the applicable retirement age) or retiring at age 60 or thereafter, depending on the terms of the particular award, and provided the award holder has at least five years of service with the company. Each of the named executives other than Mr. Denniston was below the applicable retirement age as of December 31, 2012. For these purposes, "disability" generally means disability resulting in the named executive being unable to perform his job. The following table provides the intrinsic value (that is, the value based upon the company's stock price, and, in the case of stock options, minus the exercise price) of equity awards that would become exercisable or vested if the named executive had died or become disabled as of December 31, 2012.

## Potential Equity Benefits upon Termination Table

| | Upon Death | | Upon Disability | |
|---|---|---|---|---|
| Name of Executive | Stock Options | RSUs | Stock Options | RSUs |
| Immelt | $ 9,760,000 | $9,854,805 | $ 9,760,000 | $1,259,400 |
| Sherin | $12,285,600 | $5,509,875 | $12,285,600 | $ 419,800 |
| Neal | $12,285,600 | $8,500,950 | $12,285,600 | $ 419,800 |
| Rice | $12,285,600 | $7,818,775 | $12,285,600 | $ 419,800 |
| Denniston | $ 0 | $ 0 | $ 0 | $ 0 |

## Deferred Compensation

The named executives are entitled to receive the amount in their deferred compensation accounts in the event of termination of employment. The account balances continue to be credited with increases or decreases reflecting changes in the value of the GE Stock Units or S&P 500 Index Units and to accrue interest income or dividend payments, as applicable, between the termination event and the date that distributions are made. Therefore, amounts received by the named executives will differ from those shown in the 2012 Nonqualified Deferred Compensation Table. See the narrative accompanying that table for information on the available types of distribution under each deferral plan.

## Pension Benefits

"2012 Pension Benefits" on page 37 describes the general terms of each pension plan in which the named executives participate, the years of credited service and the present value of each named executive's accumulated pension benefit, assuming payment begins at age 60 or, for Mr. Denniston, age 65. The table below provides the pension benefits that would have become payable if the named executives had died, become disabled or voluntarily terminated as of December 31, 2012.

- In the event of death before retirement, the surviving spouse may receive a benefit based upon the accrued pension benefits under the GE Pension Plan and GE Excess Benefits Plan either: (1) in the form of an annuity as if the named executive had retired and elected the spousal 50% joint and survivor annuity option prior to death, or (2) as an immediate lump-sum payment based on five years of pension distributions. The surviving spouse may also receive a lump-sum payment under the GE Supplementary Pension Plan based on the greater of the value of: (1) the 50% survivor annuity that the spouse would have received under that plan if the named executive had retired and elected the spousal 50% joint and survivor annuity option prior to death, or (2) five years of pension distributions under that plan. The amounts payable depend on several factors, including employee contributions and the ages of the named executive and the surviving spouse. The survivors of each of the named executives as of December 31, 2012 would have been entitled to receive any annuity distributions promptly following death.
- In the event a disability occurs before retirement, the named executive may receive an annuity payment of accrued pension benefits, payable immediately.

The table below shows, for the named executives, the lump sum payable to the surviving spouse in the case of the named executive's death on December 31, 2012. It also reflects the annual annuity payment payable: (1) for the life of the surviving spouse in the case of the named executive's death on December 31, 2012; (2) for the named executives other than Mr. Denniston, as a 50% joint and survivor annuity to the named executive in the case of disability on December 31, 2012; and (3) for the named executives other than Mr. Denniston, as a 50% joint and survivor annuity to the named executive payable after age 60 upon voluntary termination on December 31, 2012. The annuity payments upon voluntary termination do not include any payments under the GE Supplementary Pension Plan because it is forfeited upon voluntary termination before age 60. Payments would be made on a monthly basis.

## Potential Pension Benefits upon Termination Table

| Name of Executive | Lump Sum upon Death | Annual Annuity upon Death | Annual Annuity upon Disability | Annual Annuity Payable at Age 60 after Voluntary Termination |
|---|---|---|---|---|
| Immelt | $34,339,545 | $55,357 | $3,747,643 | $103,065 |
| Sherin | $27,160,465 | $54,046 | $2,570,212 | $105,850 |
| Neal | $31,009,126 | $63,245 | $2,873,757 | $117,972 |
| Rice | $33,814,938 | $56,641 | $3,057,608 | $111,267 |
| Denniston[1] | $ 7,819,516 | $35,337 | — | — |

1 As he was retirement-eligible as of December 31, 2012, Mr. Denniston would have been eligible to receive retirement benefits instead of disability or voluntary termination benefits. If Mr. Denniston had retired on December 31, 2012, his annual pension payment, payable as a 50% joint and survivor annuity, would have been $1,040,733.

## Life Insurance Benefits

For a description of the supplemental life insurance plans that provide coverage to the named executives, see the 2012 All Other Compensation Table on page 33. If the named executives had died on December 31, 2012, the survivors of Messrs. Immelt, Sherin, Neal, Rice and Denniston would have received $19,547,026, $14,869,672, $15,698,480, $15,618,480 and $11,145,358, respectively, under these arrangements. The company would continue to pay the premiums in the event of a disability until such time as the policy is fully funded.