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GE - General Electric Co. Annual Shareholder Meeting

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PRESENTATION

Jeff Immelt *- **General Electric Company - Chairman***

Good morning, and welcome to GE's 2014 Annual Meeting. I'm Jeff Immelt, Chairman of the Board of GE, and here with me today are Jeff Bornstein, our Chief Financial Officer, and Brackett Denniston, our General Counsel.

Each year we hold our Annual Meeting in a GE town that epitomizes what our company is about, and that our shareowners deserve to see. This year it's Chicago, and we're very proud to be here. Chicago is one of America's great cities, and the state of Illinois is an important center of business for GE. We have nearly 1,700 employees working in the Chicago area. Chicago is a global headquarters for our transportation business, and headquarters for about a third of GE Capital, and really every GE business has presence in this city. Across the state, we have more than 4,400 employees and an additional 1,000 GE retirees.

GE has stayed competitive for more than a century, and I see that same spirit in Chicago. Chicago is known as the city that works. And like GE, Chicago is always making progress. Chicago saw advanced manufacturing as the wave of the future. That vision led this town to be selected as the site of the U.S. Digital Manufacturing and Design Innovation Institute; leads to work on faster and cheaper production of the next-generation products, like fuel-efficient aircraft engines and locomotives.

We agree with Chicago that advanced manufacturing will change business, and that's why we invested millions alongside the city to be a partner to the Institute. Combining GE's knowledge of the Industrial Internet with advance manufacturing skills of the Institute will change U.S. manufacturing and bring high-tech jobs, which will add to the city's economy.

Last year, we also tapped into the passion for innovation across the Chicago land area by hosting Mines and Machines forum here. This was a global customer forum to celebrate the development of brain machines using data and analytics to improve industrial efficiency.

GE puts our innovation to work with our customers, some of whom are here in Chicago. We've partnered with Boeing for generations to make the most fuel-efficient aircraft in the world, like the Boeing Dreamliner, the 737 MAX, and the triple-7X. We're working on innovative, aeronautical solutions to save cost and improve efficiency at United Continental.

We've partnered with Commonwealth Edison on smart meters and grid modernization. And we've collaborated with major hospitals, like Northwestern and Alliance, to improve healthcare cost, quality and access.

Grainger has been a lighting partner for decades. And Invenergy is an entrepreneurial power developer that has partnered with GE to expand renewable energy.

For generations we've delivered outcomes for some of Chicago's best companies. This week we also made a $2.2 million grant to combat Chicago's leading cause of death, cardiovascular disease. This grant will fund a partnership between Chicago Department of Public Health, Northwestern University, and four local community organizations to screen 30,000 residents for CVD by 2015. The purpose is to empower Chicago's community health workers with the skills needed to make the healthiest city in the world.

So, this is a great place for GE and its shareowners to be, and I welcome all of you. We like to think of GE as a competitive and customer-focused company, and we're focused on the big productivity drivers of our time -- unconventional resources, and the shale gas revolution; advanced manufacturing; combining the power of analytics with material sciences to optimize product performance through what we call the Industrial Internet; achieving global scale of local relevance; and competing with the lean and simple structure. With more than $100 billion in revenue and 16% margins for one of the largest and most profitable infrastructure companies in the world, selling in more than 170 countries.

And we're an important financial services player with an emphasis on specialty finance for small- and medium-size businesses. In this regard, GE links thousands of our GE Capital customers to the best practices of our industrial businesses in a program we call Access GE. We help them get better because we're builders not bankers.

The culture of our company is based on progress. Progress is about getting better, being better, doing better, and that's why GE people get up every day. We're mission-based. GE technology and people move, power, build, and cure the world. And we're constantly searching for a better way. We expect ourselves to get better every day, and to make progress and move with speed.

We live in a slow growth and volatile economy, but we have a strong set of core beliefs that guide us. At GE we believe that we must deliver results in a risky world, that integrity and accountability are linked. We believe that customers determine our future. Their voice is the ultimate truth. That we should stay lean to go fast, because scarcity encourages teamwork. We believe that the ability to adapt is more important than perfection, and we're open to learning and relentless improvement.

We're focused on growing and inspiring ambitious teams, teams that play to win and want to create the future. And that's what allowed us to grow and be successful for over 130 years, and really that's what keeps us humble as we look at the future.

This is who we are. It's why GE works, and it's why you can be proud of your company, and why your company is positioned for success.

And now to our order of business. I'm advised that this meeting is properly convened, that we have a quorum, and that the proposed resolutions presented in the proxy statement are filed as part of these proceedings. We received proxies representing over 75% of the approximately 10 billion outstanding shares eligible to vote. The management proxy committee has voted these shares in accordance with shareowner wishes.

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

Sandy Warner, former Chairman of the Board, J.P Morgan Chase, a Director since 1992. Sandy is Chairman of the Audit Committee; Dr. Jim Cash, Emeritus Professor of Business Administration, Harvard Business School, a Director since 1997; Andrea Jung, President and Chief Executive Officer, Grameen America, former Chairman of Avon, a Director since 1998; Ann Fudge, former Chairman and Chief Executive Officer, Young & Rubicam, a Director since 1999; Shelly Lazarus, Chairman Emeritus of Ogilvy & Mather, a Director since 2000, Shelly is Chair of the Governance and Public Affairs Committee; Dr. Bob Swieringa, Professor of Accounting, and former Dean, Johnson Graduate School of Management, Cornell University, a Director since 2002; Bob Lane, former Chairman and Chief Executive Officer, Deere, a Director since 2005; Dr. Susan Hockfield, President Emerita and Professor of Neuroscience, MIT, a Director since 2006, Susan is Chair of the Science Technology Committee; Jim Mulva, former Chairman and Chief Executive Officer, ConocoPhillips, a Director since 2008; Geoff Beattie, former Chief Executive Officer, The Woodbridge Company, a Director since 2009, Geoff is Chairman of the Risk Committee; Jim Tisch, President and Chief Executive Officer, Loews Corporation, a Director since 2010; Marijn Dekkers, Chairman of the Management Board, Bayer, a Director since 2012; Jack Brennan, Chairman Emeritus and Senior Advisor, The Vanguard Group, a Director since 2012; Frank D'Souza, Chief Executive Officer, Cognizant Technology Solutions, a Director since 2013; Mary Schapiro, Vice Chair of the Advisory Board, Promontory Financial Group, and former Chairman Securities and Exchange Commission, a Director since 2013; and Jim Rohr, Executive Chair and former Chief Executive Officer, PNC Financial Services Group, a Director since 2013.

I would like to acknowledge one Director who is not standing for reelection, Ralph Larsen, has been a GE Director for 12 years, most of which he served as Lead Director. We'll always remember his wisdom and judgment across every business, and his dedicated service to investors. Ralph is a great man. So please, help me acknowledge Ralph's work on behalf of GE.

And I'm pleased to announce that Jack Brennan will be GE's next Lead Director, and in that capacity Chair of the Management Development and Compensation Committee. We look forward to Jack's guidance as we build a more valuable GE. Congratulations, Jack.

I'd also like to have Dan Heintzelman, John Rice, and Keith Sherin to stand briefly. They're Vice Chairmen of GE. Thanks.

And now to agenda item number two, report on GE operations, and to help me do that is our CFO, Jeff Bornstein, and we'll go through kind of an update on the company, and where we stand. Jeff?

Jeff Bornstein - ***General Electric Company - CFO***

Thank you, and good morning. I'm going to go through a little bit on the operations of the company for 2013, and give you a sense of where we think we're going in 2014. First of all, I'll start a little bit with the environment. So, as most of you probably know, the U.S. economy continues to strengthen, maybe not as robustly as we'd prefer, but we've got solid growth, and it's steady, and we think that bodes well for the company and the products and services we sell in the United States.

Europe is not growing as robustly with likely less than a point of GDP growth. But it's stable and steady and much stronger in the north, a little weaker in the south of Europe.

And then emerging markets brought us a mix, but continue to be a source of strength for GE in our global footprint. In many markets, like Sub-Saharan Africa, the Middle East, China, Southeast Asia, we're growing double-digits, and we expect to continue to grow double-digits in those markets in 2014.

All this, particularly in the U.S., has been supported by support of monetary policy in both Europe and the United States has enjoyed a low level of inflation over this period of time. We are faced with some geo-political instability, and that will continue to create volatility in the world, and for our company at some level as we move forward. But we really like how our businesses are positioned based on these global macro-dynamics.

So a little bit on how we finished 2013. We grew earnings per share by 9%. We continued to grow our backlog. This is both services and equipment. We grew at 16% in 2013 versus 2012, and the company continues to be in great shape from a capital and cash liquidity perspective. We ended the year with $89 billion of consolidated cash, $14 billion at the parent company, $75 billion at GE Capital.

And because of all that strength, we're able to increase the dividend in 2013 by 16% to $0.22 a share a quarter beginning in the first quarter of this year in '14.

From an initiative perspective, the company continues to globalize. It continues to be a huge source of strength for us. Almost 58% of what we sold in 2013 was outside the United States, and that's basically a complete flip from where we were a decade ago.

Services continues to be a big focus. It's our most profitable venture. It's 43% of revenue. We're very, very focused on continuing to build out our service franchise, and we still remain committed to delivering and investing in technology and NPI going forward, investing 5% of revenue back into our products and our businesses organically.

And then for us, a simplification effort that we've talked about continues to pay dividends. We have a lot of momentum. We were able to increase our margins last year 60 basis points from 2012, 66 basis points excluding the impact of acquisitions. So that's a lot of good momentum and strength in the margin line.

Just briefly on capital allocation, you can see here on the left, from the period of 2010 through '13, we've paid $26 billion of dividends to shareholders. We bought back $19 billion of shares. A lot of that enabled by the disposition of NBC in 2013. And we've done $23 billion in M&A to strengthen our franchises and build out both our product and geographic footprint.

Not on the chart, we've disposed of $24 billion of portfolio businesses in the same period of time. It is more-or-less funded dollar for dollar, that M&A growth. We still remain squarely focused on the dividend as our number one priority. The stock today has got something approaching a 3.3% yield, which we think is quite attractive. We'll continue to reduce the share count over time. We've set a target by the end of 2015 to be about 9.5 billion shares.

We'll continue to focus on acquisitions and the core of what we do, and where we add real value. And we'll continue to invest organically in the company as we move forward.

Most importantly, around all of that planning around capital allocation, we'll ensure the company is safe and secure by making smart, long-term decisions for the company.

Just a little bit in terms of how we see the earnings dynamics for 2014, on the left side, you've got the industrial businesses. We expect segment profit in 2014 to grow double-digits from $16.2 billion in 2013, and we expect to continue to enhance margins, and grow margins in 2014 from the 15.7% that we achieved in 2013. We've got a great backlog that enables a lot of visibility into how we achieve this, and also gives us an enormous opportunity to drive productivity against that backlog.

On the right is GE Capital. GE Capital has done a phenomenal job since the crisis refocusing itself, shrinking to its core and what it does best, and where it has the most competitive advantage. We expect GE Capital to have another solid year in 2014, and earn something like $7 billion. And as we've announced publicly, we plan to start on the initial stage of spinning off our credit card business in the U.S. We're hoping to split it off to shareholders in 2015, and that value will accrue back to the company in the form of reducing outstanding GE shares.

Just on the first quarter results, we just announced results. I think we started the year quite strongly. We delivered $34 billion of revenue, $0.33 a share in EPS. That was up 9% year-over-year, adjusting for not having NBC year-over-year. So we feel quite good about that.

Industrial, organic revenue grew 8%. Operating earnings grew 12% in the industrial complex. We were able to increase margins 50 basis points in the quarter, year-over-year. And GE Capital had a very solid quarter with $1.9 billion of earnings.

We also delivered $1.7 billion of cash flow in the quarter as compared to $200 million in the year previous, so much stronger this year. And we returned $3.4 billion back to shareholders in the form of $2.2 billion of dividends and $1.2 billion in stock buyback in the first quarter.

So performance drives returns. There's no question about that. We expect from $1.64 in '13 to grow our earnings per share in 2014, and if you look at where the company's delivered on performance-wise for total shareholder return since 2010, GE's total shareholder returns over 100% as it compares to the S&P 500 at 85%. And in 2013, we outperformed the S&P 500 by 600 basis points.

Off to a little bit of a slow start this year, but we're quite confident if we deliver the plan for the year, the stock will also perform in 2014.

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

Jeff Immelt - ***General Electric Company - Chairman***

Great job, thanks. Now just maybe a longer term look at how the company's positioned, and some of the things we're driving. We've talked frequently to our investors about the desire to get to a 70% infrastructure, 30% financial services split. We're well on our way to accomplishing that, and the big enterprise in this is that we drive across the company are really technology focus on globalization and growth markets; services driving strong customer outcomes; and really a culture around speed and simplification low cost. And as we do that, we're delivering good organic growth and margins, and we'll have a lot of capital to reallocate to our investors.

We've positioned the company to really participate in some of the big drivers of this era. There's a ton of money being invested in infrastructure. We can capitalize on that. We're really well-positioned in 170 countries around the world. We play in energy efficiency, distributed healthcare. We've made big investments in analytics. They're going to help the framework of our products and how they perform. We're investing in advanced manufacturing, and want to lead there.

So really, the company's positioned itself to get some tailwind in some of the big themes of the twenty-first century, where we think GE can participate and win.

Technology is a big reason why people invest in the company. On a 3-year basis, we really invest almost $17 billion as we look out, about 5% of our revenue. And we have a strong commitment to global research, and fundamental research. We execute on big, complex systems, like jet engines and sub-sea oil and gas products, and things that are hard for people to do.

We have a real foundation in science inside the company, and we link with our customers. So investing in technology is a big reason that we have competitive advantage, and are able to participate in some of these high-tech industries.

This is just an example of that technical investment that we've made in the aviation industry. We'll launch a new jet engine virtually every year this decade, and they have tremendous fuel advantage to our big customers like Boeing or United Airlines here in town. We've got a huge backlog of these products. We have a $125 billion backlog of engines and services. So, tremendous competitive position, and a huge installed base. Just in the time that I've been CEO, the installed base has grown from 13,000 units to 46,000 units, and that continues to pay back to investors for decades. So, a real strength.

And we build on exclusive GE technologies. So our commitment to make lightweight, high temperature materials really gives us a strong competitive advantage when we look at our Aviation business.

Services, Jeff talked about. We sell big capital products, and then those have to operate in our customer setting for a long time. We have about $45 billion of services at GE and at a relatively high margin with a big backlog. And we really are on the same side as the customer. So as we make the assets perform better, our customers do better as well.

And we make big investments here in both the physical products, but also the analytical pieces around the product. So, we can add the domain expertise in industries like locomotives, and repair technology. But add to that the real advantages we have in terms of how the assets operate, and are more successful for our customers. So this is a big competitive advantage that the company has.

Oil and gas is a big end-use industry for us. We are about $20 billion in the oil and gas industry. Our customers in the oil and gas industry have about a $90 billion opportunity for productivity every year. The average cost to our customers of a downtime of a unit in a day is somewhere between $500,000 and $10 million a day. So we offer solutions to them that allow our equipment to be more available and more reliable to help their operations and production.

And so, our service vision, really with our customers, is to have no unplanned downtime. And that's at optimization, and we think that's a successful formula as well.

We're a very global company, as Jeff said. In 2013, we had $46 billion of orders just in emerging markets. These are places that a lot of us hadn't found years ago and decades ago. But your company is really able to compete and participate in 170 countries around the world. Since 2010, our growth rate has been 17% of these countries.

So, we're able to be a big exporter. Because of that we're able to participate in the growth regions around the world. So when you invest in GE, you're really investing in a great American company, and one that can win in every corner of the world. So we want you to be proud of that, to know we do business the right way, and we do business successfully and competitively as we travel on a global basis.

Jeff talked about the need to drive margins and cost structure, so we're on our way to 17% margins by 2016. This will put us in the top, probably, 10% or 20% of all industrial companies in the world. So this is quite a healthy target for us to have, and one of the ways that we get there is by taking structural cost out of the company, lean headquarters, smaller headquarters, big information strength, simplified profit and loss centers. So we're driving our margins up by improving productivity and efficiency and speed, and we continue to work on structure, so that we can deliver good, healthy margins to our investors that generates cash and wealth as time goes on.

Two big drivers we think about. One is a commitment to manufacturing. GE has been a big leader globally in this country in manufacturing. And we've innovated a lot in that regard. So, we made big investments in additive manufacturing. We're probably one of the leading practitioners, if not the leading practitioner in the world, in additive manufacturing. We worked with rapid prototyping. And so we work with a lot of outside suppliers on ways to drive speed and best ideas into the system.

We've invested in advanced robotics to make us more efficient. And we're constantly inventing new materials that make our products lighter weight and higher heat, and we think this is a big competitive advantage as well. So when you read in the newspaper about manufacturing I want you to know that your company is leading the way.

And a process tool that we call FastWorks inside the company to really help drive speed. This is something that we've really adopted out of Silicon Valley that increases speed to market, and improves our chance to success, and really helps drive our competitiveness. And we're driving this across GE today. One example is the time-to-market of our largest gas turbine, called the H-Turbine: 61% efficient, about 400 megawatts or more of output. And we're getting this to market in half the time it would have traditionally taken. And how we respond to our Aviation customers in commercial operations in terms of driving speed and solutions to them as well.

And so, when you add all that up in terms of where the company is, I think 70-30 industrial financial is valuable; sustainable organic growth in the high single-digits; simpler ways to run the company, more efficient ways to run the company; expanding margins; cash to invest in dividends back to investors; stock buyback, reducing our share count; and expanding returns over time. This is really the GE story that was written about in your Annual Report, and one that we're proud to share with you this morning.

So thanks for your attention. And now we're going to go on to the areas of discussion and other matters set forth in the proxy statement. And we're going to begin with the agenda item three, presentation of voting matters. The Independent Inspectors of Election for this year's meeting are representatives of IVS Associates. The Inspectors have taken the oath of office required by law, and have been at work since the proxies started coming in.

If you've already voted by proxy, there's not need to vote by ballot today, unless you would like to change our vote, and you will find a ballot on your seat.

We'll take up the election of Directors and the management and shareholder proposals. After the election of Directors and management proposals are introduced, there will be an opportunity for discussion. And after the shareholder proposals are introduced there will be a chance to discuss those as well.

There will time later on in the meeting for discussion of other business matters, but first we need to address the items that are presented in the proxy.

So the first matter is the election of Directors. I place before the meeting to serve as Directors for the coming year, the 17 individuals whose names and biographies appear on pages 2 through 7 of the proxy statement. Each of these nominees has received the overwhelming majority of the 8 billion shares voted by proxy.

Next on the agenda is the proposal to approve our named executives compensation. Your Board of Directors recommends a vote for the approval of our named executives compensation. And the third thing is, we'll move on to the proposal to ratify the selection of KPMG as independent auditors for 2014.

We have with us today, John Veihmeyer and Bill O'Mara of KPMG. They're responsible for the GE audit, and they're available after the meeting to respond to your appropriate questions. Your Board of Directors recommends a vote for the ratification of KPMG as independent auditors for 2014. So if you have any questions or comments on those 3, go to the mics and I'll call on you if not, and give your name.

Is there any discussion on the Board nominees or any of the management proposals? Yes, sir, number 2.

QUESTION AND ANSWER

Martin Glotzer ***Shareholder***

My name is Martin Glotzer, Chicago. I represent the [desire] of New York City on elections directors, shareholders like to believe that they elect directors who direct. This request is directed to directors. At the beginning of the meeting you talked about Chicago, but you forgot to say we're the Windy City. And the subject is wind. On the west side of Chicago, we have a devastated area, and I believe the windmill department of GE should explore the possibility of creating a windmill farm in the west side of Chicago. It will bring many benefits for the city of Chicago.

Also, I recommend that the same inquiry be done in Detroit where they have vast areas. Also the city of Cleveland. Hopefully, we'll see some action so we can have great jobs in Chicago, Detroit, and Cleveland. Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you very much. Now we'll move on to the shareholder proposals in the order in which they appear in the agenda. To be sure that all the proponents have an opportunity to present their proposals today, we ask that the presenters confine their comments during this portion of the meeting to the subject matter of the proposal being presented. And we ask that other speakers wait until all shareholder proposals have presented before providing their comments. We'll have an opportunity for discussion of other matters after we finish the balloting and report of the Inspectors of Election on the voting results.

So, the first proposal is on cumulative votes, and I believe that Mr. Harangozo is here today to present proposal number one. Good morning.

Martin Harangozo ***Shareholder***

Good morning. My name is Martin Harangozo. I'm grateful to be a shareholder. I love this company, people, and products. Should this year's percentage dividend increase continue until I reach the age of my current oldest living relative, I will earn per annum $35 million. At today's multiple, I will be a GE stock billionaire. To certify this, I have produced a t-shirt that says, GE to make me a billionaire with a B.

Cumulative voting is recommended by Warren Buffett's mentor Benjamin Graham in a book Security Analysis he co-authored with David Dodd. Holocaust survivor Evelyn Davis placed this proposal on the GE proxy many times in previous years. I'm honored to stand on the shoulders of great people in presenting this cumulative voting proposal. Cumulative voting gives shareholders a company with more distinction capability and direction elections. Directors provide oversight to the company on behalf of the shareholders. Oversight matters of interest to me are sustainability and transparency.

I do not believe there is any legal behavior that is an overreaction to the dividend adjustment. I'm equally confident that there is no argument against the relationship that financial strength improves when you decrease debt. I enjoyed the Annual Report where you mentioned Jeff Bezos' assertion that most businesses soon fail. Here, for example, GE became free from debt and indebts a quarter of net income, we can thank Bezos for pumping profits into our company, and remind him if Amazon fails a better successor is likely to follow.

If we allotted 1% of debt, or $3.3 billion of net income to reduce our debt, we will be debt free in the next 100 years. I believe this is a strategic starting point. I was formerly an employee of the Bethlehem Steel Corporation. My colleagues lost their pensions when the company realized the concerns of Bezos. As a purchasing agent I supported just-in-time factories when suppliers became insolvent. Experience taught me to be cautious when suppliers had debt in excess of half of sales, or 5 times earnings.

Our debt, $330 billion according to Value Line is more than twice sales, twice shareholder equity, and 26 times earnings. It is almost $1,000 for each American. In debts today at a market PE of 18, our debt would produce $18 billion of income, or $5 billion more than the $13 billion we are getting.

Regarding transparency, I struggle with how it happens that so many accomplished directors and gifted managers adjusted the dividend. Roger Penske, for example, is a billionaire. Do his checks bounce, or does his mortgage default? Of course, not. The answer that comes to me is a memory of a meeting you held at Monogram Hall Appliance Park. You behaved as though you had a normal work day, and took questions from the audience. GE has nothing to hide. I listened to the questions and answers and raised my hand. The event was staged. When you pay people to tell you want to hear, and that's what you want to answer, you remove the oversight needed to see opportunities, avoid pitfalls, and honor the dividend.

For the quarterly earnings updates, like a bank statement, I would prefer sales net income and debt numbers before any written text. $146 billion, $13 billion, $330 billion represent the sales, net earnings, and debt respectively, down 1%, down .5%, and down 1% from a year ago, as an example. I wish share concentration would stay fixed as net income improves. Net income is down this year as well as last year. I hope this turns around, but did not see this plan in the Annual Report.

While sustainability and transparency are oversight matters of interest to me, I know there are other matters of interest to other shareholders. I urge all shareholders to vote for cumulative voting, shareholder proposal number one.

Jeff Immelt - ***General Electric Company - Chairman***

Great, thank you, Mr. Harangozo. Understand that Timothy Roberts will be presenting proposals 2, 3, 5 --

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Martin Glotzer ***Shareholder***

I want to speak at proposal number one, Mr. Chairman.

Jeff Immelt - ***General Electric Company - Chairman***

Okay.

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Martin Glotzer ***Shareholder***

And the right to speak on the proposal. Is the microphone on? Without question, I believe I'm the only one in this room that has used cumulative voting to be elected a director, and had cumulative voting used against me. I'm the President of the Cincinnati Union Stockyard Company since 1965. I used cumulative voting to get on the board of the Stockyard Company, and essentially I became the President. 1966 Annual Meeting, the minority shareholders elected a director through cumulative voting to be on the board. I've lived with that minority director for over 10 years until we closed up the Stockyards. I'm the only one in this room who has had the experience both way. Thank you.

Jeff Immelt ***- General Electric Company - Chairman***

Thank you very much. I understand that Timothy Roberts will be presenting proposals 2, 3, 5, and 6. So number 2 is, hold options shares for life. Number 3 is multiple board candidates. Number 5 is to cease options and bonuses, and number 6 is entertain a study to sell GE. So is Mr. Roberts here today? Thank you. Good morning.

You'll come next Mr. Glotzer. Good morning.

Timothy Roberts ***Shareholder***

Good morning, Mr. Immelt. My name is Tim Roberts. The objective of this presentation is to give shareholders a company aligned to stock needs experienced by management. Wall Street Journal writer, Jason Zweig, in the book, The Intelligent Investor, revised edition page 511 -- no CEO deserves to make himself rich if he has produced poor results for you. The proposal highlights from October 17, 2000 in 13 years, Mr. Immelt has gained through options and stock trades 2,250% growth, all while the shareholder during the same time experienced a decline of 60%.

The market is at near record highs, yet our stocks, our dividends, and our earnings are trailing like a caboose. When the company underperforms the market, bonuses are paid. This is accomplished by taking the company nearly bankrupt according to Forbes in claiming a slight recovery as an outperformance to the market.

Trading patterns show that both Mr. Welch and Mr. Immelt made enormous amounts of money on options and trading GE stock. Collectively, they earned hundreds of millions doing that. Welch and Immelt become rich utilizing the shareholders as useful idiots. Their inside trading, even if legal, is outperforming the buy-and-hold shareholders handsomely. There currently is no mechanism that will prevent this from becoming a common occurrence. Shareholders do not have the same inside control, and we lose money.

Welch fed the Financial Times effectively that much of GE valuation was unsustainably driven by debt. Welch did not, however, return to the GE shareholders the hundreds of millions he collected in creating that GE bubble. Welch and Immelt kept their money as shareholders lost their shirts. Immelt and Welch created wealth similar to that of Bernard Madoff in that the temporary claimed earnings growth were not sustainable. Yet, unlike Madoff, the money Welch and Immelt earned, fleecing the shareholders, remained in their pockets.

Given the size of the valuation declines, and dividend declines, and Welch's acknowledgment that debt-driven profits are not sustainable, salary increases should only occur when profits increase, with debt simultaneously decreasing. Increasing the profits by increasing debt continues the insanity, as Welch discussed in Financial Times.

General Electric's response to this proposal focuses on shares Mr. Immelt primarily acquired after he became CEO. This fails to highlight that Immelt sold millions of dollars of GE stock when the price was at the top, only to buy after Immelt became CEO and the stock failed.

I noticed for decades that the GE proxy print the addresses of the shareholder proponents. This was missing this year. I wonder why. As my home address was on last year's proxy, I received correspondence from several shareholders. All were positive. One wrote that he lost both his shirt and his underwear. So shareholders I urge you to make proxy recommendations, and ask me if you need any help in doing so. My email is timclayroberts@yahoo.com.

The proposal: the Board of Directors are requested to consider voting, that unvested stock options are held for the life of the executive. If you look at the data on this proposal, Mr. Immelt, you see that $100 managed by your trades becomes $2,350. Yet we see $100 invested in GE falls to $60. So this raises questions, collectively, for you, Mr. Immelt. Would you rather have $60 or $2,350? Would GE catch up to the market, beginning your tenure, and why did you leave the addresses off of the shareholder proposals, and next year will you put those addresses back on with each proposal? And finally, can you charge your performance to the market, since your tenure, in the front of the Annual Report.

To prevent performance swings that enrich executives, but impoverish shareholders, please vote yes for holding options for life, shareholder proposal number 2. Thank you.

Thank you. Mr. Jensen requested me to present his proposal. General Electric, a $100 billion plus net asset company, 12 digits grown into a historical market average will gain an additional 7 digits in 200 years, making 19 digits. A one-time 1% donation, 17 digits would give each person today much more than $1 million. Two centuries of intelligent monetary growth can forever change the world financially, permanently eliminating millenniums who persist in poverty and illiteracy. No more biblical poor Lazarus, as Lazarus becomes a millionaire. The $1,000 shareholder becomes a decade billionaire, the pensioners whole. We can give the public this much.

Today, we use more steel and build larger ships than ever. Yet one-time largest shipbuilder, Bethlehem Steel, led by charming CEOs, guided by rigorously selected cozy directors with impressive credentials, went bankrupt as Warren Buffett did not bail them out. Bethlehem Steel did not see its underperformance to the market as an opportunity to harness the market until it could once again lead the market. It simply went bust.

Millenniums of commerce and centuries of equity growth teach us that debt-free indexing should enable General Electric to progressively grow exceeding 3 digits each century. All of history shows that any plan short of this likely will not achieve such growth. Something always goes wrong. Somebody will borrow too much. Financial saviors as Warren Buffett are rare.

A U.S. housing crisis occurs when 99.2% of average Americans make good on their 30-year mortgages. Our Board, likely almost all millionaires, did not protect the dividend, 6 months after promising to do so. Dividend cuts and share depreciation hurt the poor and an elderly widow much more than a wealthy director. If the oak does not grow to the sky, those can be earned in the saplings. The dividend debacle should be met with the words -- never again. Debt-free companies paying half of earnings in dividends will not default on dividends. We can lend to many nations, but borrow from none.

This year, for example, we earned $13 billion in net income. We paid $8 billion in dividends, leaving $5 billion of retained earnings. But then we repurchase $10 billion, repurchase shares for $10 billion. If you only have $5 billion, how do you buy shares worth $10 billion? Clearly, we're using debt to buy stock, a risky scenario given that debt is real, and stock prices can be a freak show. The leverage troubles did not steer us away from using debt again to attempt to inflate the stock price.

Alice Schroeder writes regarding Warren Buffett's company, Berkshire Hathaway, the board members may as well be Barbie Dolls. Even Warren Buffett has criticized his ineffectiveness as a board member. The leadership transition process resembles those of dictatorships more so than typical elections, as there is no election choice. Presidential elections, on the other hand, teach spirited competition. This creates the world's greatest economies. Single candidate director elections should be improved.

My dear fellow shareholders, I bring a plan with a date to add 7 digits to the company's performance while reducing risk. If you like such a plan, you should vote for those directors that present a plan meeting such investment objectives in our report. This is recommended by Warren Buffett's mentor, late Benjamin Grossbaum in Securities Analysis. This requires a choice in director elections. Please vote for shareholder candidate elections, proposal number 3. Thank you.

Mr. Gilson requested me to present his proposal. The objective of this presentation is to give shareholders a company more incentivized towards price stability. For perspective, if for example, one attributed a $5 million wrongful death award to the near 3,000 victims of 911, this total would be about $15 billion. The GE valuation decline as the price went from $60 to $6 was over $500 billion, more than 30 times as much. I would like to establish what happened, and how to fix this. Books have been written that Jack Welch grew evaluation by $450 billion, yet valuation fell by $500 billion from the company's peak, due to gross lack of sustainability.

So one must ask -- what good is a skyscraper that falls in less than 10 years. Ex-CEO, Jack Welch, and shareholder Jack Welch, mentioned getting a gun and shooting the CEO. I believe there's a smarter way, though. It is important to recognize that not all companies made a so-called banking error. The market is up 59% from year-end 2001. Yet, we are down 37% from year 2001. There is no doubt that financial leverage drove GE volatility. What is lacking is a clear written numerical standard that defines safety and warns a risk. In other words, a financial speed limit.

I will recommend a standard. Given that asset allocations by management is effectively investing shareholders' money, I find it prudent to follow the counsel of, and according to most experts the greatest investment thinker of all time, Benjamin Grossbaum. Indeed, he mentored Warren Buffett, who in turn bailed us out. So let's listen to him.

For financial stability, he recommends at a minimum that current assets are twice current liabilities, and that current assets exceed long-term debt. GE fails on both counts according to CNBC but passes according Value Line. The Annual Report does not give assets and current liabilities as separate line items. I think it should.

Last year's proxy featured the debt -- the benefits of debt-free companies. This clearly meets the so-called 2 to 1 current ratio, and has no long-term debt. So we have a red, yellow, and green scenario. Once we transition to a 2 to 1 current ratio, and current assets exceed long-term debt, we transition from red to yellow. Once we eliminate long-term and short-term debt, we are green. It's that simple and straightforward.

Further recommendations for price stability include generous dividends as they dampen the volatility of the stock's price. This is in preference to share repurchases. Indeed to me, the promise to protect the 2009 dividend was much louder than any promise to concentrate shares. Please make shareholders whole to the 2009 dividend before buying back shares, as that is what you promised.

It is recommended to target and grow net income, a standard that has declined for the past two years, instead of pro-forma income. Net income was on the first page of the Annual Report when it was growing, and the stock price was $60. Now, net income is shown on page 70.

The current practice of stock options and bonuses encourage share price volatility enriching executives, while causing shareholders to lose their shirts. Please vote for eliminating stock options and bonuses, shareholder proposal number 5. Thank you.

Robert Fredrich has requested me to represent him in presenting his shareholder proposal to sell the company. The spirit in the letter recommends raising your voice, and here they give me a microphone. Mr. Immelt when you were advised that you would become CEO of GE November 24, 2000, the stock price was about $50. Today, it's about $26, a little more than half the price when you were named. The S&P 500, however, grew about 40%. So since you were advised of your current role, a dollar invested in GE becomes $0.52. With the market, it becomes $1.40.

In 1993, we had the Kidder Peabody debacle. The stock failed but quickly corrected. We know what happened, who did it. GE took action and continued to grow. In 2009, GE paid $250 million in legal fees and fines, as GE counted sales for years in which the sales did not really occur. The SEC found 3 such events.

This time it's different, though. After Kidder Peabody, we found one person, Joseph Jett, entered erroneous income data to earn a $9 million bonus. In the more recent scam, for example, locomotives were idling as they would be delivered during the first of the year. But GE wanted to count in sales for the prior year. So creative accounting was used to sell locomotives to John Doe in the first year, who would in turn sell to GE customers in the next year. This took many people and many winks to pull off. This was one of 3 such events that the SEC caught.

Clearly, anyone asking intelligent questions would need to be silenced to make this happen. The Annual Report has a copied signature from Jeff Immelt discussing the Spirit and Letter. He says employees cannot experience retaliations for raising concerns. But this is not true. Employees who have raised concerns have experienced adverse treatment by the company.

November 17, 2010, an employee raised a concern where a management member, Matthew Johnson, Appliance Park parts purchasing boss accounted for income for the year 2010 on parts that were not projected to be sold until the second half of the year 2011. Excuse me, my paper does not want to turn over. This was then presented to [Mark Certinus] and Greta [Melcamp] at Appliance Park. They responded that the concern was raised during a March meeting the following year, and claimed that a separation decision was made in January 2011. The company simply takes questionable accounting concerns, makes a decision to eliminate the employee raising the concern, and states that the concern was raised after the separation decision.

The concerns were used by the company to attempt to separate the employee from making a proxy recommendation to a company for which he is a stakeholder. Such separation efforts would not be possible if the employee never, ever raised the concern. The company again used the concern to separate numerous other shareholders from making proxy recommendations.

The process of using concerns protected by the Spirit and Letter to obstruct shareholders from making recommendations to their company inherently post the company's selected portions of the concerns on the internet without the permission of the employee raising the concern. GE Senior Counsel Bobby Simpson states that the Spirit and Letter is not a binding agreement between a company and employee. If employees cannot rely on the Spirit and Letter that precedes Jeffrey Immelt's copy signature as honest, it should be removed entirely, as it is currently nothing more than a deceptive document that is used to screen employees who had the nerve to raise concerns for elimination.

What we can learn from this is that the company can survive from an employee that cooking the books where there is a culture for forth righteousness and action. Persistent dishonesty sets us back for decades. Who knows if we'd ever catch up to the market from a succession decision date. See one big lie hurts us less than ongoing lies not checked. Without immediate and effective correction, the company should be placed in more honest and competent hands, more likely to perform to the market. Please vote for shareholder proposal number 6 to sell the company. Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you. I understand that Martin Glotzer will be presenting proposal number 4.

Martin Glotzer ***Shareholder***

Thank you, Mr. Chairman. As a long-time attendee of shareholder meetings, I'm representing Mr. Steiner. Let the record indicate that I read the proposal as presented. Let the record indicate today, the proposal and the reason as a proponent, I have the final say. I have 2 comments. I want to thank all you shareholders who took the time to vote on this proposal, especially the ones who voted yes. And the other comment is we believe if we had access to the company's funds equal to the amount that the company used to vote -- to get votes against us, our percentage would be a lot higher.

So as a proponent, if anybody wants to speak on my proposal, you're free to, and I have the final say. Thank you.

Jeff Immelt ***- General Electric Company - Chairman***

How did you get the final say?

Martin Glotzer ***Shareholder***

The final say, let's vote on the proposal. Thank you.

Jeff Immelt ***- General Electric Company - Chairman***

Thank you. So let's move onto agenda item number 4, balloting. Remember, we'll provide an opportunity for discussion on other business matters in a few minutes. The balloting on the items in the proxy statement come first. You'll find a ballot on your seat. If you have a ballot ready to turn in, please hold it up, and I ask the ushers to collect it.

Ballots at this meeting will be reflected in the final vote results tomorrow. So, let's move on, and agenda item number 5 is the Inspector's report. I believe that the Inspectors of Election are ready to announce the outcome of the voting, so let's go to the Inspector's report. Mr. Michael Barbera of IVS Associates will be presenting the report of the Inspectors.

Michael Barbera ***- IVS Associates - VP***

Mr. Chairman, the Inspectors of Election have completed initial count of the votes cast this meeting, in person, or by proxy. Proxies representing approximately 7,599,000 shares, or 75.8% of the total shares eligible to vote were received. Others shares have been voted at this meeting by ballot or by proxy. On the basis of our initial count, the Inspectors of Election announce the following results.

On the election of Directors, each Director received at least 4.7 billion favorable votes, and all nominees have been elected.

On the advisory approval of our named executives compensation, for 93.8% of shares voted, against 6.2%.

The ratification of KPMG as independent auditor for 2014, for 97.4% of shares voted, against 2.6%.

On the shareowner proposals, number one cumulative voting, for 27.4% of shares voted, against 72.6%.

Senior executives hold option shares for life, for 3.6% of shares voted, against 96.4%.

Multiple candidate elections, for 3.6% of shares voted, against 96.4%.

Right to act by written consent, for 21.9% of shares voted, against 78.1%.

Cessation of all stock options and bonuses, for 4.1% of shares voted, against 95.9%.

Proposal to sell the company, for 1.5% of shares voted, against 98.5%.

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

Jeff Immelt - ***General Electric Company - Chairman***

Great. Now we're into agenda item number 6, the formal business of the Annual Meeting has been concluded, but we're ready to take some questions, and to be fair, we want to give other shareowners who haven't had a chance to speak, a chance. So if you wish to speak, come to the microphone. Let's go to microphone number one.

Bill Freeda ***Shareholder***

Good morning, Mr. Chairman.

Jeff Immelt - ***General Electric Company - Chairman***

How are you?

Bill Freeda ***Shareholder***

My name is Bill Freeda, and I would like to thank you and the Board of Directors of the General Electric Company for adopting a shareowner proposal to eliminate what are commonly known as phantom dividends. You, Mr. Chairman helped make this possible when beginning in 2006, you refused to accept dividends on shares of your GE stock that had not vested. We all commend you for your leadership on this matter.

About a year after GE purchased RCA, and with it NBC, there was a knock on the door of my videotape editing room door at NBC News. When I opened the door, there stood an NBC producer and Jack Welch. Jack and I shook hands, and Chairman Welch said -- welcome to the GE family. I'd always felt that NBC was part of my extended family, and now the CEO of GE was telling me I was joining an even larger one.

However, despite this long ago family welcome, GE seems to have lost interest in their extended family. GE has decided to terminate its post-65 retirement benefits as of January 1, 2015 for all employees and retirees and their spouses who will not be 65 years old, enrolled in Medicare and enrolled in these plans as of this date. This dramatic change doesn't affect just new employees. It affects long-term employees, retirees and their spouses, who devoted their lives to GE, and on whose shoulders you, Mr. Chairman, stand.

Jeff, GE made a promise to these family members, and now GE should fulfill that promise. It should not renege on a valued promise simply because other corporations may be reneging on theirs. I can only imagine your disappointment if a child and grandchild announced to you that they were breaking a promise to another family member, claiming it was a financial decision, and I can. I can only imagine that you, Mr. Chairman and members of our Board of Directors, would find this decision disappointing.

Yet, here we are just 8 months removed from the General Electric Company doing just that. Mr. Chairman in your letters to shareowners, you have used the terms created trust and loyalty for GE. Mutual trust and GE is the WE company, not the ME company. Are these just punch lines? I ask this because this action GE is about to take on January 1 does not reflect that philosophy.

My concern from a business perspective is that when employees, retirees, vendors, and customers are made aware that GE has reneged on a long-standing promise to GE family members, our corporate credibility will be forever more damaged.

Next I want to appeal to the ladies and gentlemen of our Board of Directors. I challenge each of you to have the courage to reverse this change in GE policy, which will have a devastating effect on the quality of life of so many thousands of our GE family members. This decision does not belong to senior, GE senior executives alone. It belongs to you. Whether or not GE has the legal right to eliminate post-65 retirement benefits for family members who have earned them during their long working lives at GE is something that may still have to be determined. But in any event, where GE families are concerned, it is not just about being right, it is about doing right.

And finally, as I stand here on my 74th birthday, I cannot think of a more welcome gift than GE reversing this policy that shows such indifference to the welfare of GE family members. Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you, Bill. Microphone number 2.

Martin Glotzer ***Shareholder***

Hi, Mr. Chairman.

Jeff Immelt - ***General Electric Company - Chairman***

Mr. Glotzer.

Martin Glotzer ***Shareholder***

Right.

Jeff Immelt - ***General Electric Company - Chairman***

One more time.

Martin Glotzer ***Shareholder***

One more time. I hope so. In my hand here, I've got the book, The Great Price Conspiracy, on General Electric's wrongdoing. And it was interesting in that it quoted Chairman Gardner at the time said -- this too shall pass. And a lot of people forget it. But I've got to believe that hopefully we never have achieved the experience of price fixing. Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you very much. Microphone number 1, your turn. Mr. Danhof, how are you?

Justin Danhof - ***National Center for Public Policy Research - Shareholder***

Good, how are you? I'm Justin Danhof, I represent the National Center for Public Policy Research. We're a free-market think tank and a company shareholder. I have two very quick questions. The company's healthcare division saw revenue and profits drop that were blamed in the first quarter earnings call on the Affordable Care Act. Do you think the negative impact on the company stems from the way the Affordable Care Act is structured, or prospective customers simply spooked by the disastrous Obamacare roll out? And if it's a structural problem, what changes if any in the law could help?

And my second question really quickly is, the CEO of Mozilla was recently forced out of his job because he contributed cash to a political effort defining marriage. The idea that a qualified executive could be fired for participating in a civic decision making was a shock to many folks. Some companies guarantee employees that their jobs will not be affected by outside legal, personal, political activities. We were unable to find such a guarantee in GE's Spirit and Letter, the code of conduct of the company, which states that employment decisions are based on quote -- job qualifications and merit, which is good, but the code of conduct also adds ambiguity by saying -- merit includes an employee's values. Unfortunately, in light of the Mozilla situation, the word values could now be interpreted in a way that may never have been intended by the company. So does GE guarantee the right of its employees to, on their own time, participate legally in the political process without their jobs being affected? And if not, would you consider adding such a guarantee into the Spirit and Letter?

Jeff Immelt - ***General Electric Company - Chairman***

So the question with the -- to the first question is, I think there's still a lot of uncertainty in healthcare, and we'll just have to see that over time. The second question, I'm really not familiar with that situation. So, I really don't want to comment at all on that.

Justin Danhof - ***National Center for Public Policy Research - Shareholder***

Okay.

Jeff Immelt - ***General Electric Company - Chairman***

Okay. Thanks. Microphone number 2. Yes, ma'am.

Jane Garcia ***Shareholder***

Buenos dias, Mr. Chairman, Board of Directors, fellow shareholders. My name is Jane Garcia, and I come from the great city of Detroit where you held your last meeting last year. It's a lot less, it's more calmer this year, and a special thank you to Roger Penske, who I thought did an outstanding job. I'm here representing national organizations, such as [CER] National, and we've been a partner in the past, and I will continue to look at partnerships as we expand, and give you our thanks for the expansion of what you do in the communities, not just locally where you have your GE plants, such as a place like Detroit that needs jobs very badly. And it will come back, it is coming back slowly.

But also throughout the country, throughout the global country, I think that everything that we do for humanity and giving back to the communities is so important. And diversity has come, and I just want you to know that we will continue to support. I come in. I try to follow you as much as I can. Detroit was a little rougher to get in last year. Today was real easy. I spent the night here. So it was a lot easier. But I wanted to make sure that you all knew that, because I know that each one of the Board of Directors do give back. Example was Roger Penske who loves Detroit and gives a lot back to that city.

I just wanted to make sure that we go on record. Again, I represent National [CER], and I'm Jane Garcia from Detroit. Muchas gracias.

Jeff Immelt - ***General Electric Company - Chairman***

Okay. Thank you. Yes, sir, microphone number 1.

Jim White ***Shareholder***

Good morning, Mr. Immelt. My name is Jim White, a shareholder. And I initially just had one question, but in light of some of the prior proposals and comments, I'd just like to make a few remarks. One, in the Windy City, we're going to get you some Benadryl, because I think your allergies are flaring up a little bit. But that will come later.

I have not been in business 49 years like Mr. Glotzer. I've only been in business 31 years, and I've had, to my own business, the distinct pleasure to invest in and witness the performance of many other publicly held companies, and I want to acknowledge and recognize the business savvy and leadership and integrity of your Board of Directors. I happen to have known and followed three of them through their careers, and I can say personally that you have fine additions, and directors in those three individuals that I've worked with.

To the comment of compensation, I think it's important that issues on compensation be weighed in light of the fact of what is salary, and what is incentive, or bonus incentives to be measured properly. We, as a contracting company, my firm installs not only your industrial turbines, but your medical equipment and devices. We rate them against Siemens, in fact, I'm noticing here my microphone stand is made in Germany. To that extent, I can say very gladly that I'm delighted with GE's manufacturing and what it does to lead our country in manufacturing. We install components and parts in 16 states and 3 provinces, so we appreciate the industrial leadership that GE has lead with.

I would say on the issue of the Old Bessie comments that were made on Bethlehem Steel, I think it's important to bear in mind on pension plans and debt and all those aspects of debt that what did in most of Old Bessie was legacy pension costs, and I think that's an important metric to be understood.

In addition to that, we talk about debt and we talk about whether it makes sense to buy back our own stock with debt, well, certainly it makes sense. It makes sense in light of the fact if it's undervalued, it's a good return on our investment. So, my question, finally, appreciating your indulgence is if I could just trouble Dan Heintzelman to identify himself. I just wanted to have a quick word with Mr. Heintzelman after the meeting?

Jeff Immelt - ***General Electric Company - Chairman***

He'll seek you out.

Jim White ***Shareholder***

Thank you very much.

Jeff Immelt - ***General Electric Company - Chairman***

Microphone number 2, yes sir.

Bernard Biederman ***Shareholder***

Bernard Biederman, here, Riverwoods, Illinois, shareowner. In your presentation I saw those big numbers on backlog, and that scares me. We don't ever want to give our competitors a reason to steal market share. I guess where I'm going with that is the people in Peoria, Illinois, and Hartford, Connecticut would love to be right on our heels. I'd like to have you challenge all of the divisions to start reducing the lead times, and especially any past dues or missed market commitments and things like that, so you can gain our market share. Steal it from the other guys.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you. Thank you very much.

Bernard Biederman ***Shareholder***

Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Kevin, good morning.

Kevin Mahar ***Shareholder***

Good morning, Jeff. My name is Kevin Mahar. I'm from Lynn, Massachusetts, a shareowner. Lynn is the birthplace of the General Electric Company, when Thompson Edison -- Thompson Electric and Thompson-Houston merged on April 15, 1892. And this is my 20th consecutive year at the Annual Meeting. So it feels pretty good to be able to say that. And I feel the presence of Helen Quirini here, and I feel her spirit. I will be short, but maybe not sweet, but to the point.

First of all, your decision to eliminate post-65 health and life insurance was like the sneak attack on Pearl Harbor for benefits promised and thousands made their plans in life based on what they were promised. Many would never have retired if they knew the rug was being pulled out from under them by taking away benefits based on their age.

You have many options to fix this problem before January 2015. Does everyone remember the movie Invictus? Do you remember that movie? It was a real great movie, and Nelson Mandela came into a meeting in which the vote had already been taken to change the name of the Springboks, and he said, and went in and addressed that meeting and said, you did not consider all the facts. Guess what? He changed that all around. GE needs to do the same thing with this decision.

Second, I want to thank you for doing what you told us at the meeting with the retirees in Fairfield by raising the dividend. That was really great, and keep it up.

Also, we passed out a leaflet. It's over here at the proponent table showing the disgraceful pension of John [Melville] with nearly 44 years of service with the highest rate of pay in the shop, and our 27th patent maker. For his 44 years, on top he gets a pension, monthly pension, of $1,093.35. After insurance this boils down to $789 a month. I think, and we think, this has to be changed. And you can do it, and we can do it together. And that's right on a letterhead, and you can see it on the proponents table.

But last and not least, Jeff, for years we have had a meeting with senior management and retirees to resolve many problems that have proved beneficial to both GE and retirees, and you yourself have attended this kind of meeting in Fairfield. We were promised annual meetings, and I understand your Human Relations department has a big shakeup with John Lynch and Mike Desantis retiring. Jeff, we the retirees, who Jack Welch said have the largest block of shareowners, need to meet with you and your team, and the Vice President of Human Resources, Susan Peters.

Jeff, I know you have my number, and you know I have yours, had number for a long time. So, please, set up the meeting and get this going.

Jeff Immelt - ***General Electric Company - Chairman***

Thanks, Kevin. Microphone number 2, yes sir.

Terry Dybel ***Shareholder***

Good morning, Chairman, Directors, and shareholders. My name is Terry Dybel. I'm a shareholder. My question is very brief. It's related to a consortium between GE, Hitachi, and Camco. And through this consortium we are working on a process to enrich uranium using a laser. Could you give us a heads up on what's going on in North Carolina at the Wilmington facility, and at the Paducah facility in Kentucky? And there's an agreement between the Australian and U.S. government to keep this process, because it's third generation, nobody else can do it. GE has it. Does GE and consortium have a patent protecting it, an international patent?

Jeff Immelt - ***General Electric Company - Chairman***

Yes, so I think we're still going through the pilot plant process with this technology to try to prove it out, and the technology is patented as well.

Terry Dybel ***Shareholder***

Okay. We have that.

Jeff Immelt - ***General Electric Company - Chairman***

Yes, sir. Thank you very much. Microphone number 1, good morning, how are you?

Ron Flowers - ***Retirees Association of General Electric - Shareholder***

Good morning, Jeff. Ron Flowers, I'm with the Retirees Association of General Electric out of Erie, Pennsylvania. Just want to talk a little bit about the forgotten folk. We have a whole bunch of retirees that built this company, and built it on a really strong foundation. And many times during this presentation of the millions and billions of dollars that have transpired in the company, we heard about the crisis. The crisis where out stock went down to a little over $6, and it hurt a lot of people. I mean there were millionaires that lost hundreds of thousands of dollars. Really terrible.

Now, what if you're a retiree. What if you're a retiree, and you depend on the dividends that you get from the General Electric Company. This is your savings that they told you to put together. This is your savings that you put together, and then all of a sudden the company says -- we're going to take two-thirds of it away. And they did. The stock went from $0.31 down to $0.10. This hurt tremendously for the retirees.

The company now says -- we've pulled out of it, we're doing good. And the future looks great. Well, the retirees haven't pulled out of it. They lost that money. They had to make up that money by doing things like selling their stock. Well, when the stock goes back up, what does that mean to them? Just what does it mean to them? Nothing.

So, I want to give you an example of some retirees. Will all the retirees in here please stand up? Come on, there's a whole bunch of you. There's the foundation of your company. You are here because of them. You are here because of them. Now I implore you Jeff, and your Board of Directors, we haven't had a structural increase in our pensions since 2007. We had a 13th check that benefited the people that get the highest pensions, but these people need a structural increase in their pensions focused on the people on the lower scale. Thank you.

Jeff Immelt *- General Electric Company - Chairman*

Thank you, Ron. Microphone number 2. Yes, ma'am.

Lois Lubin *Shareholder*

Lois Lubin, a shareowner. In the mail, I received the letter with two sheets. One of them is the shareowner meeting notice, two sides. The other one has one side, top half is a letter to the shareowners from Brackett B. Denniston III, who I see is right here, and the last paragraph says -- the notice provides details about the online posting about proxy materials, which is true. The notice contains information about how you can, if you wish, request paper or email copies at no cost to you. Yes. The last sentence says -- it also has instructions for voting online, by mail, or in person. I have looked over this notice umpteen times without finding any instructions in this notice of how to vote in person.

The second half of this second sheet includes the sentence -- you may also vote your shares in person by bringing the notice with you and attending the meeting. Okay. But then it goes on -- please see the proxy statement for additional information on how to attend the meeting, and vote your shares. So, now I'm told I have to see the proxy statement in order to find out how to attend the meeting. Last night was when I finally decided, okay, maybe I should look at that, because I certainly -- I checked this like 75 times trying to see the directions. I know where it is. It's in Chicago. I live in Chicago. Great, I can go to a shareholder meeting. And that one tells me something about a ticket, and if you vote your shares this way, you can get a ticket. But I said, I wanted to vote it in person.

And I found place where it says look online. [It says]. You [cut] that one, I get a string of press releases. And I go -- hey, I say it has some phone numbers. So [another went] by phone. So I called that number, which is Computershare, where I was told -- oh, you need an admission ticket in order to attend, and he was trying to find out for me, we were on the line for like 15 minutes, and on hold. He finally came back and said -- thank you so much for waiting, and it went dead. So I finally gambled that maybe there was some way to get in.

But I think you could improve your communications. Thank you.

Jeff Immelt *- General Electric Company - Chairman*

Thank you. Microphone number 1.

Don Gilson *Shareholder*

Hello General Electric stockholders. My name is Don Gilson from Hubbard, Ohio. I've done about 114 different jobs to make a living and make a dollar. I drove trucks for Roadway Express for 32 years. I've been in probably 30,000 businesses in 30 years, and I was always asking questions, so I got a lot of experiences about a lot of business. I'm a positive thinker, and I'm a cheerleader. And I've been a long-term stockholder of General Electric since November of 2001.

And as you see from one of my proposals, I lost a couple dollars. No big deal. I'm a positive thinker. Today is the day to turn this company around. I am, with your help, we're going to do it. And all I want to do in the next 2 years is double the sales, double the profits, and double the price of this stock, and increase our factory workers' paycheck by 50% or 60%, by having so darned many orders.

I want like Bic and all those pen companies to have a shortage because our salesmen are using up all the pens. And so anyway, every morning when you look in the mirror to that beautiful face, I want you to say 3 times, think General Electric, think General Electric --

Jeff Immelt - ***General Electric Company - Chairman***

There you go.

Don Gilson ***Shareholder***

Because I'm going to be in the mirror behind you, and you want me out of the mirror. So, anyway so you remember that, and you take a piece of paper, and I want you to put it in your wallet and billfolds, and here's one of the -- I'm in the horse and buggy age, but I want you to have this piece of paper that has www.ge.com. And if you, wherever you work, if you work in the hospital, if you work on the railroad, if they're building a casino, whatever they're doing in your area, I want you to notify headquarter, and see if we do that.

And I'll tell you why it works. When I worked at Roadway, the boss would get a notice to lay 2 of us off. So there's 20 drivers. And you know those mean teamsters, anyway, my shop steward would say -- we're not going to let him lay off anybody. Everyone ask for one more shipment. Here's you got 20 drivers, and they make 20 stops a day. So you got 300 sales calls made that day.

So anyway when I'd be listening to my two-way radio on my route, I'd hear at the end of the day, the dispatcher saying -- well, hey, how about making a pick over there at Brown's place. And the driver would say -- well, I don't have any room. You'd say -- what do you mean you don't have any room? You only made 2 pick ups. He said -- well, I'm full, I can't get another shipment on, because so-and-so give me 6 shipments and whatever. I'd hear that 4 or 5 times on the radio.

So what we aren't doing is making enough sales calls. I've sold door-to-door. I've traveled the world. I used to have patched pants when I was a little boy. I grew up in a house that there was 8 rooms and path, not a bath. I got shot at in Korea for this country. And by God, today's the day to turn around this around.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you.

Don Gilson ***Shareholder***

So, anyway, I hope you will do that. Look at the mirror, anyplace, give our company the chance to sell more.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you very much. Let's go to microphone number 2.

Evelyn Kauffman ***Shareholder***

Hi, Mr. Immelt. Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Microphone number 2. Good.

Evelyn Kauffman ***Shareholder***

My name is Evelyn Kauffman, and I live in Schenectady, New York. Like thousands of other retired GE salaried employees, and although I live on Regent Street, I'm not feeling particularly royal today, as I, along with tens of thousands of other salaried non-union employees and retirees have been told we're no longer eligible for the post-65 benefit, which you've heard from other people today.

These were benefits that we earned over our career, and that we were promised when we retired. Right now I'm sure many of us would like to be in a union, like the IUE-CWA, headed by Bob Santamoor, former business agent of Schenectady Local 301, whom you recently lauded in an Annual Report as a respected friend of yours.

I am sure you talk to Bob, but you don't talk to the tens of thousands of us, who being non-union effectively become non-existent. In 2010, I made the decision to retire from GE. And I made that based on many factors, not the least of which was that I would have medical coverage for the rest of my life. It's very hard to plan for one's future when the promises made by your company are taken back after the fact.

In September 2012, GE announced that we were losing our supplemental medical coverage, and that I would be given 2 whole years to help make up that loss. The cost to me to replace this benefit will be in excess of $50,000, and I have yet to figure out how I'm going to make up that loss. Ironically, I spent the majority of my 37 years with GE traveling the company as a GE benefits counselor at corporate benefits delivery, and during that time I went to many GE locations, and I presented to employees who were impacted by massive job loss events, such as layoffs, plant closings, and business dispositions.

And although that was a devastating time for them, I was so proud that I could promise those employees, many of them, that they would be able to keep those benefits, because they had met the qualifications that the company had established. I also gave thousands of presentations to employees and their spouses who attended our pre-retirement planning seminars, and again, I let them know exactly what was required in order to keep those valuable benefits.

I'd like to emphasize that never during any of those presentations was I ever told to mention that GE had the right to withdraw those benefits at any time, and apparently for any reason. Now, any clear thinking person realizes that companies can't continue to offer that level of benefit coverage. And even GE has changed over the years, the benefit offerings that it has given its employees. But for new employees. GE has always abided by the principle that once a benefit is earned, it can't be lost. Apparently, that's no longer the case.

It is even worse when I think of all the people who relied on me to give them their benefits education. I feel the company has jeopardized its integrity, but more importantly to me, it's jeopardized my credibility. So my -- I have only one question and that is, I would like somebody from corporate, Human Resources in Fairfield, to come visit those of us in Schenectady, who'd like to have that conversation with you, and understand why you made that decision, and to help answer some of the questions that we have. Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you. Microphone number 1. Yes, sir.

Eden Cooper ***Shareholder***

Mr. Immelt, Eden Cooper, individual shareholder. First of all, thank you for coming to Chicago. And it's one brief comment, and then a question. I know GE had a tough during the financial crisis, and I defied my financial advisor's advice to sell the stock at the time. I was interested in your comment about 30,000 people being screen for cardiac problems, and so on, and GE has always been a leader in technology. Are you involved or do you have anything to do with 3D printing, which seems to be a growing field right now?

Jeff Immelt - ***General Electric Company - Chairman***

Yes, we have a tremendous investment in that, and we think that's going to be a good future technology in manufacturing. Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Dennis, good morning.

Dennis Rocheleau ***Shareholder***

Good morning, Jeff. I'm Dennis Rocheleau from Waupaca, Wisconsin. As important as the issue of corporate governance is, my remarks today address a more pressing matter, the product of an ill-considered action by the board. Before I go into details, I express my appreciation to General Counsel Denniston, and Director Lazarus, who are considerate enough to listen to my views. Although the degree of engagement they provided was less than the matter deserves, and their official position remains disappointing, each is the type of individual this company needs, and we are privileged that they are in their important positions.

Considering GE's claims that it values highly feedback and transparency, the inability to establish any meaningful dialogue with appropriate company executives in the proposed dramatic cuts to retirees healthcare benefits is deeply disappointing. As mentioned in my comments at last year's shareholder meeting in New Orleans, those unprecedented, and in my mind, unjustifiable changes represent a cost shift of nearly $1 billion. Admittedly, that is a considerable savings to the company, but it is directly attributable to huge, unexpected increases in the expenses incurred by retirees, about $2,000 per year for long-service employees like myself, and up to $100,000 for some married couples over their expected years of retirement.

In effect, one party's enhanced competitiveness is funded by significant reduction in the other party's well-being, a classic win-lose structure, which I tried to avoid whenever possible in my 36 years of representing GE in negotiations with its major unions. What I also tried to do in that career was to deal honestly with the facts, to listen carefully to the views of the other side, and to fashion a resolution of any differences in a manner that would pass public scrutiny, and build a foundation for an ongoing relationship of mutual success.

In the instant case, such subjectives have seemingly been thrown out the window. In response to 2 years of decreasing retiree healthcare cost, our cry wolf company ravaged benefits just weeks after expressing in writing that it expected, and intended, to continue those very benefits indefinitely. Where I come from, a month is not the commonly understood definition of indefinite.

Without a pressing financial imperative, the company's actions strikes me as unseemly, and a gross departure from its tradition of fair-dealing with employees. And by the way, healthcare costs declined again last year.

Compounding the inequity, the company refuses to support or defend its actions other than to mouth some platitudinous dedication to competitiveness. There may be a new day coming in healthcare once Obamacare gets up and running, but I doubt it will be as sunny as some of its actuarially challenged advocates predict.

Be that as it may, an open exchange of ideas and data with the population adversely affected, would seem totally consistent with the professed values of a company that A, is committed to both the spirit and the letter of ethical behavior; B, trumpets the power of diverse teams; and C, openly worries about the well-being of some theoretical teenager working for some foreign vendor, and provides her multiple avenues to redress possible wrongs.

To quote from the company's seminal document, we seek to go beyond simply obeying the law. We embrace the spirit of integrity. Really? Apparently, it is easy to love humanity in the abstract, but it is impossible to look a group of informed, intelligent, long-service salaried employees in the eye, and tell them why the employment bargain they thought they struck is so yesterday.

Even more confounding, GE has regularly met with retired unionized hourly and salaried employees to discuss their benefit concerns. Where is the equity in that? Never would I have thought a dose of Plessy v Ferguson justice would look appealing. For 36 years, I thought that I did my union relations job competently. And apparently, GE did too. It promoted me to my dream job of Chief Negotiator, and paid me pretty well in the process. Good as I was, there is no way I could have ever negotiated with the IUE-CWA, the UE, the IAM, the IDW, the UAW and the like, a reservation of rights clause that gave the company the unfettered ability to toss out and destroy the very benefits I had promised to confer on their members in order to reach an agreement and get the proverbial handshake.

I value my credibility too much to engage in such chicanery. And even if some other management magician were previously able to pull off that transaction, common decency and good faith bargaining would make it incumbent on me to reiterate periodically that now you see it, now you don't, to call to the attention of the new leadership the fragility of the company's offer. I know I never did that.

Throughout my career, I practiced a number of principles that contributed to the company's and my success. First, you are accountable not only for what you say, but for what the other party thought you said. That is what they believed they had bargained. This has the salutary effect of encouraging precision and candor, and cutting down on vague, ambiguous assertions, like competitiveness.

Second, you should seek and take only that which you truly need, not that which you could get due to your adversary's limitations. Morality and integrity must outweigh legality and ability, if you are going to make a long-term, mutually beneficial relationship.

Third, if a mistake is made, even one of inadvertent over-reaching, admit it, and correct it as promptly as practical, or the foundation of trustworthiness, critical to your reputation, will be irreparably compromised.

The company violated all these rules with the announced healthcare cuts. I don't blame you personally, Jeff, but I condemn those who, knowing your aversion to legacy costs, sought to curry favor and ignored history and context in the process. Shame on them. It appears that for too many GE executives, Bertolt Brecht's observation, grub first then ethics, has replaced finding a better way every day as GE's operating mantra.

No longer does GE bring good things to life. Rather it takes good things from long-service, credulous employees, and cossets executives who contemporize benefits, that is dramatically reduce them, and who do so without the decency or courage to face those disenfranchised.

Abraham Lincoln observed that mercy bears richer fruits than strict justice. Embracing that ethic, the spirit trumping the letter, why doesn't GE in the claimed spirit of transparency, integrity, and facing reality, sit down with salaried retirees, who cannot unionize to one, review the healthcare cost data; two, compare the actions of peer companies, like Boeing, IBM and Johnson & Johnson; and three, detail the financial impact of these proposed changes on the various classes of salaried retirees.

In being one of the first companies to do so, not the 200th, GE would restore my belief in my belief in its fundamental decency and integrity. It would likewise reaffirm its off-stated claim that its employees are indeed its most valuable asset. What's your response to that suggestion?

Jeff Immelt - ***General Electric Company - Chairman***

It's great to see you again this year, Dennis.

Dennis Rocheleau ***Shareholder***

And it's good to see you.

Jeff Bornstein - ***General Electric Company - CFO***

So, thanks, thanks for your thoughtful words.

Jeff Immelt - ***General Electric Company - Chairman***

So, we're going to take 2 more, microphone 1 and maybe one at microphone 2. Then we'll call it a day. Let me just take one here.

Martin Glotzer ***Shareholder***

We want the final say.

Jeff Immelt - ***General Electric Company - Chairman***

Okay. We'll give that to you. Microphone 1. Yes, sir.

Mike Dunn ***Shareholder***

Hi, I'm Mike Dunn from Evanston, just north of here. Welcome to the greatest city in the country.

Jeff Immelt - ***General Electric Company - Chairman***

Thanks.

Mike Dunn ***Shareholder***

And it would be a good idea to move the corporate headquarters to Chicago.

Jeff Immelt - ***General Electric Company - Chairman***

It'd be good.

Mike Dunn ***Shareholder***

You won't regret it. It's a great town. I have a simple yes or no question concerning corporate -- the company's charitable giving area, the charitable giving of the company. And the question is, does GE give any money to Planned Parenthood? Yes or no.

Jeff Immelt - ***General Electric Company - Chairman***

Do you know the answer to that? I don't think so. I think the answer is no to that. The last microphone 2. Yes, ma'am.

Ann Marie Brown ***Shareholder***

My name is Ann Marie Brown. I'm from Chicago. A lot of the things that you build and do are connected with areas of the environment -- energy, medical, et cetera. Could you please tell me what your policy is in regards to the environment and the products that you are producing that might have an impact on the environment?

Jeff Immelt - ***General Electric Company - Chairman***

Well, we constantly introduce new fuel-efficient products that all have positive impact, broadly speaking. We have for years invested behind energy efficiency, and reducing emissions of all of our products, so we view that as a competitive advantage. But we really follow markets, and we're led by technology.

Ann Marie Brown ***Shareholder***

Okay. What about the fracking, and things like that, where there are questions about the impact?

Jeff Immelt - ***General Electric Company - Chairman***

So, we believe we provide solutions to those challenges around hydraulic fracking and other areas. But we very much believe that natural gas is a great asset for this country.

Ann Marie Brown ***Shareholder***

Thank you.

Jeff Immelt - ***General Electric Company - Chairman***

Thank you. Okay, the last word right here.

Martin Glotzer ***Shareholder***

Yes, Mr. Chairman, I want to thank you for chairing the Shareholders Meeting. It's a pleasure to be at a GE meeting. You allowed every shareholder to take the time to ask the questions, and at many shareholder meetings they cut shareholders off. So it's a pleasure to be here. I always hope I have time next year maybe to come to another GE meeting. Thanks you guys for coming to Chicago.

Jeff Immelt - ***General Electric Company - Chairman***

It's great to see another concerned guy. Before we leave here today, I want to thank the city of Chicago, and thank all of the retirees and investors who came here today. These are a great process to let people have their say, and I know you all care about the company. Subjects like healthcare are difficult subjects that we take seriously. All of us have personally spent a long time with the company, and I consider Dennis Rocheleau, who thoughtfully spoke the words today, somebody that I've known for a long time. I respected his work. I respect his words today. These are decisions that the company takes very seriously when we do, and we appreciate your voice. We appreciate you coming here today.

This is a great company, a competitive company, a high integrity company, and I want everybody to know that as you leave here today. GE is a fine company that is in strong shape. Not a perfect company, but we've made it for 130 years because we have a great team that works with integrity, that beats its competition in every corner of the world. And I want you to walk out of this room here today with your head held high as a GE investor.

Thank you for coming here today. It's great to have you.