



2017 Proxy Statement Supplemental Information

March 8, 2017

Caution Concerning Forward-Looking Statements. This document contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see <http://www.ge.com/investor-relations/disclaimer-caution-concerning-forward-looking-statements> as well as our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements. This document also includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

Imagination at work.

Non-GAAP Financial Measures Used in 2017 Proxy Statement



Non-GAAP financial measures

The table below lists the non-GAAP financial measures used in the 2017 Proxy Statement and indicates where you can find more information, including how we calculate the measure and why we use it.

<i>Non-GAAP financial measure</i>	<i>Proxy pages</i>	<i>Where you can find more info*</i>
Industrial segment organic revenue growth**	7, 33	Page 102 of 2016 Form 10-K
Industrial operating + Verticals EPS	6-7, 32, 40	Page 107 of 2016 Form 10-K
Industrial operating profit	6, 32	Page 109 of 2016 Form 10-K
Industrial operating margin	6, 32, 40, 45	Page 109 of 2016 Form 10-K
Industrial operating margin (ex. Alstom)	7, 33	Page 109 of 2016 Form 10-K
Industrial segment op. margin (ex. Appliances and/or Alstom)	6, 34	Page 4 of this document
Industrial segment gross margin (ex. Alstom)	7, 33	Page 110 of 2016 Form 10-K
Industrial ROTC	6, 33, 40	Page 112 of 2016 Form 10-K
GE Capital Verticals earnings	33	Page 107 of 2016 Form 10-K
GE CFOA (ex. deal taxes & pension funding)	7	Page 113 of 2016 Form 10-K
Free cash flow + dispositions	6, 32	Page 114 of 2016 Form 10-K
Total cash generation	6, 34, 40, 45	Page 5 of this document

Our 2016 Annual Report on Form 10-K is available at
[https://www.ge.com/ar2016/assets/pdf/GE 2016 Form 10K SummaryAndFull.pdf](https://www.ge.com/ar2016/assets/pdf/GE_2016_Form_10K_SummaryAndFull.pdf)



*When referring to the 2016 Form 10-K, please see "Financial Measures that Supplement U.S. Generally Accepted Accounting Principles Measures (Non-GAAP Financial Measures)" beginning on page 101.

**Both excluding Alstom as well as including Alstom for November & December of both 2015 & 2016.

Industrial segment operating margin (ex. Alstom & Appliances) for 2013-2016 & 2014-2016 PSUs

(\$ in millions)	2016
Industrial Segment revenue	\$113,156
Less: Alstom revenue	13,015
Industrial Segment revenue ex. Alstom	<u>\$100,141</u>
Less: Appliances revenue	2,597
Industrial Segment revenue ex. Alstom & Appliances	<u>\$97,544</u>
Industrial Segment op profit	\$17,598
Less: Alstom op profit	772
Industrial Segment op profit ex. Alstom	<u>\$16,826</u>
Less: Appliances op profit	255
Industrial Segment op profit ex. Alstom & Appliances	<u>\$16,571</u>
Industrial Segment margins	15.6%
Industrial Segment margins ex. Alstom	16.8%
Industrial Segment margins ex. Alstom & Appliances	17.0%



We have calculated industrial segment operating margin excluding the results of our fourth quarter 2015 Alstom power and grid acquisition and second-quarter 2016 sale of our Appliances business. We believe that these are meaningful measures because they increase the comparability of period-to-period results and, in the incentive compensation context, eliminate undue positive and negative impacts on the calculation from significant business development activities. For example, we adjusted the results to exclude Alstom because in 2016 we were still working to fully integrate Alstom into our operations.

Total cash for 2013-2016 & 2014-2016 PSUs

(\$ in millions)

	<u>'16</u>	<u>'15</u>	<u>'14</u>	<u>'13</u>	<u>'13-'16</u>	<u>'14-'16</u>
Cash from GE's operating activities from continuing operations, as reported	\$29,960	\$16,354	\$15,171	\$14,255	\$75,740	\$61,485
Plus Synchrony Financial exchange offer value	-	20,383	-	-	20,383	20,383
Plus GE proceeds from principal business dispositions & NBCU	5,357	1,725	602	18,015	25,699	7,684
Less pension funding	<u>347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347</u>	<u>347</u>
Total cash	<u>\$34,970</u>	<u>\$38,462</u>	<u>\$15,773</u>	<u>\$32,270</u>	<u>\$121,475</u>	<u>\$89,205</u>



We believe that total cash is a useful financial metric to assess our ability to pursue opportunities to enhance our growth as it focuses management on the cash we have available to execute on our capital allocation plans and position GE for long-term growth. In calculating this metric, we included the value of the exchange offer for Synchrony Financial because it contributed to GE's ability to execute on its share buyback plans.

Incentive compensation metrics



2016 bonus pool funding financial metrics*

- **Industrial Operating + Verticals EPS**

Represents Industrial operating + Verticals earnings divided by the average number of diluted common shares. Verticals represents the GE Capital businesses that we expect to retain after the disposition of most of our financial services businesses.

- **Industrial Operating Profit**

Represents segment profit from GE's industrial segments plus adjusted corporate operating costs.

- **Industrial Operating Margin**

Represents segment profit from GE's industrial segments and adjusted corporate operating costs as a percentage of revenue from these segments and corporate.

- **Free Cash Flow + Dispositions**

Represents GE's cash from operating activities (including from the Industrial continuing operations of the company and dividends from GE Capital) minus GE additions to property, plant and equipment (P&E), plus GE dispositions of P&E that are included in cash from investing activities, and plus after-tax proceeds from Industrial principal business dispositions.

To see how each of these metrics was calculated, refer to "Financial Measures that Supplement U.S. Generally Accepted Accounting Principles Measures (Non-GAAP Financial Measures)" on page 101 of the 2016 Form 10-K.

*Under the terms of the bonus program, the MDCC could adjust these items for extraordinary items, although it did not do so for 2016.



2016-2018 LTPA metrics*

- **Industrial Operating + Verticals EPS (2016-2018)**

Represents Industrial operating + Verticals earnings divided by the average number of fully diluted common shares.

- **Total Cash Generation (2016-2018)**

Represents GE cash from operating activities (including from the Industrial continuing operations of the company and dividends from GE Capital) plus after-tax proceeds from Industrial principal business dispositions. See page 5 for how this metric is calculated.

- **Industrial Operating Margin (2018)**

Represents segment profit from GE's industrial segments and adjusted corporate operating costs as a percentage of revenue from these segments and corporate.

- **Industrial ROTC (2018)**

Represents Industrial earnings from continuing operations before accounting changes plus the sum of after-tax interest and other financial charges and noncontrolling interests, divided by the sum of the averages of Industrial equity (excluding effects of discontinued operations and the estimated value of assets held to support GE Capital), borrowings, mandatorily redeemable preferred stock and noncontrolling interests (on an annual basis, calculated using a five-point average).

- **Cash Returned to Investors (2016-2018)**

Represents dividends paid plus share repurchases. Refer to "Key Performance Indicators" on page 26 of the 2016 Form 10-K for how this metric is calculated.

To see how each of these metrics (other than Total Cash & Cash Returned) is calculated, refer to "Financial Measures that Supplement U.S. Generally Accepted Accounting Principles Measures (Non-GAAP Financial Measures)" on page 101 of the 2016 Form 10-K.



*Under the terms of the LTPA program, the MDCC can adjust these items for extraordinary items.

2013-2016 PSUs*

- **Total Cash Generation (2013-2016)**
Represents GE cash from operating activities (including from the Industrial continuing operations of the company and dividends from GE Capital) plus after-tax proceeds from Industrial principal business dispositions plus proceeds from the Synchrony Financial split-off. See page 5 for how this metric is calculated.
- **Industrial Segment Operating Margin (ex. Alstom) (2016)**
Represents segment profit from GE's industrial segments as a percentage of revenue from these segments, excluding the results of Alstom, which GE acquired in November 2015. See page 4 for how this metric is calculated.
- **Relative Total Shareholder Return (2013-2016)**
Represents GE's change in stock price plus returns, assuming the reinvestment of dividends into additional GE stock, vs. the S&P 500.

2014-2016 PSUs*

- **Total Cash Generation (2014-2016)**
Represents GE cash from operating activities (including from the Industrial continuing operations of the company and dividends from GE Capital) plus after-tax proceeds from Industrial principal business dispositions plus proceeds from the Synchrony Financial split-off. See page 5 for how this metric is calculated.
- **Industrial Segment Operating Margin (ex. Alstom & Appliances) (2016)**
Represents segment profit from GE's industrial segments as a percentage of revenue from these segments, excluding the results of Alstom, which GE acquired in November 2015, and Appliances, which we sold in June 2016. See page 4 for how this metric is calculated.
- **Relative Total Shareholder Return (2014-2016)**
Represents GE's change in stock price plus returns, assuming the reinvestment of dividends into additional GE stock, vs. the S&P 500.



*Under the terms of the LTPA program, the MDCC could adjust these items for extraordinary items.

2015-2017 PSUs*

- **Total Cash Generation (2015-2017)**
Represents GE cash from operating activities (including from the Industrial continuing operations of the company and dividends from GE Capital) plus after-tax proceeds from Industrial principal business dispositions plus proceeds from the Synchrony Financial split-off. See page 5 for how this metric is calculated.
- **Industrial Segment Operating Margin (2017)**
Represents segment profit from GE's industrial segments as a percentage of revenue from these segments. See page 4 for how this metric is calculated.
- **Relative Total Shareholder Return (2015-2017)**
Represents GE's change in stock price plus returns, assuming the reinvestment of dividends into additional GE stock, vs. the S&P 500.

2016-2018 PSUs*

- **Total Cash Generation (2016-2018)**
Represents GE cash from operating activities (including from the Industrial continuing operations of the company and dividends from GE Capital) plus after-tax proceeds from Industrial principal business dispositions. See page 5 for how this metric is calculated.
- **Industrial Operating Margin (2018)**
Represents segment profit from GE's industrial segments and adjusted corporate operating costs as a percentage of revenue from these segments and corporate.
- **Relative Total Shareholder Return (2016-2018)**
Represents GE's change in stock price plus returns, assuming the reinvestment of dividends into additional GE stock, vs. the S&P 500.



*Under the terms of the LTPA program, the MDCC can adjust these items for extraordinary items.

Reconciliation of Realized Compensation to Summary Compensation



Realized versus summary compensation

To calculate realized compensation for 2016 (which represents taxable W-2 income for 2016), we started with the 2016 amounts shown in the SEC Total column in the Summary Compensation Table on page 38 and made the following adjustments:*

<i>Subtractions from SEC Total</i>	<i>Additions to SEC Total</i>
<ul style="list-style-type: none">• Bonus & LTPA earned for 2016 (reflected in Bonus and Non-Equity Incentive Plan Comp. columns)• Aggregate grant date fair value of equity awards (reflected in Stock Awards & Option Awards columns)• Year-over-year change in pension value & nonqualified deferred compensation earnings (reflected in the Change in Pension Value & Nonqualified Deferred Comp. Earnings column)• Contributions to the Retirement Savings Plan (RSP) & medical premiums that are deducted from income on a pretax basis• Difference between the cost attributable to personal use of aircraft as calculated under SEC rules versus tax rules• GE's RSP match (reflected in the table under "All Other Comp." on page 39)	<ul style="list-style-type: none">• Bonus actually paid in 2016 (reflected in Bonus column for 2015)• Value realized from vesting of RSUs before payment of applicable withholding taxes & brokerage commissions (reflected in Option Exercises and Stock Vested Table on page 46), including the value realized from payment of any dividend equivalents• Travel costs attributable to the named executives' guests when there is no aggregate incremental cost to the company under SEC rules but there is imputed income for tax purposes

Also, certain other benefits (reflected in the table under "All Other Comp." on page 39) are accounted for on a tax year of November through October for realized compensation purposes and on a calendar-year basis under SEC rules. For more information on total compensation as calculated under SEC rules, see the narrative accompanying the Summary Compensation Table beginning on page 38.



*Page numbers refer to the company's 2017 Proxy Statement, as filed with the SEC.

Reconciliation of Proxy Tables to SEC-Required Tables



Reconciliation of proxy tables to SEC-required tables*

We have simplified certain compensation table column headers in GE's 2017 Proxy Statement to provide, what we believe, is clearer, more transparent disclosure for investors. The table below explains how these column headers line up with the SEC labels.

<i>SEC-required Summary Compensation Table</i>	<i>GE's Summary Compensation Table (p. 38)</i>
Stock Awards	PSUs & RSUs
Option Awards	Stock Options
Non-Equity Incentive Plan Compensation	LTPAs
Change in in Pension Value and Nonqualified Deferred Compensation Earnings	Pension & Deferred Comp.
<i>SEC-required Grants of Plan-Based Awards Table</i>	<i>GE's Long-Term Incentive Compensation Table (p. 42)</i>
Estimated Future Payouts Under Non-Equity Incentive Plan Awards	Estimated Future Payouts Under Long-Term Performance Awards
Estimated Future Payouts Under Equity Incentive Plan Awards	Estimated Future Payouts Under Performance Share Units (#)
All Other Stock Awards: Number of Shares of Stock or Units	Restricted Stock Units (#)
All Other Option Awards: Number of Securities Underlying Options	Stock Options (#)
Exercise Price of Option Awards	Stock Option Exercise Price
Grant Date Fair Value of Stock and Option Awards	Grant Date Fair Value of Awards
<i>SEC-required Outstanding Equity Awards at Fiscal Year-End Table</i>	<i>GE's Outstanding Equity Awards Table (p. 43)</i>
Number of Securities Underlying Unexercised Options (Exercisable)	Portion Exercisable
Number of Securities Underlying Unexercised Options (Unexercisable)	Subtract Portion Exercisable from Number Outstanding
Number of Shares or Units of Stock That Have Not Vested	Number Outstanding
Market Value of Shares or Units of Stock That Have Not Vested	Market Value
Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Number Outstanding
Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Other Rights That Have Not Vested	Market Value

*Page numbers refer to the company's 2017 Proxy Statement, as filed with the SEC.