



2018 Proxy Statement Supplemental Information

March 12, 2018

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 2018 Proxy Statement



Non-GAAP financial measures

The table below lists the non-GAAP financial measures used in the 2018 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 operating + Verticals EPS	5, 30, 44	Page 98 of 2017 Form 10-K
Industrial operating margin (Operating margin)	5, 30, 43, 44	Page 99 of 2017 Form 10-K
Industrial return on total capital (Industrial ROTC)	44	Page 101 of 2017 Form 10-K
Industrial segment organic revenue growth (Organic revenue growth)	5, 30	Page 94 of 2017 Form 10-K
Industrial operating profit	30	Page 99 of 2017 Form 10-K
Industrial structural cost	30	Page 96 of 2017 Form 10-K
Operating cash flow	5, 30	Page 4 of this document
Total cash generation	5, 33, 43, 44	Page 5 of this document

Our 2017 Annual Report and Form 10-K is available at
https://www.ge.com/investor-relations/sites/default/files/GE_AR17.pdf



*When referring to the 2017 Form 10-K, please see “Financial Measures that Supplement U.S. Generally Accepted Accounting Principles Measures (Non-GAAP Financial Measures)” beginning on page 93.

Operating cash flow

(\$ in millions)

	<u>2017</u>
Cash from GE's operating activities from continuing operations, as reported	\$11,040
Less: BHGE 2H'17 CFOA	(477)
Plus: BHGE Class B shareholder dividend	251
Plus: gross additions to PP&E	(4,132)
Plus: gross additions to software	(518)
Less: BHGE 2H'17 gross additions to PP&E	(488)
Less: BHGE 2H'17 gross additions to software	(34)
Plus: proceeds from business dispositions	3,106
Less: BHGE 2H'17 proceeds from dispositions	<u>(5)</u>
Operating cash flow	<u><u>\$10,750</u></u>

We define Operating cash flow as GE CFOA less GE additions to property, plant and equipment, additions to internal use software, and including proceeds from principal business dispositions, excluding the effects of Oil & Gas CFOA, additions to property, plant and equipment, additions to internal use software, and business dispositions, and including the effects of dividends received from BHGE. We believe that Operating cash flow is a useful measure to assess our ability to pursue opportunities to enhance our growth.



Total cash generation (2015-2017)

(\$ in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>'15-'17</u>
Cash from GE's operating activities from continuing operations, as reported	\$16,354	\$29,960	\$11,040	\$57,353
Plus Synchrony Financial exchange offer value	20,383	-	-	20,383
Plus GE proceeds from principal business dispositions & NBCU	1,725	5,357	3,106	10,188
Less 2H'17 BHGE CFOA	-	-	(477)	(477)
Less 2H'17 BHGE proceeds from business dispositions	-	-	(5)	(5)
Plus BHGE Class B dividend	-	-	251	251
Total cash	<u><u>\$38,462</u></u>	<u><u>\$35,317</u></u>	<u><u>\$14,878</u></u>	<u><u>\$88,657</u></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



2017 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 completion of the 2015 plan to dispose of most of our financial services businesses. See page 98 of the 2017 Form 10-K.

- **Organic Revenue Growth**

Represents Industrial segment revenue growth, excluding the effects of acquisitions, business dispositions and currency exchange rates. See page 94 of the 2017 Form 10-K.

- **Industrial Operating Margin Expansion**

Represents the change in segment profit from GE's industrial segments and adjusted corporate operating costs as a percentage of revenue from these segments and corporate. See page 99 of the 2017 Form 10-K.

- **Operating Cash Flow**

Represents consolidated cash from operating activities, as reported, less gross additions to property, plant, and equipment and software plus proceeds from principal business dispositions. Operating cash is reported with BHGE on a dividend basis for the second half of 2017. See page 4 for how this metric is calculated.

- **Digital Orders**

Refers to orders related to internally developed software and associated hardware, including Predix and software solutions that improve our customers' asset performance. See page 24 of the 2017 Form 10-K.

- **Industrial Operating Profit**

Represents segment profit from GE's industrial segments and adjusted corporate operating costs. See page 99 of the 2017 Form 10-K.

- **Industrial Structural Costs**

Represents Industrial segment structural costs excluding the impact of business acquisitions and dispositions, plus total corporate operating profit excluding pre-tax non-operating pension cost, restructuring and other charges and gains. See page 96 of the 2017 10-K.



2016-2018 LTPA metrics*

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

Represents Industrial operating + Verticals earnings divided by the average number of diluted common shares. See page 98 of the 2017 Form 10-K.

- **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, with BHGE on a dividend basis from the second half of 2017. See page 5 for how this metric is calculated.

- **Industrial Operating Profit 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. See page 99 of the 2017 Form 10-K.

- **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). See page 101 of the 2017 Form 10-K.

- **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 and page 19 of the 2017 10-K.



*Under the terms of the LTPA program, the MDCC can 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, with BHGE on a dividend basis from the second half of 2017. 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 99 of the 2017 Form 10-K 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, with BHGE on a dividend basis from the second half of 2017. 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.



Reconciliation of Realized Compensation to Summary Compensation



Realized versus summary compensation

To calculate realized compensation for 2017 (which represents taxable W-2 income for 2017), we started with the 2017 amounts shown in the SEC Total column in the Summary Compensation Table on page 37 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 2017, if any (reflected in Bonus and LTPAs columns)• Aggregate grant date fair value of equity awards (reflected in PSUs & RSUs and Stock Options columns)• Year-over-year change in pension value & nonqualified deferred compensation earnings (reflected in the Pension & Deferred Comp. column)• Contributions to the Retirement Savings Plan (RSP) & medical premiums that are deducted from income on a pretax basis• The cost attributable to personal use of aircraft as calculated under SEC rules (reflected in Personal Use of Aircraft column on page 38) versus tax rules• GE's RSP match (reflected in the table under "All Other Comp." on page 38)	<ul style="list-style-type: none">• Bonus actually paid in 2017 (reflected in Bonus column for 2016)• Value realized from vesting of RSUs and exercise of stock options before payment of applicable withholding taxes & brokerage commissions (reflected in Option Exercises and Stock Vested Table on page 43), including the value realized from payment of any dividend equivalents, other than RSUs withheld for delayed payment due to applicable tax rules for Mr. Immelt• Travel costs on aircraft 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• Residual tax equalization payments for Mr. Flannery pertaining to overseas assignments that were accrued in prior years but that were paid in 2017

Also, certain other benefits (reflected in the table under "All Other Comp." on page 38) 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 37.



*Page numbers refer to the company's 2018 Proxy Statement, as filed with the SEC. Column references mentioned above reflect the titles of those columns in the 2018 Proxy Statement. To see how those titles translate to SEC-required table columns, see page 13.

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 2018 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. 37)</i>
Stock Awards	PSUs & RSUs
Option Awards	Stock Options
Non-Equity Incentive Plan Compensation	LTPAs
Change 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. 40)</i>
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. 41)</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 2018 Proxy Statement, as filed with the SEC.